As filed with the Securities and Exchange Commission on October 9, 2013

Registration Statement No. 333-

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

FORM S-1

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

SYSOREX GLOBAL HOLDINGS CORP.

(Exact name of Registrant as specified in its charter)

Nevada	**7379**	**88-0434915**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Telephone: 408-702-2167
Telecopier: 408-824-1543
(Address and telephone number of principal executive offices)

Mr. Nadir Ali, CEO
3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Telephone: 408-702-2167
Telecopier: 408-824-1543
(Name, address and telephone number of agent for service)

Copies to:

Elliot H. Lutzker, Esq.
Davidoff Hutcher & Citron, LLP
605 Third Avenue
New York, New York 10158
Telephone: (212) 557-7200
Telecopier: (212) 286-1884

Ernest Stern, Esq.
Akerman Senterfitt LLP
750 9th Street, N.W., Suite 750
Washington, D.C. 20001
Telephone: (202) 393-6222
Telecopier: (202) 393-5959

Approximate Date of Proposed Sale to the Public: As soon as practicable after the effective date of this registration statement.

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☑

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Shares to be Registered		Proposed Maximum Aggregate Offering Price per Security		Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (2)
Common Stock, par value $.0001	4,600,000 shs	(1)	$ 5.00	(2)	$ 23,000,000	$ 2,962.40
Shares of Common Stock, par value $.001 underlying underwriter's Warrants	138,000 shs	(3)	$ 6.00	(4)	$ 828,000	$ 106.65
TOTAL	4,738,233 shs		---		$ 23,828,000	$ 3,069.05

(1) Includes 600,000 shares of Common Stock which may be issued upon exercise of a 45-day option granted to the Underwriter to cover over-allotments, if any.

(2) This is the initial public offering of our common stock, notwithstanding trading on the OTC Pink and is the assumed offering price for the purpose of calculating the registration fee in accordance with Rule 457 under the Securities Act of 1933, as amended (the "Act").

(3) Shares issuable upon exercise of warrants held by Wellington Shields & Co. LLC. equal to 3% of the number of shares sold in the Offering (including 600,000 shares issuable pursuant to the Underwriter's over-allotment option.

(4) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement shall be deemed to cover additional securities (i) to be offered or issued in connection with any provision of any securities purported to be registered hereby pursuant to terms which provide for a change in the amount of securities being offered or issued to prevent dilution resulting from stock splits, stock dividends, or similar transactions and (ii) of the same class as the securities covered by this registration statement issued or issuable prior to completion of the distribution of the securities covered by this registration statement as a result of a split of, or a stock dividend on, the registered securities.

This 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.

SUBJECT TO COMPLETION, DATED OCTOBER 9, 2013

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

Prospectus

4,000,000 Shares of Common Stock

Sysorex Global Holdings Corp.

This is the initial public offering of our common stock. Of the shares of Common Stock offered hereby, 3,800,000 shares are being sold by Sysorex Global Holdings Corp. (the "Company" or "Sysorex") and 200,000 shares by Geoffrey Lilien, an officer and director of the Company (the "Selling Stockholder") in a firm commitment offering. See "Principal and Selling Stockholder". We expect that the initial public offering price will be $5.00 per share of common stock.

	Per Share	Total
Public Offering Price	$ 5.00	$ 20,000,000
Underwriter's Fee	$ 0.35	$ 1,400,000
Net Proceeds to Company before expenses	$ 4.65	$ 17,670,000
Net Proceeds to Selling Stockholder	$ 4.65	$ 930,000

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We have agreed to pay Wellington Shields & Co. LLC (the "Underwriter") a fee equal to 7% of the gross proceeds raised in this offering (the Selling Stockholder to pay his proportionate share), a $50,000 non-refundable engagement fee, a 2% non-accountable expense allowance, and to reimburse the Underwriter for certain incurred expenses. See "Underwriting." In addition, we have agreed to grant to the Underwriter for no additional consideration: (i) a warrant to purchase shares of common stock equal in number to 3% of the number of shares sold in this offering (the "Offering") (including any shares issued pursuant to the Underwriter's over-allotment option and (ii) an 18-month right of first refusal. See "Underwriting."

The Underwriter has the option to purchase up to 600,000 additional shares from us at the public offering price for 45 days after the date of this prospectus to cover over-allotments, if any.

We are an "emerging growth company" under the Federal Securities laws and will be subject to reduced public company reporting requirements as set forth on page 3 of this prospectus. Our common stock is quoted under the symbol "SYRX" on the OTC Pink. On October 8, 2013, the last reported sales price was $1.65 per share. The Company has applied for a listing on a national securities exchange, which listing prior to the effective date of this prospectus is a condition to this Offering.

Investing in our common stock is highly speculative and involves a high degree of risk. You should carefully consider the risks and uncertainties described under the heading "Risk Factors" beginning on page 7 of this prospectus before making a decision to purchase our common stock.

The shares will be ready for delivery on _____, 2013.

WELLINGTON SHIELDS & CO.

The Date of this prospectus is _____, 2013

ADDITIONAL INFORMATION

You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. No one has been authorized to provide you with different information. The shares are not being offered in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of such documents.

TABLE OF CONTENTS

	Page No.
PROSPECTUS SUMMARY	1
WHERE YOU CAN FIND MORE INFORMATION	6
RISK FACTORS	7
USE OF PROCEEDS	27
MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	27
CAPITALIZATION	29
DILUTION	30
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	31
BUSINESS	41
MANAGEMENT	52
EXECUTIVE COMPENSATION	56
PRINCIPAL AND SELLING STOCKHOLDER	58
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE	60
DESCRIPTION OF SECURITIES	62
SHARES ELIGIBLE FOR FUTURE SALE	65
UNDERWRITING	67
LEGAL MATTERS	69
EXPERTS	69
WHERE YOU CAN FIND ADDITIONAL INFORMATION	69
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical financial statements and related notes included elsewhere in this prospectus. In this prospectus, unless otherwise noted, the terms "the Company," "we," "us," and "our" refer to Sysorex *Global Holdings Corp., and its subsidiaries, Sysorex Federal, Inc., Sysorex Government Services Inc., Sysorex Arabia LLC, Lilien Systems, and Shoom, Inc.*

The Company

Overview

Sysorex Global Holdings Corp. provides a variety of IT services and technologies that enable customers to manage, protect and monetize their enterprise assets whether on-premise, in the cloud, or via mobile. Historically Sysorex' customer base was 100% public sector but that has changed significantly with the acquisitions we have made in 2013. Currently, approximately 90% of the revenues we earn are from commercial enterprises and only approximately 10% are from government agencies. Our goal is to continue to build our private and public sector offerings and contracts. We intend to do this by acquiring other businesses. On March 1, 2013, we acquired Lilien Systems, an enterprise IT infrastructure solutions provider with over $40 million in annual revenue, in consideration of a combination of 6,000,000 shares of common stock and $3 million in cash from debt financing. Subsequently, on August 31, 2013, we acquired Shoom, Inc. ("Shoom") a provider of cloud-based data analytics and enterprise solutions to the media, publishing, and entertainment industries with over $4 million in annual revenue, in consideration of a combination of 2,762,000 shares of common stock and $2.5 million in cash. The cash portion was funded by the excess working capital we obtained from the Shoom acquisition. Finally, as of August 30, 2013, we signed a non-binding Letter of Interest with a potential acquisition candidate for which we are currently performing due diligence in connection with that entity.

The acquisitions of Lilien and Shoom have expanded our depth of enterprise service offerings, including big data services and cloud-based advanced analytics, while providing premier partnership status with leading vendors in IT infrastructure. Shoom also provides Sysorex with secure cloud-based software products which result in higher gross margins. These acquisitions reflect our business strategy, the purpose of which is to transform Sysorex from a services company to a technology company. We believe the acquisitions of Lilien and Shoom also provide us with an opportunity for vertical market and geographic expansion. We are focusing our primary efforts on the U.S. market in the near-term future. We have a small operating unit in Saudi Arabia and we intend to seek government contracts there. This unit does not represent a significant portion of our business and a failure to obtain contracts from the Saudi Arabian government will not have a material impact on our revenues or operations.

Cyber security and big data analytics are the areas we are targeting because we believe, based on industry data that these are growing market segments. For example, security of all forms, especially cyber-security, are significant growth areas (source: Market Research Media - U.S. Federal Cyber-Security Market Forecast 2013-2018 dated April 12, 2013), and Sysorex intends to increase its role in this sector. Gartner predicts that by 2015, 20% of Global 1000 organizations will have established a strategic focus on information infrastructure equal to that of application management. This is one of five Gartner predictions about big data and information infrastructure discussed in "Predicts 2013: Big Data and Information Infrastructure;" a November 30, 2012 report that describes in detail how the big data phenomenon will affect organizations, resources and information infrastructure. Our plan is to acquire companies with unique technologies and possibly some with patents, which we believe will give us an advantage over our competitors. However, the IT services and technologies industry is extremely competitive and many of the providers in the industry are extremely large and well financed. Therefore, there is a risk that the technologies we acquire or develop could become obsolete if others in the industry develop better products.

Recent events in the federal government including the on-going budget impasse, sequestration and currently the government shut down can impact our business with the federal government. However, our government contracts are less than 10% of our total revenues. Specifically, the current shutdown could delay payment on our current contracts, delay the award of contracts that Sysorex has under submission and delay the release of task orders from the government on its contracts including the US Navy SPAWAR contract. We currently expect the federal government shut down will be short-lived and without a material impact to our business. The budget impasse and sequestration are longer-term issues that we believe will have a minimal impact on our business because we are focused on cyber security and big data analytics, which we believe will continue to receive funding. We believe both of these will be growth areas for the government despite budget challenges because of the increased need for solutions in this space and recent high profile events, such as NSA information leaks by Edward Snowden and LexisNexis information leaks such as the social security number of the United States First Lady along with millions of other Americans, that have made it more of a focus. Our government contracts are typically three to five years and we believe that our recent historical government contract revenues will be indicative of future government contact based revenues. New contracts would be accretive.

Lilien's revenues are typically driven by purchase orders that are captured every month and Lilien does not typically have long-term contracts. However, Lilien does have a 29-year history and track record with a management team that we expect will continue to successfully generate and grow this business. Lilien also has a high repeat customer rate of approximately 60% annually and approximately 25% of their revenues are recurring. Lilien's revenues are diversified over hundreds of customers and no one customer exceeds 15% of its revenues. We believe this diversification provides stability to Lilien's revenue streams.

Shoom's software-as-a-service contracts are typically performed for periods of one or more years and Shoom has a high customer retention rate. Shoom offers eSolutions including eTearsheets, invoicing, CRM, and other products and services to 750 newspapers in the cloud. Cloud or SaaS based analytics is a growing market that Sysorex intends to pursue beyond the media vertical that Shoom is in today. According to industry sources, cloud based business analytics and business intelligence is expected to grow from $5.2 billion in 2013 to $16.52 billion in 2018 a 25.8% CAGR (source: PRWeb Article - Cloud Analytics Market is Growing at an Estimated CAGR of 25.8% & to Reach $16.52 Billion by 2018 - New Report by MarketsandMarkets April 2, 2013.) Shoom has been in business for over 10 years and providing its cloud solutions for over 4 years.

The Lilien Acquisition significantly impacted our results of operations for the six months ended June 30, 2013, as indicated in the discussion below. The results show a net loss which was attributable, in part, to certain one-time non-recurring charges related to the Lilien Acquisition, resulting in the Company incurring significant legal, accounting, due diligence, financing and general and administrative expenses as compared to the expenses incurred in comparable period in 2012.

We believe the accretive impact of our acquisition strategy is becoming evident and the quarter ended June 30, 2013 included a full quarter of Lilien's revenues. We anticipate synergies and operational efficiencies to improve revenues and profitability for both Sysorex and Lilien, especially in Q3 and Q4 when Lilien's business is historically stronger as a result of customer budgeting processes. Sysorex' U.S. government operations are profitable and this division is growing, as the U.S. Navy SPAWAR contract is expected to start releasing task orders in Q3 2013 and other awards are expected later in the same quarter, assuming that funding is available. With the addition of Shoom we believe that our liquidity will improve significantly as Shoom's business model generates 90% gross margins. We believe that our shift to technology based business lines like Shoom and other future acquisitions will increase our customer base and, in turn, increase revenues to a level that will allow us to achieve profitability.

Corporate Strategy

Sysorex management has a mergers and acquisitions strategy to acquire companies and innovative technologies servicing the multi-billion dollar IT services industry. We have targeted services and technology/IP based companies since they add significant value to the Company and allow us to command a higher sales price should there be a sale or a spinoff. Sysorex plans to facilitate and manage cross-selling opportunities among the companies and provide shared corporate services to create efficiencies and be cost effective. We are seeking opportunities with the following profiles:

- Innovative and commercially proven technologies primarily in cyber-security, business intelligence/analytics, Big Data services, Cloud and mobile/BYOD.
- Commercial and government IT service companies which have an established customer base and are seeking growth capital to expand their capabilities, product offerings and substantially increase their revenues and operating profits.
- Companies with profitable, proven technologies that are complementary to the Company's overall strategy. We are looking at companies primarily in the United States. However, we may expand in our existing markets (e.g., Middle East) and into other geographies such as India and Europe, if there are significant strategic and financial reasons to do so.

An important element of our mergers and acquisitions strategy is to acquire companies with complementary capabilities/technologies and an established customer base in each of the above categories. We believe that the customer base of each potential acquisition will present an opportunity to cross-sell solutions to the customer base of other acquired companies. For example, when we acquire a company that primarily specializes in BYOD cyber security, we will be in position to market this solution to both Sysorex's public sector government clients and Lilien's private sector clients.

Another important criteria is an acquisition candidate's contract backlog. This is one of the most important benefits of having public sector clients. These customers provide very large multi-year contracts that can provide secure revenue visibility typically for three to five years. Based on Management's experience, we understand government contracting very well and have built a core competency in bidding on government requests for proposals (RFPs). We are actively seeking companies that have built a backlog with various government agencies that can complement Sysorex's existing contracts.

We intend to acquire innovative technologies and established, reputable IT services companies, using restricted common stock, cash and debt financing in combinations appropriate for each potential acquisition.

Industry Overview

Worldwide, companies and organizations are expected to spend a combined $3.8 trillion on hardware, software, IT services and telecommunications in 2013 with approximately 3.9% growth rate over the next five years (Source: Gartner, Inc. March 28, 2013 press release). The automatic sequestration that has mandated sudden cuts in United States government spending and the current budget impass and U.S. Government shutdown have offset anticipated gains. Although European economies appear less volatile, intermittent sovereign debt issues (e.g., Cyprus) have also served to reduce the level of IT spending (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $3.8 Trillion," by Arik Hesseldahl, March 28, 2013).

The U.S. Government spends approximately $80 billion in IT annually and this level of spending is expected to continue at a 3% compound annual growth rate (CAGR), compared with 6% historically in the first decade of the 21st Century (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018). Security of all forms, especially cyber-security, are significant growth areas, and Sysorex intends to increase its role in this sector (based on: Market Research Media - U.S. Federal Cyber-Security Market Forecast 2013-2018 dated April 12, 2013). The focus is on deployment of technologies that proved their worth in the private sector. The technology segments like business intelligence, cloud computing, eDiscovery, GIS and geospatial, non-relational database management systems, smart grid, SOA, unified communications and virtualization are expected to have double digit growth in the period 2013 – 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018). The total annual U.S. Federal IT market is expected to surpass $93 billion by 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018).

Implications of Being an Emerging Growth Company

As a company with less than $1.0 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, which we refer to as the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- Reduced disclosure about our executive compensation arrangements;
- No non-binding shareholder advisory votes on executive compensation or golden parachute arrangements;
- Exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting; and
- Reduced disclosure of financial information in this prospectus, limited to two years of audited financial information and two years of selected financial information.

As a smaller reporting company, each of the foregoing exemptions is currently available to us. We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than $1.0 billion in annual revenues as of the end of a fiscal year, if we are deemed to be a large-accelerated filer under the rules of the Securities and Exchange Commission, or if we issue more than $1.0 billion of non-convertible debt over a three-year-period.

The JOBS Act permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to "opt out" of this provision. Therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Corporate Information

We were incorporated in the State of Nevada in April, 1999, under the name Liquidation Bid, Inc., and we subsequently changed our name to Sysorex Global Holdings Corp. pursuant to a July 2011 merger with Sysorex Federal, Inc. and its wholly-owned subsidiary Sysorex Government Services Inc. Our principal executive offices are located at 3375 Scott Blvd., Suite 448, Santa Clara, CA 95054, and our telephone number is (408) 702-1267. Our subsidiaries maintain offices in Herndon, VA, Larkspur CA, Encino, CA and Riyadh, Saudi Arabia. Our Internet website is wwwsysorex.com. The information on, or that can be accessed through, our website is not part of this prospectus, and you should not rely on any such information in making the decision whether to purchase our common stock.

The Offering

Common Stock Offered	4,000,000 shares, of which 3,800,000 are being offered by the Company and 200,000 shares by the Selling Stockholder.
Common Stock Outstanding	28,091,305 as of October 1, 2013. (1)
Common Stock to be Outstanding Immediately after the Offering (2)	31,891,305 shares which does not include up to 600,000 shares that the Underwriter may acquire to cover over-allotments pursuant to the over-allotment option or up to 138,000 shares (3% of the Offering) issuable upon exercise of the Underwriter's warrants.
Option to Purchase Additional Shares	The Underwriter has the option to purchase up to 600,000 additional shares (15% of the Offering) from the Company to cover over-allotments. The Underwriter can exercise the option at any time within 45 days from the date of this prospectus.
Use of Proceeds	We estimate that the net proceeds to the Company from the sale of common stock that we are offering will be approximately $17,090,000 after deducting the underwriter's fee and estimated offering expenses that we must pay, assuming (i) an initial public offering price of $5.00 per share, and (ii) the Underwriter does not exercise its over-allotment option. We intend to use the net proceeds approximately as follows: (a) $10.5 million to acquire a developer of mobile device identification and locating systems (see "Business - Pending Letter of Interest"); (b) $2.0 million to expand our sales and marketing efforts, including expansion of our Washington D.C. office; (c) $4.0 million for future strategic acquisitions; and (d) the remainder for working capital and other general corporate purposes. We will not receive any of the proceeds from the sale of shares by the Selling Stockholder. See "Use of Proceeds."
Dividend Policy	We have never declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in financing the growth of our business and do not anticipate paying any cash dividends for the foreseeable future. See "Dividend Policy."
OTC Symbol	SYRX Pink. We have applied for a listing on a national securities exchange, which listing is a condition to this Offering.
Risk Factors	You should carefully consider the information set forth in this prospectus and, in particular, the specific factors set forth in the "Risk Factors" section beginning on page 7 of this prospectus before deciding whether or not to invest in our common stock.

(1) Includes up to 2,762,000 shares of common stock reserved for issuance to all former shareholders of Shoom who have not yet exchanged their shares.

(2) Does not include 3,157,500 shares issuable upon exercise of outstanding options and 1,010,023 shares issuable upon exercise of outstanding warrants.

Summary Financial Information

The summary financial information set forth below is derived from the more detailed audited and unaudited financial statements of the Company appearing elsewhere in this prospectus. You should read the summary financial information below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes to such financial statements.

Statement of Operations Data:

	Six Months Ended June 30,		Years Ended December 31,	
	2013	2012	2012	2011
	(Unaudited)		(Audited)	
Revenues Net	$ 20,150,494	$ 2,162,299	$ 4,237,789	$ 7,003,549
Cost of Revenues	$ 15,695,637	$ 1,154,395	$ 2,344,592	$ 4,312,281
Gross profit	$ 4,454,857	$ 1,007,904	$ 1,893,197	$ 2,691,268
Total Operating Expenses	$ 5,847,241	$ 1,096,945	$ 2,348,611	$ 2,739,641
Loss from Operations	$	$	$	$
Other Income (expense)	$ (1,392,384)	$ 89,041	$ (455,414)	$ (48,373)
Net (Loss) Income	$ (577,188)	$ (12,155)	$ (329,211)	$ 79,225
Net (Loss) Income Attributable to Non-Controlling Interest	$ (1,969,572)	$ (101,196)	$ (784,625)	$ 246
Dividends	$ (75,449)	$ (37,264)	$ (90,779)	$ 35,775
Net Loss Attributable to Stockholders of Sysorex	$ -0-	$ -0-	$ 0	$ (118,200)
Basic and Diluted	(1,894,123)	63,932)	(693,846)	(153,729)
Net Loss Per Share	$ (0.09)	$ (0.00)	$ (0.04)	$ (0.01)
Weighted Average Number of Shares Outstanding	21,958,907	17,962,518	17,962,586	13,879,817

Balance Sheet Data:

	June 30, 2013	December 31, 2012	2011
	(Unaudited)	(Audited)	
Cash and Cash Equivalents	$ 640,479	$ 8,301	$ 225,134
Other Current Assets	$ 17,899,612	$ 418,482	$ 457,837
Property and Equipment, Net	$ 258,760	$ 49,238	$ 144,921
Other Assets	$ 6,321,368	$ 1,139,091	$ 784,824
Intangibles	$ 5,123,809	$ -	$ -
Goodwill	$ 4,544,053	-	-
Total Assets	$ 34,788,081	$ 1,615,112	$ 1,612,716
Total Current Liabilities	$ 27,428,674	$ 6,182,953	$ 5,598,619
Total Long Term Liabilities	$ 4,985,509	$	$
Common Stock	$ 25,177	$ 17,988	$ 17,963
Additional Paid-In Capital	$ 15,034,562	$ 6,130,440	$ 5,901,968
Due from Sysorex Consulting	$ (665,554)	$ (665,554)	$ (639,744)
Accumulated Deficit	$ (10,736,681)	$ (8,842,558)	$ (8,148,712)
Stockholders' Equity (Deficiency) Attributable to Sysorex Global Holdings Corp.	$ 3,657,504	$ (3,359,684)	$ (2,868,525)
Non-Controlling Interest	$ (1,283,606)	$ (1,208,157)	$ (1,117,378)
Total Stockholdings Equity (Deficiency)	$ 2,373,898	$ (4,567,841)	$ (3,985,903)
Total Liabilities and Stockholders' Equity	$ 34,788,081	$ 1,615,112	$ 1,612,716

WHERE YOU CAN FIND MORE INFORMATION

We will distribute annual reports to our stockholders, including financial statements audited and reported on by a registered public accounting firm. Any or all reports and other documents we will file with the SEC, as well as any or all of the documents incorporated by reference in this prospectus or the registration statement we filed with the SEC registering for resale the shares of our common stock being offered pursuant to this prospectus, are available at the SEC's website www.sec.gov, as well as our website www.sysorex.com. If you do not have Internet access, requests for copies of such documents should be directed to Ms. Wendy Loundermon, the Company's Chief Financial Officer, at Sysorex Global Holdings Corp., 3375 Scott Blvd., Suite 440, Santa Clara, CA 95054; Tel: 703-356-2900.

We have filed a registration statement on Form S-1 with the SEC registering under the Securities Act the common stock that may be distributed under this prospectus. This prospectus, which is a part of such registration statement, does not include all of the information contained in the registration statement and its exhibits. For further information regarding us and our common stock, you should consult the registration statement and its exhibits.

Statements contained in this prospectus concerning the provisions of any documents are summaries of those documents, and we refer you to the documents filed with the SEC for more information. The registration statement and any of its amendments, including exhibits filed as a part of the registration statement or an amendment to the registration statement, are available for inspection and copying as described above.

RISK FACTORS

Investing in our common stock involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included or referred to in this prospectus, before purchasing shares of our common stock. There are numerous and varied risks that may prevent us from achieving our goals. If any of these risks actually occurs, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

Risks Relating to Sysorex's Business and Industry

We depend on the U.S. Government for a substantial portion of our business and the current government shutdown and budget impasse together with changes in government defense spending could have adverse consequences on our financial position, results of operations and business.

A substantial portion of our U.S. revenues from Sysorex Government Service's operations have been from and will continue to be from sales and services rendered directly or indirectly to the U.S. Government. Consequently, the Company's revenues are highly dependent on the Government's demand for computer systems and related services. Our revenues from the U.S. Government largely result from contracts awarded to us under various U.S. Government programs, primarily defense-related programs with the Department of Defense (DoD), as well as a broad range of programs with the Department of Homeland Security, the Intelligence Community and other departments and agencies. Cost cutting including through consolidation and elimination of duplicative organizations and insurance has become a major initiative for DoD. The funding of our programs is subject to the overall U.S. Government budget and appropriation decisions and processes which are driven by numerous factors, including geo-political events and macroeconomic conditions. It is expected that U.S. Government spending on IT will decrease from 6% CAGR during the first decade of the 21st Century to 3%. (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018). The overall level of U.S. defense spending increased in recent years for numerous reasons, including increases in funding of operations in Iraq and Afghanistan. However, with the winding down of both wars, defense spending levels are becoming increasingly difficult to predict and are expected to be affected by numerous factors. Such factors include priorities of the Administration and the Congress, and the overall health of the U.S. and world economies and the state of governmental finances.

The Budget Control Act of 2011 enacted 10-year discretionary spending caps which are expected to generate over $1 trillion in savings for the U.S. Government, a substantial portion of which comes from DoD baseline spending reductions. In addition, the Budget Control Act of 2011 provides for additional automatic spending cuts (referred to as "sequestration") totaling $1.2 trillion over nine years which are being implemented beginning in the current U.S. Government fiscal year ending September 30, 2013 (GFY13). These reduction targets will further reduce DoD and other federal agency budgets. Although the Office of Management and Budget has provided guidance to agencies on implementing sequestration cuts, there remains much uncertainty about how exactly sequestration cuts will be implemented and the impact those cuts will have on contractors supporting the government. In light of the current U.S. Government shutdown and budget impass over raising the debt ceiling, we are not able to predict the impact of budget cuts, including sequestration, on our company or our financial results. However, we expect that budgetary constraints and concerns related to the national debt will continue to place downward pressure on DoD spending levels and that implementation of the automatic spending cuts without change will reduce, delay or cancel funding for certain of our contracts - particularly those with unobligated balances - and programs and could adversely impact our operations, financial results and growth prospects.

Significant reduction in defense spending could have long-term consequences for our size and structure. In addition, reduction in government priorities and requirements could impact the funding, or the timing of funding, of our programs, which could negatively impact our results of operations and financial condition. In addition, we are involved in U.S. Government programs, which are classified by the U.S. Government and our ability to discuss these programs, including any risks and disputes and claims associated with and our performance under such programs, could be limited due to applicable security restrictions.

The U.S. Government Systems integration business is intensely competitive and we may not be able to win government bids when competing against much larger companies, which could reduce our revenues and profitability.

Large computer systems integration contracts awarded by the U.S. Government are few in number and are awarded through a formal competitive bidding process, including IDIQ, GSA Schedule and other multi-award contracts. Bids are awarded on the basis of price, compliance with technical bidding specifications, technical expertise and, in some cases, demonstrated management ability to perform the contract. There can be no assurance that the Company will win and/or fulfill additional contracts. Moreover, the award of these contracts is subject to protest procedures and there can be no assurance that the Company will prevail in any ensuing legal protest. The Company's failure to secure a significant dollar volume of U.S. Government contracts in the future would adversely affect the Company.

The U.S. Government Systems integration business is intensely competitive and subject to rapid change. The Company competes with a large number of systems integrators, hardware and software manufacturers, and other large and diverse companies attempting to enter or expand their presence in the U.S. Government market. Many of the existing and potential competitors have greater financial, operating and technological resources than the Company. The competitive environment may require us to make changes in our pricing, services or marketing. The competitive bidding process involves substantial costs and a number of risks, including significant cost and managerial time to prepare bids and proposals for contracts that may not be awarded to us, or that may be awarded, but for which we do not receive meaningful revenues. Accordingly, our success depends on our ability to develop services and products that address changing needs and to provide people and technology needed to deliver these services and products. To remain competitive, we must consistently provide superior service, technology and performance on a cost-effective basis to our customers. Our response to competition could cause us to expend significant financial and other resources, disrupt our operations, strain relationships with partners, any of which could harm our business and/or financial condition.

Our financial performance is dependent on our ability to perform on our U.S. Government contracts, which are subject to termination for convenience, which could harm our financial performance.

Sysorex Government Service's financial performance is dependent on our performance under our U.S. Government contracts. The Company's strategy is to pursue a limited number of relatively large contracts. As a result, prior to the Lilien Acquisition, the Company derived a significant portion of its revenues from a small number of contracts. Government customers have the right to cancel any contract for its convenience. An unanticipated termination of, or reduced purchases under, one of the Company's major contracts whether due to lack of funding, for convenience or otherwise, or the occurrence of delays, cost overruns and product failures could adversely impact our results of operations and financial condition. If one of our contracts were terminated for convenience, we would generally be entitled to payments for our allowable costs and would receive some allowance for profit on the work performed. If one of our contracts were terminated for default, we would generally be entitled to payments for our work that has been accepted by the government. A termination arising out of our default could expose us to liability and have a negative impact on our ability to obtain future contracts and orders. Furthermore, on contracts for which we are a subcontractor and not the prime contractor, the U.S. Government could terminate the prime contract for convenience or otherwise, irrespective of our performance as a subcontractor.

Our failure to comply with a variety of complex procurement rules and regulations could result in our being liable for penalties, including termination of our U.S. Government contracts, disqualification from bidding on future U.S. Government contracts and suspension or debarment from U.S. Government contracting that could adversely affect our financial condition.

We must comply with laws and regulations relating to the formation, administration and performance of U.S. Government contracts, which affect how we do business with our customers and may impose added costs on our business. U.S. Government contracts generally are subject to the Federal Acquisition Regulation (FAR), which sets forth policies, procedures and requirements for the acquisition of goods and services by the U.S. Government, department-specific regulations that implement or supplement DFAR, such as the DoD's Defense Federal Acquisition Regulation Supplement (DFARS) and other applicable laws and regulations. We are also subject to the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with certain contract negotiations; the Procurement Integrity Act, which regulates access to competitor bid and proposal information and government source selection information, and our ability to provide compensation to certain former government officials; the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U.S. Government for payment or approval; the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U.S. Government for payment or approval; and the U.S. Government Cost Accounting Standards, which impose accounting requirements that govern our right to reimbursement under certain cost-based U.S. Government contracts. These regulations impose a broad range of requirements, many of which are unique to government contracting, including various procurement, import and export, security, contract pricing and cost, contract termination and adjustment, and audit requirements. A contractor's failure to comply with these regulations and requirements could result in reductions to the value of contracts, contract modifications or termination, and the assessment of penalties and fines and lead to suspension or debarment, for cause, from government contracting or subcontracting for a period of time. In addition, government contractors are also subject to routine audits and investigations by U.S. Government agencies such as the Defense Contract Audit Agency (DCAA) and Defense Contract Management Agency (DCMA). These agencies review a contractor's performance under its contracts, cost structure and compliance with applicable laws, regulations and standards. The DCAA also reviews the adequacy of and a contractor's compliance with its internal control systems and policies, including the contractor's purchasing, property, estimating, compensation and management information systems. During the term of any suspension or debarment by any U.S. Government agency, contractors can be prohibited from competing for or being awarded contracts by U.S. Government agencies. The termination of any of the Company's significant Government contracts or the imposition of fines, damages, suspensions or debarment would adversely affect the Company's business and financial condition.

The U.S. Government may adopt new contract rules and regulations or revise its procurement practices in a manner adverse to us at any time.

Our industry has experienced, and we expect it will continue to experience, significant changes to business practices as a result of an increased focus on affordability, efficiencies, and recovery of costs, among other items. U.S. Government agencies may face restrictions or pressure regarding the type and amount of services that they may obtain from private contractors. Legislation, regulations and initiatives dealing with procurement reform, mitigation of potential conflicts of interest and environmental responsibility or sustainability, as well as any resulting shifts in the buying practices of U.S. Government agencies, such as increased usage of fixed price contracts, multiple award contracts and small business set-aside contracts, could have adverse effects on government contractors, including us. Any of these changes could impair our ability to obtain new contracts or renew our existing contracts when those contracts are recompeted. Any new contracting requirements or procurement methods could be costly or administratively difficult for us to implement and could adversely affect our future revenues, profitability and prospects.

We may incur cost overruns as a result of fixed priced government contracts which would have a negative impact on our operations.

Most of Sysorex's current U.S. Government contracts are multi-award, multi-year indefinite delivery/indefinite quantity ("IDIQ") task order based contracts, which generally provide for fixed price schedules for products and services, have no pre-set delivery schedules, have very low minimum purchase requirements, are typically competed among multiple awardees and force us to carry the burden of any cost overruns. Due to their nature, fixed-priced contracts inherently have more risk than cost reimbursable contracts. If we are unable to control costs or if our initials cost estimates are incorrect, we can lose money on these contracts. In addition, some of our contracts have provisions relating to cost controls and audit rights, and if we fail to meet the terms specified in those contracts, we may not realize their full benefits. Lower earnings caused by cost overruns and cost controls would have a negative impact on our results of operations. The U.S. Government has the right to enter into contract with other suppliers, which may be competitive with the Company's IDIQ contracts. The Company also performs fixed priced contracts under which the Company agrees to provide specific quantities of products and services over time for a fixed price. Since the price competition to win both IDIQ and fixed price contracts is intense and the costs of future contract performance cannot be predicted with certainty, there can be no assurance as to the profits, if any, that the Company will realize over the term of such contracts.

Misconduct of employees, subcontractors, agents and business partners could cause us to lose existing contracts or customers and adversely affect our ability to obtain new contracts and customers and could have a significant adverse impact on our business and reputation.

Misconduct could include fraud or other improper activities such as falsifying time or other records and violations of laws, including the Anti-Kickback Act. Other examples could include the failure to comply with our policies and procedures or with federal, state or local government procurement regulations, regulations regarding the use and safeguarding of classified or other protected information, legislation regarding the pricing of labor and other costs in government contracts, laws and regulations relating to environmental, health or safety matters, bribery of foreign government officials, import-export control, lobbying or similar activities, and any other applicable laws or regulations. Any data loss or information security lapses resulting in the compromise of personal information or the improper use or disclosure of sensitive or classified information could result in claims, remediation costs, regulatory sanctions against us, loss of current and future contracts and serious harm to our reputation. Although we have implemented policies, procedures and controls to prevent and detect these activities, these precautions may not prevent all misconduct, and as a result, we could face unknown risks or losses. Our failure to comply with applicable laws or regulations or misconduct by any of our employees, subcontractors, agents or business partners could damage our reputation and subject us to fines and penalties, restitution or other damages, loss of security clearance, loss of current and future customer contracts and suspension or debarment from contracting with federal, state or local government agencies, any of which would adversely affect our business, reputation and our future results.

We use estimates in recognizing revenues and if we make changes to estimates used in recognizing revenues, our profitability may be adversely affected.

Revenues from our contracts are primarily recognized using the percentage-of-completion method or on the basis of partial performance towards completion. These methodologies require estimates of total costs at completion, fees earned on the contract, or both. This estimation process, particularly due to the technical nature of the services performed and the long-term nature of certain contracts is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimate is recognized as events become known. Changes in the underlying assumptions, circumstances or estimates could result in adjustments that may adversely affect our future financial results.

We may fail to obtain and maintain necessary security clearances, which may adversely affect our ability to perform on certain U.S. government contracts and depress our potential revenues.

Many U.S. government programs require contractors to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business, and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we are not able to obtain and maintain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively rebid on expiring contracts, as well as lose existing contracts, which may adversely affect our operating results and inhibit the execution of our growth strategy.

Our future revenues and growth prospects could be adversely affected by our dependence on other contractors.

If other contractors with whom we have contractual relationships either as a prime contractor or subcontractor eliminate or reduce their work with us, or if the U.S. Government terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract our financial and business condition may be adversely affected. Companies that do not have access to U.S. Government contracts may perform services as our subcontractor and that exposure could enhance such companies' prospect of securing a future position as a prime U.S. Government contractor which could increase competition for future contracts and impair our ability to perform on contracts.

We may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, our hiring of a subcontractor's personnel or the subcontractor's failure to comply with applicable law. Current uncertain economic conditions heighten the risk of financial stress of our subcontractors, which could adversely impact their ability to meet their contractual requirements to us. If any of our subcontractors fail to timely meet their contractual obligations or have regulatory compliance or other problems, our ability to fulfill our obligations as a prime contractor or higher tier subcontractor may be jeopardized. Significant losses could arise in future periods and subcontractor performance deficiencies could result in our termination for default. A termination for default could eliminate a revenue source, expose us to liability and have an adverse effect on our ability to compete for future contracts and task orders, especially if the customer is an agency of the U.S. Government.

Historical liabilities may adversely affect the Company.

Sysorex has been operating since 2002. During our past history, the Company has had its share of financial and operational issues. In the United States the Company suffered from an under-performing sales team; losses in operations; lack of proper working capital; protests on lost contract bids; supplier liabilities; etc. Sysorex Government Services has worked through most of these issues and has become profitable once again. Sysorex Federal no longer has any contracts and we are attempting to negotiate and settle the outstanding liabilities with vendors of approximately $533,000 which are several years old. This may be adverse to our credit rating and reputation.

Sysorex Arabia is currently without contracts and is unable to repay its indebtedness, which could have an adverse impact on our financial condition.

As of June 30, 2013, Sysorex Arabia had nominal assets and an accumulated deficit of approximately $1,362,000. Sysorex Arabia's largest contract was with Optical Connections Corp.'s ("OCC"), main contractor Tuwaiq Communications. This contract was to build three data centers to support OCC's FTTH (Fiber to the Home) Network. It was signed in April 2008 and put on hold soon after because of OCC's financial and legal troubles. Therefore, Sysorex Arabia is currently without business and is seeking new contracts. These issues with OCC are still being resolved and could result in the cancellation of the project or OCC could sell its telecom license to a third party and which could cancel the project. Sysorex Arabia also has aging liabilities due to vendors, employees, social insurance payments, and partners amounting to approximately $2.8 million. This has been a result primarily of the two-year delay in the OCC Data Center project as revenue and cash-flow projections did not materialize because of the delays. Sysorex Arabia is working with local suppliers on payment plans.

Included in Sysorex Arabia's liabilities is a judgment in the amount of $800,000 for non-performance by Sysorex's shareholder. That amount has been paid by the shareholder and Sysorex Arabia is waiting for the Saudi Courts to remove this judgment and release it from any claims. Sysorex Arabia has taken on several loans to finance the losses to date and to pay some liabilities. In the event that any unsatisfied claims are made against the Company, this could have a material adverse effect on our financial condition if not resolved satisfactorily, as Sysorex Arabia would not be expected to satisfy its liabilities. As of June 30, 2013, Sysorex Arabia had minimal cash, approximately $415,000 in contracts receivable, $920,000 in deposits and $58,000 in other assets and inter-company balances and debts. Sysorex Arabia had an accumulated deficit balance of approximately $1,362,000.

Risks Related to Lilien's Business and Industry

Our growth is dependent on increasing sales to our existing clients and obtaining new clients, which, if unsuccessful, could limit our financial performance.

Our ability to increase revenues from existing clients by identifying additional opportunities to sell more of Lilien's products and services, and our ability to obtain new clients depends on a number of factors, including our ability to offer high quality products and services at competitive prices, the strength of our competitors and the capabilities of our sales and marketing departments. If we are not able to continue to increase sales from Lilien's existing clients or to obtain new clients in the future, we may not be able to increase our revenues and could suffer a decrease in revenues as well.

Our results depend on the continued growth of the market for IT products and services, which is uncertain.

Lilien's IT products and services solutions are designed to address the growing markets for off-premises services (including migrations, consolidations, cloud computing and disaster recovery), technology integration services (including storage and data protection services and the implementation of virtualization solutions) and managed services (including operational support and client support). These markets are still evolving. Competing technologies and services or reductions in corporate spending may reduce the demand for our products and services.

Our competitiveness depends significantly on our ability to keep pace with the rapid changes in IT. Failure by us to anticipate and meet Lilien's clients' technological needs could adversely affect our competitiveness and growth prospects.

Lilien operates and competes in an industry characterized by rapid technological innovation, changing client needs, evolving industry standards and frequent introductions of new products, product enhancements, services and distribution methods. Our success depends on our ability to develop expertise with these new products, product enhancements, services and distribution methods and to implement IT solutions that anticipate and respond to rapid changes in technology, the IT industry, and client needs. The introduction of new products, product enhancements and distribution methods could decrease demand for current products or render them obsolete. Sales of products and services can be dependent on demand for specific product categories, and any change in demand for or supply of such products could have a material adverse effect on our net sales if we fail to adapt to such changes in a timely manner.

We operate in a highly competitive market and Lilien may be required to reduce the prices for its products and services to remain competitive, which could adversely affect our profitability and financial condition.

Our industry is developing rapidly and related technology trends are constantly evolving. In this environment, we face significant price competition from our competitors. We may be unable to offset the effect of declining average sales prices through increased sales volumes and/or reductions in our costs. Furthermore, we may be forced to reduce the prices of the products and services we sell in response to offerings made by our competitors. Finally, we may not be able to maintain the level of bargaining power that we have enjoyed in the past when negotiating the prices of our services.

Lilien faces substantial competition from other national, multi-regional, regional and local value-added resellers and IT service providers, some of which may have greater financial and other resources than we do or that may have more fully developed business relationships with clients or prospective clients than we do. Many of our competitors compete principally on the basis of price and may have lower costs or accept lower selling prices than we do and, therefore, we may need to reduce our prices. In addition, manufacturers may choose to market their products directly to end-users, rather than through IT solutions providers such as us, and this could adversely affect our business, financial condition and results of operations.

Lilien's profitability is dependent on the rates we are able to charge for our products and services. The rates we are able to charge for our products and services are affected by a number of factors, including:

- our clients' perceptions of our ability to add value through our services;
- introduction of new services or products by us or our competitors;
- our competitors' pricing policies;
- our ability to charge higher prices where market demand or the value of our services justifies it;
- procurement practices of our clients; and
- general economic and political conditions.

If we are not able to maintain favorable pricing for our products and services, our profit margin and our profitability could suffer.

Lilien's sales are subject to quarterly and seasonal variations that may cause significant fluctuations in our operating results.

The timing of our revenues can be difficult to predict. Our sales efforts involve educating our clients about the use and benefit of the products we sell and our services and solutions, including their technical capabilities and potential cost savings to an organization. Clients typically undertake a significant evaluation process that has in the past resulted in a lengthy sales cycle, which typically lasts several months, and may last a year or longer. We spend substantial time, effort and money on our sales efforts without any assurance that our efforts will produce any sales during a given period.

In addition, many of our clients spend a substantial portion of their IT budgets in the second half of the year. Other factors that may cause our quarterly operating results to fluctuate include changes in general economic conditions and the impact of unforeseen events. We believe that our revenues will continue to be affected in the future by cyclical trends. As a result, you may not be able to rely on period to period comparisons of our operating results as an indication of our future performance.

A delay in the completion of our clients' budget processes could delay purchases of Lilien's products and services and have an adverse effect on our future revenues.

We rely on our clients to purchase products and services from us to maintain and increase our earnings, and client purchases are frequently subject to budget constraints, multiple approvals and unplanned administrative, processing and other delays. If sales expected from a specific client are not realized when anticipated or at all, our results could fall short of public expectations and our business, operating results and financial condition could be materially adversely affected.

Lilien's profit margins depend, in part, on the volume of products and services sold, and we may be unable to achieve increases in our profit margins in the future.

Given the significant levels of competition that characterize the IT reseller market, it is unlikely that Lilien will be able to increase gross profit margins through increases in its sales of IT products alone. Any increases in its gross profit margins in the future will depend, in part, on the growth of our higher margin businesses such as IT consulting and professional services. In addition, low margins increase the sensitivity of our results of operations to increases in costs of financing. Any failure by us to maintain or increase our gross profit margins could have a material adverse effect on our financial condition and results of operations.

Any failures or interruptions in our services or systems could damage our reputation and substantially harm our business and results of operations.

Our success depends in part on our ability to provide reliable remote services, technology integration and managed services to our clients. Lilien currently has its company data center located in Larkspur, California, which is susceptible to damage or interruption from human error, fire, flood, power loss, telecommunications failure, terrorist attacks and similar events. We could also experience failures or interruptions of our systems and services, or other problems in connection with our operations, as a result of:

- damage to or failure of our computer software or hardware or our connections;
- errors in the processing of data by our systems;
- computer viruses or software defects;
- physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events;
- increased capacity demands or changes in systems requirements of our clients; and
- errors by our employees or third-party service providers.

Any interruptions in our systems or services could damage our reputation and substantially harm our business and results of operations. While we maintain disaster recovery plans and insurance with coverage we believe to be adequate, claims may exceed insurance coverage limits, may not be covered by insurance or insurance may not continue to be available on commercially reasonable terms.

Lilien's services and solutions involve storing and replicating mission-critical data for our clients and are highly technical in nature. If client data is lost or corrupted, our reputation and business could be harmed.

Lilien's data center and technology integration services include storing and replicating mission-critical data for our clients. The process of storing and replicating that data within their data centers or at our facilities is highly technical and complex. If any data is lost or corrupted in connection with the use of our products and services, our reputation could be seriously harmed and market acceptance of our IT solutions could suffer. In addition, our solutions have contained, and may in the future contain, undetected errors, defects or security vulnerabilities. Some errors in our solutions may only be discovered after a solution has been in use by clients. Any errors, defects or security vulnerabilities discovered in our solutions after use by clients could result in loss of revenues, loss of clients, increased service and warranty cost and diversion of attention of our management and technical personnel, any of which could

significantly harm our business. In addition, we could face claims for product liability, tort or breach of warranty. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and adversely affect the market's perception of us and our service offerings and solutions.

Lilien does not have long-term commitments from its clients, and its clients may terminate their relationships with Lilien or reduce the amount of purchases they make from us.

Our operations depend upon our relationships with our clients. Lilien does not have formal written agreements with many of our clients and to the extent we do, such agreements do not generally restrict our clients from terminating or deciding not to renew our contracts or from cancelling or rescheduling purchases. If clients attempt to introduce unfavorable terms or limit the services and products we provide to them, our revenues could be negatively impacted. In addition, the termination of business by any of our significant clients could have a material adverse effect on our operations. There is no guarantee that we will be able to retain our existing clients or develop relationships with new clients.

There is a risk that Lilien could lose a large client without being able to find a ready replacement.

The loss of any large client, the failure of any large client to pay its accounts receivable on a timely basis or a material reduction in the amount of purchases made by any large client could have a material adverse effect on our business, financial position, results of operations and cash flows.

Consolidation in the industries that we serve or from which we purchase could adversely affect our business.

Clients that Lilien serves may seek to achieve economies of scale by combining with or acquiring other companies. If two or more of our current clients combine their operations, it may decrease the amount of work that we perform for these clients. If one of our current clients merges or consolidates with a company that relies on another provider for its consulting, systems integration and technology, or outsourcing services, we may lose work from that client or lose the opportunity to gain additional work. If two or more of our suppliers merge or consolidate operations, the increased market power of the larger company could also increase our product costs and place competitive pressures on us. Any of these possible results of industry consolidation could adversely affect our business.

The loss of any key manufacturer or distributor relationships, or related industry certifications, could have an adverse effect on our business.

As part of Lilien's end-to-end IT solutions, we are authorized resellers of the products and services of leading IT manufacturers and distributors. In many cases, we have achieved the highest level of relationship the manufacturer or distributor offers. In addition, our employees hold certifications issued by these manufacturers and by industry associations relating to the configuration, installation and servicing of these products. Lilien differentiates itself from its competitors by the range of manufacturers and distributors we represent, the relationship level we have achieved with these manufacturers and distributors and the scope of the manufacturer and industry certifications our employees hold. There can be no assurance that we will be able to retain these relationships with our manufacturers and distributors, that we will be able to retain the employees holding these manufacturer and industry certifications, or that our employees will maintain their manufacturer or industry certifications. The loss of any of these relationships or certifications could have a material adverse effect on our business.

Lilien may experience a reduction in the incentive programs offered to us by our vendors.

Lilien receives payments and credits from vendors, including consideration pursuant to volume sales incentive programs and marketing development funding programs. These programs are usually of finite terms and may not be renewed or may be changed in a way that has an adverse effect on us. Vendor funding is used to offset, among other things, inventory costs, costs of goods sold, marketing costs and other operating expenses. Certain of these funds are based on our volume of net sales or purchases, growth rate of net sales or purchases and marketing programs. If we do not grow our net sales over prior periods or if we are not in compliance with the terms of these programs, there could be a material negative effect on the amount of incentives offered or paid to us by vendors. No assurance can be given that we will continue to receive such incentives or that we will be able to collect outstanding amounts relating to these incentives in a timely manner, or at all. Any sizeable reduction in, the discontinuance of, or a significant delay in receiving or the inability to collect such incentives, particularly related to incentive programs with Lilien's largest partner, Hewlett-Packard Company, could have a material adverse effect on our business, results of operations and financial condition. If we are unable to react timely to any fundamental changes in the programs of vendors, including the elimination of funding for some of the activities for which we have been compensated in the past, such changes would have a material adverse effect on our business, results of operations and financial condition.

Lilien may need additional cash financing and any failure by Lilien to obtain cash financing, could limit our ability to grow Lilien's business and develop or enhance our service offerings to respond to market demand or competitive challenges.

Lilien management believes that its current cash and cash flow from operations should be sufficient to meet its anticipated cash needs for at least the next 12 months. Lilien may, however, require additional cash resources due to changed business conditions or other future developments, including any new lines of business it may decide to pursue. If these resources are insufficient to satisfy its cash requirements, Lilien may seek additional cash from the parent company. If we are unable to raise the required cash, Lilien's ability to grow its business and develop or enhance its service offerings to respond to market demand or competitive challenges could be limited.

Lilien relies on inventory financing and vendor credit arrangements for its daily working capital and certain operational functions, the loss of which could harm our financial condition.

Lilien relies on its inventory financing and vendor financing arrangements for daily working capital and to fund equipment purchases for our technology sales business. The loss of any of our inventory financing or vendor credit financing arrangements, a reduction in the amount of credit granted to us by our vendors, or a change in any of the material terms of these arrangements could increase our need for and the cost of working capital and have a material adverse effect on our future results. These credit arrangements are discretionary on the part of our creditors and require the performance of certain operational covenants. There can be no assurance that we will continue to meet those covenants and failure to do so may limit availability of, or cause us to lose, such financing. There can be no assurance that such financing will continue to be available to us in the future on acceptable terms.

If Lilien cannot collect its receivables or if payment is delayed, our business may be adversely affected by our inability to generate cash flow, provide working capital or continue our business operations.

Lilien's business depends on its ability to successfully obtain payment from its clients of the amounts they owe us for products received from us and any work performed by us. The timely collection of our receivables allows us to generate cash flow, provide working capital and continue our business operations. Lilien's clients may fail to pay or delay the payment of invoices for a number of reasons, including financial difficulties resulting from macroeconomic conditions, or lack of an approved budget. An extended delay or default in payment relating to a significant account will have a material and adverse effect on the aging schedule and turnover days of our accounts receivable. If we are unable to timely collect our receivables from our clients for any reason, our business and financial condition could be adversely affected.

Risks Related to Consolidated Operations

Since we have recently acquired Lilien Systems and Shoom, it is difficult for potential investors to evaluate our future consolidated business.

We completed the Lilien Acquisition on March 20, 2013 and the Shoom Acquisition on September 6, 2013. Therefore, our limited combined operating history makes it difficult for potential investors to evaluate our business or prospective operations and your purchase of our securities. Therefore, we are subject to the risks inherent in the financing, expenditures, complications and delays inherent in a newly combined business. These risks are described below under the risk factor titled *"Any future acquisitions that we may make could disrupt our business, cause dilution to our stockholders and harm our business, financial condition and operating results."* In addition, while the former members of Lilien and the shareholders of Shoom have indemnified the Company from any undisclosed liabilities there may not be adequate resources to cover such indemnity. Furthermore, there are risks that Lilien's and Shoom's vendors, suppliers and customers may not renew their relationships for which there is no indemnification. Accordingly, our business and success faces risks from uncertainties faced by developing companies in a competitive environment. There can be no assurance that our efforts will be successful or that we will ultimately be able to attain profitability.

We need the proceeds of this Offering to complete a pending acquisition and execute our business plan which financing may otherwise not be available on reasonable terms or at all.

As of June 30, 2013, we had $640,479 cash on hand. On March 20, 2013, we entered into a revolving credit line for $5 million from Bridge Bank, N.A. which was increased to $6,750,000 on August 29, 2013. As of June 30, 2013 $5,013,391 was outstanding and matures on August 27, 2016. In view of our business plan we require the proceeds of this Offering to execute the same and fund business operations long enough to achieve profitability. We expect that this Offering will be for approximately 10% to 20% of the outstanding shares of common stock of the Company. Future financings through equity investments will also be dilutive to existing stockholders. Also, the terms of securities we may issue in future capital transactions may be more favorable to new investors than our current investors. Newly issued securities may include preferences, superior voting rights, the issuance of warrants or other derivative securities, and the issuance of incentive awards under employee equity incentive plans, which may have additional dilutive effects. Further, in connection with this Offering, we will incur substantial costs, including investment banking fees, legal fees, accounting fees, printing and distribution expenses and other costs while there is no assurance such offering will be

completed. We may also be required to recognize non-cash expenses in connection with certain securities we may issue in the future such as convertible notes and warrants, which would adversely impact our financial condition and results of operations. Our ability to obtain needed financing may be impaired by factors, including the condition of the economy and capital markets, both generally and specifically in our industry, and the fact that we are not profitable, which could impact the availability or cost of future financing. If the amount of capital we are able to raise from financing activities, together with our revenues from operations, is not sufficient to satisfy our capital needs, we may need to reduce our operations accordingly.

Failure to manage or protect growth may be detrimental to our business because our infrastructure may not be adequate for expansion

The Lilien and Shoom Acquisitions require a substantial expansion of the Company's systems, workforce and facilities. We may fail to adequately manage our anticipated future growth. The substantial growth in our operations as a result of the Lilien and Shoom Acquisitions is expected to place a significant strain on our administrative, financial and operational resources, and increase demands on our management and on our operational and administrative systems, controls and other resources. Lilien's growth strategy includes broadening its service and product offerings, implementing an aggressive marketing plan and employing leading technologies. There can be no assurance that our systems, procedures and controls will be adequate to support our operations as they expand. We cannot assure you that our existing personnel, systems, procedures or controls will be adequate to support our operations in the future or that we will be able to successfully implement appropriate measures consistent with our growth strategy. As part of this growth, we may have to implement new operational and financial systems, procedures and controls to expand, train and manage our employee base, and maintain close coordination among our staff. We cannot guarantee that we will be able to do so, or that if we are able to do so, we will be able to effectively integrate them into our existing staff and systems.

To the extent we acquire other businesses, we will also need to integrate and assimilate new operations, technologies and personnel. The integration of new personnel will continue to result in some disruption to ongoing operations. The ability to effectively manage growth in a rapidly evolving market requires effective planning and management processes. We will need to continue to improve operational, financial and managerial controls, reporting systems and procedures, and will need to continue to expand, train and manage our work force. There can be no assurance that the Company would be able to accomplish such an expansion on a timely basis. If the Company is unable to affect any required expansion and is unable to perform its contracts on a timely and satisfactory basis, its reputation and eligibility to secure additional contracts in the future could be damaged. The failure to perform could also result in a contract terminations and significant liability. Any such result would adversely affect the Company's business and financial condition.

We will need to increase the size of our organization, and we may experience difficulties in managing growth, which would hurt our financial performance.

In addition to employees hired from Lilien, Shoom and any other companies which we may acquire, we will need to expand our employee infrastructure for managerial, operational, financial and other resources at the parent company level. Future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Our future financial performance and our ability to commercialize our product candidates and to compete effectively will depend, in part, on our ability to manage any future growth effectively.

In order to manage our future growth, we will need to continue to improve our management, operational and financial controls and our reporting systems and procedures. All of these measures will require significant expenditures and will demand the attention of management. If we do not continue to enhance our management personnel and our operational and financial systems and controls in response to growth in our business, we could experience operating inefficiencies that could impair our competitive position and could increase our costs more than we had planned. If we are unable to manage growth effectively, our business, financial condition and operating results could be adversely affected.

Our business depends on experienced and skilled personnel, and if we are unable to attract and integrate skilled personnel, it will be more difficult for us to manage our business and complete contracts.

The success of our business depends on the skill of our personnel. Accordingly, it is critical that we maintain, and continue to build, a highly experienced management team and specialized workforce, including software programs and sales professionals. Competition for personnel, particularly those with expertise in government consulting, a security clearance is high, and identifying candidates with the appropriate qualifications can be costly and difficult. We may not be able to hire the necessary personnel to implement our business strategy given our anticipated hiring needs, or we may need to provide higher compensation or more training to our personnel than we currently anticipate. In addition, our ability to recruit, hire and indirectly deploy former employees of the U.S. Government is subject to complex laws and regulations, which may serve as an impediment to our ability to attract such former employees.

Our business is labor intensive and our success depends on our ability to attract, retain, train and motivate highly skilled employees, including employees who may become part of our organization in connection with our acquisitions. The increase in demand for consulting, technology integration and managed services has further increased the need for employees with specialized skills or significant experience in these areas. Our ability to expand our operations will be highly dependent on our ability to attract a sufficient number of highly skilled employees and to retain our employees and the employees of companies that we have acquired. We may not be successful in attracting and retaining enough employees to achieve our desired expansion or staffing plans. Furthermore, the industry turnover rates for these types of employees are high and we may not be successful in retaining, training or motivating our employees. Any inability to attract, retain, train and motivate employees could impair our ability to adequately manage and complete existing projects and to accept new client engagements. Such inability may also force us to increase our hiring of independent contractors, which may increase our costs and reduce our profitability on client engagements. We must also devote substantial managerial and financial resources to monitoring and managing our workforce. Our future success will depend on our ability to manage the levels and related costs of our workforce.

In the event we are unable to attract, hire and retain the requisite personnel and subcontractors, we may experience delays in completing contracts in accordance with project schedules and budgets, which may have an adverse effect on our financial results, harm our reputation and cause us to curtail our pursuit of new contracts. Further, any increase in demand for personnel may result in higher costs, causing us to exceed the budget on a contract, which in turn may have an adverse effect on our business, financial condition and operating results and harm our relationships with our customers.

We plan to expand our business, in part, through future acquisitions, but we may not be able to identify or complete suitable acquisitions, which could harm our financial performance.

Acquisitions are a significant part of our growth strategy. We have allocated approximately $14.5 million of the net proceeds of the offering for strategic acquisitions including one for $10.5 million under a non-binding letter of interest for which the Company's exclusivity rights expire October 31, 2013 unless extended. See "Use of Proceeds.". We continually review, evaluate and consider potential investments and acquisitions. In such evaluations, we are required to make difficult judgments regarding the value of business opportunities and the risks and cost of potential liabilities. We plan to use acquisitions of companies or technologies to expand our project skill-sets and capabilities, expand our geographic markets, add experienced management and increase our product and service offerings. Although we have identified several acquisition considerations, we may be unable to implement our growth strategy if we cannot reach agreement with acquisition targets on acceptable terms or arrange required financing for acquisitions on acceptable terms. In addition, the time and effort involved in attempting to identify acquisition candidates and consummate acquisitions may divert members of our management from the operations of our company.

Any future acquisitions that we may make could disrupt our business, cause dilution to our stockholders and harm our business, financial condition or operating results.

If we are successful in consummating acquisitions, those acquisitions could subject us to a number of risks, including, but not limited to:

- the purchase price we pay and/or unanticipated costs could significantly deplete our cash reserves or result in dilution to our existing stockholders;
- we may find that the acquired company or technologies do not improve market position as planned;
- we may have difficulty integrating the operations and personnel of the acquired company, as the combined operations will place significant demands on the Company's management, technical, financial and other resources;
- key personnel and customers of the acquired company may terminate their relationships with the acquired company as a result of the acquisition;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- we may assume or be held liable for risks and liabilities (including environmental-related costs) as a result of our acquisitions, some of which we may not be able to discover during our due diligence or adequately adjust for in our acquisition arrangements;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises;
- we may incur one-time write-offs or restructuring charges in connection with the acquisition;
- we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and
- We may not be able to realize the cost savings or other financial benefits we anticipated.

We cannot assure you that we will successfully integrate Lilien and Shoom or profitably manage any other acquired business. In addition, we cannot assure you that, following any acquisition, our continued business will achieve sales levels, profitability, efficiencies or synergies that justify acquisition or that the acquisition will result in increased earnings for us in any future period. These factors could have a material adverse effect on our business, financial condition and operating results.

Insurance and contractual protections may not always cover lost revenue, increased expenses or liquidated damages payments, which could adversely affect our financial results.

Although we maintain insurance and intend to obtain warranties from suppliers, obligate subcontractors to meet certain performance levels and attempt, where feasible, to pass risks we cannot control to our customers, the proceeds of such insurance, warranties, performance guarantees or risk sharing arrangements may not be adequate to cover lost revenue, increased expenses or liquidated damages payments that may be required in the future.

If we are unable to comply with certain financial and operating restrictions in our credit facilities, we may be limited in our business activities and access to credit or may default under our credit facilities

Pursuant to our existing credit facility with Bridge Bank, N.A., all of the Company's and our subsidiaries' assets, other than excluded and future projects are secured with our senior lender. As of October 1, 2013 the Company owed $5 million under its revolving line of credit and $750,000 under a term loan. Provisions in our credit facilities and debt instruments impose restrictions or require prior approval on our and certain of our subsidiaries' ability to, among other things:

- incur additional debt;
- pay cash dividends and make distributions;
- make certain investments and acquisitions;
- guarantee the indebtedness of others or our subsidiaries;
- redeem or repurchase capital stock;
- create liens or encumbrances;
- enter into transactions with affiliates;
- engage in new lines of business;
- sell, lease or transfer certain parts of our business or property;
- restrictions on incurring obligations for capital expenditures;
- issue additional capital stock of the Company or any subsidiary of the Company;
- acquire new companies and merge or consolidate.

These agreements also contain other customary covenants, including covenants that require us to meet specified financial ratios and financial tests. We may not be able to comply with these covenants in the future. Our failure to comply with these covenants may result in the declaration of an event of default and cause us to be unable to borrow under our credit facilities and debt instruments. In addition to preventing additional borrowings under these agreements, an event of default, if not cured or waived, may result in the acceleration of the maturity of indebtedness outstanding under these agreements, which would require us to pay all amounts outstanding. If the maturity of our indebtedness is accelerated, we may not have sufficient funds available for repayment or we may not have the ability to borrow or obtain sufficient funds to replace the accelerated indebtedness on terms acceptable to us or at all. Our failure to repay our bank indebtedness would result in the bank foreclosing on all or a portion of our assets and force us to curtail our operations.

We may be subject to damages resulting from claims that the Company or our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Upon completion of any acquisitions by the Company, we may be subject to claims that our acquired companies and their employees may have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of former employers or competitors. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail in defending such claims, in addition to paying money claims, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper or prevent our ability to commercialize certain products, which could severely harm our business.

The loss of our Chief Executive Offer or other key personnel may adversely affect our operations.

The Company's success depends to a significant extent upon the operation, experience, and continued services of certain of its officers, including our CEO, as well as other key personnel. While our CEO and the executive officers of Lilien and Shoom are all employed under employment contracts, there is no assurance we will be able to retain their services. The loss of our CEO or several of the other key personnel could have an adverse effect on the Company. If a CEO or other executive officers were to leave we would face substantial difficulty in hiring a qualified successor and could experience a loss in productivity while any successor obtains the necessary training and experience. In addition, our CEO, CFO and other key personnel do not have prior experience in SEC reporting obligations. Furthermore, we do not maintain "key person" life insurance on the lives of any executive officer and their death or incapacity would have a material adverse effect on us. The competition for qualified personnel is intense, and the loss of services of certain key personnel could adversely affect our business.

Our international business exposes us to geo-political and economic factors, regulatory requirements and other risks associated with doing business in foreign countries.

Our foreign operations pose complex management, foreign currency, legal, tax and economic risks, which we may not adequately address. We have foreign operations in the Middle East and expect to do business in South Asia. These risks differ from and potentially may be greater than those associated with our domestic business.

Our international business is sensitive to changes in the priorities and budgets of international customers and geo-political uncertainties, which may be driven by changes in threat environments and potentially volatile worldwide economic conditions, various regional and local economic and political factors, risks and uncertainties, as well as U.S. foreign policy. Our international sales are subject to U.S. laws, regulations and policies, including the International Traffic in Arms Regulations (ITAR) and the Foreign Corrupt Practices Act (see below) and other export laws and regulations. Due to the nature of our products, we must first obtain licenses and authorizations from various U.S. Government agencies before we are permitted to sell our products outside of the U.S. We can give no assurance that we will continue to be successful in obtaining the necessary licenses or authorizations or that certain sales will not be prevented or delayed. Any significant impairment of our ability to sell products outside of the U.S. could negatively impact our results of operations and financial condition.

Our international sales are also subject to local government laws, regulations and procurement policies and practices which may differ from U.S. Government regulations, including regulations relating to import-export control, investments, exchange controls and repatriation of earnings, as well as to varying currency, geo-political and economic risks. Our international contracts may include industrial cooperation agreements requiring specific in-country purchases, manufacturing agreements or financial support obligations, known as offset obligations, and provide for penalties if we fail to meet such requirements. Our international contracts may also be subject to termination at the customer's convenience or for default based on performance, and may be subject to funding risks. We also are exposed to risks associated with using foreign representatives and consultants for international sales and operations and teaming with international subcontractors, partners and suppliers in connection with international programs. As a result of these factors, we could experience award and funding delays on international programs and could incur losses on such programs, which could negatively impact our results of operations and financial condition.

We are also subject to a number of other risks including:

- the absence in some jurisdictions of effective laws to protect our intellectual property rights;
- multiple and possibly overlapping and conflicting tax laws;
- restrictions on movement of cash;
- the burdens of complying with a variety of national and local laws;
- political instability;
- currency fluctuations;
- longer payment cycles;
- restrictions on the import and export of certain technologies;
- price controls or restrictions on exchange of foreign currencies; and
- trade barriers.

Our international operations are subject to special U.S. government laws and regulations, such as the Foreign Corrupt Practices Act, and regulations and procurement policies and practices, including regulations to import-export control, which may expose us to liability or impair our ability to compete in international markets.

Our international operations are subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. We have operations and deal with governmental customers in countries

known to experience corruption, including certain countries in the Middle East and in the future, the Far East. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, consultants or contractors that could be in violation of various laws including the FCPA, even though these parties are not always subject to our control. We are also subject to import-export control regulations restricting the use and dissemination of information classified for national security purposes and the export of certain products, services, and technical data, including requirements regarding any applicable licensing of our employees involved in such work.

As a U.S. defense contractor we are vulnerable to security threats and other disruptions that could negatively impact our business.

As a U.S. defense contractor, we face certain security threats, including threats to our information technology infrastructure, attempts to gain access to our proprietary or classified information, and threats to physical security. These types of events could disrupt our operations, require significant management attention and resources, and could negatively impact our reputation among our customers and the public, which could have a negative impact on our financial condition, results of operations and liquidity. We are continuously exposed to cyber-attacks and other security threats, including physical break-ins. Any electronic or physical break-in or other security breach or compromise may jeopardize security of information stored or transmitted through our information technology systems and networks. This could lead to disruptions in mission-critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Although we have implemented policies, procedures and controls to protect against, detect and mitigate these threats, we face advanced and persistent attacks on our information systems and attempts by others to gain unauthorized access to our information technology systems are becoming more sophisticated. These attempts include covertly introducing malware to our computers and networks and impersonating authorized users, among others, and may be perpetrated by well-funded organized crime or state sponsored efforts. We seek to detect and investigate all security incidents and to prevent their occurrence or recurrence. We continue to invest in and improve our threat protection, detection and mitigation policies, procedures and controls. In addition, we work with other companies in the industry and government participants on increased awareness and enhanced protections against cyber security threats. However, because of the evolving nature and sophistication of these security threats, which can be difficult to detect, there can be no assurance that our policies, procedures and controls have or will detect or prevent any of these threats and we cannot predict the full impact of any such past or future incident. We may experience similar security threats to the information

A technology systems that we develop, install or maintain under customer contracts. Although we work cooperatively with our customers and other business partners to seek to minimize the impacts of cyber and other security threats, we must rely on the safeguards put in place by those entities. Any remedial costs or other liabilities related to cyber or other security threats may not be fully insured or indemnified by other means. Occurrence of any of these security threats could expose us to claims, contract terminations and damages and could adversely affect our reputation, ability to work on sensitive U.S. Government contracts, business operations and financial results.

Internal system or service failures could disrupt our business and impair our ability to effectively provide our services and products to our customers, which could damage our reputation and adversely affect our revenues and profitability.

Any system or service disruptions, including those caused by ongoing projects to improve our information technology systems and the delivery of services, if not anticipated and appropriately mitigated, could have a material adverse effect on our business including, among other things, an adverse effect on our ability to bill our customers for work performed on our contracts, collect the amounts that have been billed and produce accurate financial statements in a timely manner. We are also subject to systems failures, including network, software or hardware failures, whether caused by us, third-party service providers, cyber security threats, natural disasters, power shortages, terrorist attacks or other events, which could cause loss of data and interruptions or delays in our business, cause us to incur remediation costs, subject us to claims and damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations or otherwise adversely affect our business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, our future results could be adversely affected.

Customer systems failures could damage our reputation and adversely affect our revenues and profitability.

Many of the systems and networks that we develop, install and maintain for our customers involve managing and protecting personal information and information relating to national security and other sensitive government functions. While we have programs designed to comply with relevant privacy and security laws and restrictions, if a system or network that we develop, install or maintain were to fail or experience a security breach or service interruption, whether caused by us, third-party service providers, cyber security threats or other events, we may experience loss of revenue, remediation costs or face claims for damages or contract termination. Any such event could cause serious harm to our reputation and prevent us from having access to or being eligible for further work on such systems and networks. Our errors and omissions liability insurance may be inadequate to compensate us for all of the damages that we may incur and, as a result, our future results could be adversely affected.

Our financial performance could be adversely affected by decreases in spending on technology products and services by our public sector customers.

Our sales to our public sector customers are impacted by government spending policies, budget priorities and revenue levels. Although our sales to the federal government are diversified across multiple agencies and departments, they collectively accounted for approximately 10% of 2012 net sales. An adverse change in government spending policies (including budget cuts at the federal level resulting from sequestration), budget priorities or revenue levels could cause our public sector customers to reduce their purchases or to terminate or not renew their contracts with us, which could adversely affect our business, results of operations or cash flows.

Our business could be adversely affected by the loss of certain vendor partner relationships and the availability of their products.

We purchase products for resale from vendor partners, which include OEMs, software publishers, and wholesale distributors. For the year ended December 31, 2012, we purchased approximately 52% of the products we sold directly from vendor partners and the remaining amount from wholesale distributors. We are authorized by vendor partners to sell all or some of their products via direct marketing activities. Our authorization with each vendor partner is subject to specific terms and conditions regarding such things as sales channel restrictions, product return privileges, price protection policies, purchase discounts and vendor partner. In the event we were to lose one of our significant vendor partners, our business could be adversely affected.

We have entered, and expect to continue to enter, into joint venture, teaming and other arrangements, and these activities involve risks and uncertainties.

We have entered, and expect to continue to enter, into joint venture, teaming and other arrangements. These activities involve risks and uncertainties, including the risk of the joint venture or applicable entity failing to satisfy its obligations, which may result in certain liabilities to us for guarantees and other commitments, the challenges in achieving strategic objectives and expected benefits of the business arrangement, the risk of conflicts arising between us and our partners and the difficulty of managing and resolving such conflicts, and the difficulty of managing or otherwise monitoring such business arrangements.

Our business and operations expose us to numerous legal and regulatory requirements and any violation of these requirements could harm our business.

We are subject to numerous federal, state and foreign legal requirements on matters as diverse as data privacy and protection, employment and labor relations, immigration, taxation, anticorruption, import/export controls, trade restrictions, internal and disclosure control obligations, securities regulation and anti-competition. Compliance with diverse and changing legal requirements is costly, time-consuming and requires significant resources. We are also focused on expanding our business in certain identified growth areas, such as health information technology, energy and environment, which are highly regulated and may expose us to increased compliance risk. Violations of one or more of these diverse legal requirements in the conduct of our business could result in significant fines and other damages, criminal sanctions against us or our officers, prohibitions on doing business and damage to our reputation. Violations of these regulations or contractual obligations related to regulatory compliance in connection with the performance of customer contracts could also result in liability for significant monetary damages, fines and/or criminal prosecution, unfavorable publicity and other reputational damage, restrictions on our ability to compete for certain work and allegations by our customers that we have not performed our contractual obligations.

If we do not adequately protect our intellectual property rights, we may experience a loss of revenue and our operations may be materially harmed.

We have not registered copyrights on any of the software we have developed. We rely upon confidentiality agreements signed by our employees, consultants and third parties to protect our intellectual property. We cannot assure you that we can adequately protect our intellectual property or successfully prosecute potential infringement of our intellectual property rights. Also, we cannot assure you that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction. Our failure to protect our intellectual property rights may result in a loss of revenue and could materially adversely affect our operations and financial condition.

Our performance and ability to compete are dependent to a significant degree on our proprietary technology. Our proprietary software is protected by common law copyright laws, as opposed to registration under copyright statutes. Common law protection may be narrower than that which we could obtain under registered copyrights. As a result, we may experience difficulty in enforcing our copyrights against certain third party infringements. As part of our confidentiality-protection procedures, we generally enter into agreements with our employees and consultants and limit access to, and distribution of, our software, documentation and other proprietary information. There can be no assurance that the steps we have taken will prevent misappropriation of our technology or that agreements entered into for that purpose will be enforceable. The laws of other countries may afford us little or no protection of our intellectual property. We also rely on a variety of technology that we license from third parties. There can be no assurance that these third party technology licenses will continue to be available to us on commercially reasonable terms, if at all. The loss of or inability to maintain or obtain upgrades to any of these technology licenses could result in delays in completing software enhancements and new development until equivalent technology could be identified, licensed or developed and integrated. Any such delays would materially and adversely affect our business.

Difficult conditions in the global capital markets and the economy generally may materially adversely affect our business and results of operations, and we do not expect these conditions to improve in the near future.

Our results of operations are materially affected by conditions in the global capital markets and the economy generally, both in the U.S. and elsewhere around the world. Weak economic conditions generally, sustained uncertainty about global economic conditions, skepticism about the resolution of U.S. fiscal cliff negotiations and the implementation of resulting agreements, concerns about future scheduled budgetary cuts and that the U.S. government may reach its debt ceiling in 2013, or a prolonged or further tightening of credit markets could cause our customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on our business, results of operations or cash flows. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, the U.S. mortgage market, and the real estate market in the U.S. have contributed to increased volatility and diminished expectations for the economy and the markets going forward. These factors, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have precipitated an economic slowdown and a global recession. Domestic and international equity markets have been experiencing heightened volatility and turmoil. These events and the continuing market upheavals may have an adverse effect on our business. In the event of extreme prolonged market events, such as the global credit crisis, we could incur significant losses.

Risks Related to Our Common Stock

We are eligible to be treated as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as the Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data in this prospectus. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700.0 million as of any June 30 before that time or if we have total annual gross revenue of $1.0 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 or, if we issue more than $1.0 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company" which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the later of our second annual report or the first annual report required to be filed with the Commission following the date we are no longer an "emerging growth company" as defined in the JOBS "Act. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Our directors and executive officers beneficially own a significant number of shares of our common stock. Their interests may conflict with our outside stockholders, who may be unable to influence management and exercise control over our business.

As of the date of this prospectus, our executive officers and directors beneficially own approximately 51% of our shares of Common Stock. As a result, our executive officers and directors may be able to: elect or defeat the election of our directors, amend or prevent amendment to our certificates of incorporation or bylaws, effect or prevent a merger, sale of assets or other corporate transaction, and control the outcome of any other matter submitted to the shareholders for vote. Accordingly, our outside stockholders may be unable to influence management and exercise control over our business.

We do not intend to pay cash dividends to our stockholders, so you will not receive any return on your investment in our Company prior to selling your interest in the Company.

We have never paid any dividends to our common stockholders as a public company. We currently intend to retain any future earnings for funding growth and, therefore, do not expect to pay any cash dividends in the foreseeable future. If we determine that we will pay cash dividends to the holders of our common stock, we cannot assure that such cash dividends will be paid on a timely basis. The success of your investment in the Company will likely depend entirely upon any future appreciation. As a result, you will not receive any return on your investment prior to selling your shares in our Company and, for the other reasons discussed in this "Risk Factors" section, you may not receive any return on your investment even when you sell your shares in our Company.

Anti-Takeover, Limited Liability and Indemnification Provisions

Some provisions of our articles of incorporation and by-laws may deter takeover attempts, which may inhibit a takeover that stockholders consider favorable and limit the opportunity of our stockholders to sell their shares at a favorable price.

Under our articles of incorporation, our Board of Directors may issue additional shares of common or preferred stock. Our Board of Directors has the ability to authorize "blank check" preferred stock without future shareholder approval. This makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us by means of a merger, tender offer, proxy contest or otherwise, including a transaction in which our stockholders would receive a premium over the market price for their shares and/or any other transaction that might otherwise be deemed to be in their best interests, and thereby protects the continuity of our management and limits an investor's opportunity to profit by their investment in the Company. Specifically, if in the due exercise of its fiduciary obligations, the Board of Directors were to determine that a takeover proposal was not in our best interest, shares could be issued by our Board of Directors without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover by:

- diluting the voting or other rights of the proposed acquirer or insurgent stockholder group,
- putting a substantial voting bloc in institutional or other hands that might undertake to support the incumbent Board of Directors, or
- effecting an acquisition that might complicate or preclude the takeover.

Nevada Anti-Takeover Law may discourage acquirers and eliminate a potentially beneficial sale for our stockholders.

We are subject to the provisions of Section 78.438 of the Nevada Revised Statutes concerning corporate takeovers. This section prevents many Nevada corporations from engaging in a business combination with any interested stockholder, under specified circumstances. For these purposes, a business combination includes a merger or sale of more than 5% of our assets, and an interested stockholder includes a stockholder who owns 10% or more of our outstanding voting stock, as well as affiliates and associates of these persons. Under these provisions, this type of business combination is prohibited for three years following the date that the stockholder became an interested stockholder unless:

- the transaction in which the stockholder became an interested stockholder is approved by the Board of directors prior to the date the interested stockholder attained that status;
- on consummation of the transaction that resulted in the stockholder's becoming an interested stockholder, the interested stockholder owned at least 90% of the voting stock of the corporation outstanding at the time the transaction was commenced, excluding those shares owned by persons who are directors and also officers; or
- on or subsequent to that date, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least a majority of the outstanding voting stock that is not owned by the interested stockholder.

This statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Our indemnification of our officers and directors may cause us to use corporate resources to the detriment of our stockholders.

Our articles of incorporation eliminate the personal liability of our directors for monetary damages arising from a breach of their fiduciary duty as directors to the fullest extent permitted by Nevada law. This limitation does not affect the availability of equitable remedies, such as injunctive relief or rescission. Our certificate of incorporation requires us to indemnify our directors and officers to the fullest extent permitted by Nevada law, including in circumstances in which indemnification is otherwise discretionary under Nevada law.

Under Nevada law, we may indemnify our directors or officers or other persons who were, are or are threatened to be made a named defendant or respondent in a proceeding because the person is or was our director, officer, employee or agent, if we determine that the person:

- conducted himself or herself in good faith, reasonably believed, in the case of conduct in his or her official capacity as our director or officer, that his or her conduct was in our best interests, and, in all other cases, that his or her conduct was at least not opposed to our best interests; and
- in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

These persons may be indemnified against expenses, including attorneys' fees, judgments, fines, including excise taxes, and amounts paid in settlement, actually and reasonably incurred, by the person in connection with the proceeding. If the person is found liable to the corporation, no indemnification will be made unless the court in which the action was brought determines that the person is fairly and reasonably entitled to indemnity in an amount that the court will establish.

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

The obligations associated with being a public company require significant resources and management attention, which may divert from our business operations.

Upon the effective date of this prospectus, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and The Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition, proxy statement, and other information. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. Our Chief Executive Officer and Chief Financial Officer will need to certify that our disclosure controls and procedures are effective in ensuring that material information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. We will need to hire additional financial reporting, internal controls and other financial personnel in order to develop and implement appropriate internal controls and reporting procedures. As a result, we will incur significant legal, accounting and other expenses. Furthermore, the need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements. We anticipate that these costs will materially increase our selling, general and administrative expenses.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting. In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify deficiencies. If we are unable to comply with the internal controls requirements of the Sarbanes-Oxley Act of 2002, then we may not be able to obtain the independent account certifications required by that act, which may preclude us from keeping our filings with the SEC current, and interfere with the ability of investors to trade our securities and our shares to continue to be quoted on the OTC PINK or our ability to list our shares on any national securities exchange.

If we fail to establish and maintain an effective system of internal controls, we may not be able to report our financial results accurately or prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed. With each prospective acquisition we may make we will conduct whatever due diligence is necessary or prudent to assure us that the acquisition target can comply with the internal controls requirements of the Sarbanes-Oxley Act. Notwithstanding our diligence, certain internal controls deficiencies may not be detected. As a result, any internal control deficiencies may adversely affect our financial condition, results of operations and access to capital. We have not performed an in-depth analysis to determine if historical undiscovered failures of internal controls exist, and may in the future discover areas of our internal controls that need improvement.

Risks Related to our Securities

Public company compliance may make it more difficult to attract and retain officers and directors.

The Sarbanes-Oxley Act and rules implemented by the SEC have required changes in corporate governance practices of public companies. As a public company, these rules and regulations increase our compliance costs and make certain activities more time consuming and costly. As a public company, these rules and regulations may make it more difficult and expensive for us to maintain our director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers, and to maintain insurance at reasonable rates, or at all.

Our stock price may be volatile and you may not be able to resell your shares at or above the initial public offering price.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- our ability to execute our business plan and complete prospective acquisitions;
- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- limited ”public float” in the hands of a small number of persons whose sales or lack of sales could result in positive or negative pricing pressure on the market price for our common stock;
- sales of our common stock (particularly following effectiveness of this resale registration statement);
- operating results that fall below expectations;
- regulatory developments;
- economic and other external factors;
- period-to-period fluctuations in our financial results;
- our inability to develop or acquire new or needed technologies;
- the public’s response to press releases or other public announcements by us or third parties, including filings with the SEC;
- changes in financial estimates or ratings by any securities analysts who follow our common stock, our failure to meet these estimates or failure of those analysts to initiate or maintain coverage of our common stock;
- the development and sustainability of an active trading market for our common stock; and
- any future sales of our common stock by our officers, directors and significant stockholders.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

Our shares of common stock are thinly traded, the price may not reflect our value, and there can be no assurance that there will be an active market for our shares of common stock either now or in the future.

Our shares of common stock are thinly traded, our common stock is available to be traded and is held by a small number of holders, and the price may not reflect our actual or perceived value. There can be no assurance that there will be an active market for our shares of common stock either now or in the future. The market liquidity will be dependent on the perception of our operating business, among other things. We will take certain steps including utilizing investor awareness campaigns and firms, press releases, road shows and conferences to increase awareness of our business. Any steps that we might take to bring us to the awareness of investors may require that we compensate consultants with cash and/or stock. There can be no assurance that there will be any awareness generated or the results of any efforts will result in any impact on our trading volume. Consequently, investors may not be able to liquidate their investment or liquidate it at a price that reflects the value of the business, and trading may be at an inflated price relative to the performance of the Company due to, among other things, the availability of sellers of our shares.

If an active market should develop, the price may be highly volatile. Because there is currently a low price for our shares of common stock, many brokerage firms or clearing firms are not willing to effect transactions in the securities or accept our shares for deposit in an account. Many lending institutions will not permit the use of low priced shares of common stock as collateral for any

loans. Furthermore, our securities are currently traded on the OTC Pink where it is more difficult (1) to obtain accurate quotations, (2) to obtain coverage for significant news events because major wire services generally do not publish press releases about these companies, and (3) to obtain needed capital.

Our common stock may be deemed a "penny stock," which would make it more difficult for our investors to sell their shares.

Our common stock is currently subject to the "penny stock" rules adopted under Section 15(g) of the Exchange Act. However, it is a condition to the Offering that our securities be listed for trading on a national securities exchange. The penny stock rules generally apply to companies whose common stock is not listed on The Nasdaq Stock Market or another national securities exchange and trades at less than $4.00 per share, other than companies that have had average revenues of at least $6,000,000 for the last three years or that have tangible net worth of at least $5,000,000 ($2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in these securities is limited. If we remain subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for our securities. If our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

If you purchase shares of our common stock in this Offering, you will experience substantial and immediate dilution.

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution in the adjusted net tangible book value per share after giving effect to this Offering of $4.66 per share as of June 30, 2013, based on an assumed initial public offering price of $5.00 per share, because the price that you pay will be substantially greater that the net book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our capital stock, and if the Underwriter exercises the over-allotment option or any of our outstanding options or warrants are exercised, you will incur further dilution. See "Dilution."

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market, including shares issuable upon the effectiveness of this registration statement, upon the expiration of any statutory holding period under Rule 144, or shares issued upon the exercise of outstanding options or warrants, it could create a circumstance commonly referred to as an "overhang" and, in anticipation of which, the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

In general, a non-affiliated person who has held restricted shares for a period of six months, under Rule 144, may sell into the market our common stock all of their shares, subject to the Company being current in its periodic reports filed with the SEC. As of October 1, 2013, approximately 3,916,000 shares of common stock of the 28,091,305 shares issued and outstanding were free trading and all but approximately 2,900,000 had been held for more than six months. An affiliate may sell an amount equal to the greater of 1% of the outstanding shares or, if listed on Nasdaq or another national securities exchange, the average weekly number of shares sold in the last four weeks prior to such sale. Such sales may be repeated once every three months, and any of the restricted shares may be sold by a non-affiliate without any restriction after they have been held one year.

Sales of substantial amounts of our common stock in the public market after this Offering, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares. Upon completion of this Offering, we will have approximately 32,091,305 shares of common stock outstanding (assuming none of our outstanding warrants are exercised). All of the 4,000,000 shares of common stock (or 4,600,000 shares if the Underwriter exercises in full its over-allotment option to purchase additional shares) sold in this Offering will be freely tradable without restriction under the Securities Act of 1933, as amended (the "Securities Act"), except for any shares of our common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

We and each of our officers, directors and stockholders owning 2% or more of our common stock have agreed. subject to certain exceptions, not to dispose of or hedge any of the shares of our common stock or securities convertible into or exchangeable for shares of our common stock for a period of 180 days following the date of this prospectus, without the prior written consent of Wellington Shields & Co. However, Geoffrey Lilien, CEO of Lilien and a director of the Company is a Selling Stockholder in this Offering and is selling $1 million of the shares offered hereby.

In addition, as of October 1, 2013, there were 1,010,023 shares subject to outstanding warrants, 3,157,500 shares subject to outstanding options and an additional 1,292,500 shares reserved for future issuance under our 2011 Employee Stock Incentive Plan that will become eligible for sale in the public market to the extent permitted by any applicable vesting requirements, the lock-up agreements and Rules 144 and 701 under the Securities Act of 1933, as amended. Moreover, after this Offering, holders of an aggregate of 6,000,000 shares of common stock held by the former Lilien members and 2,762,000 shares by the Shoom shareholders may not be sold for 180 days from the date of this prospectus. However, they will have rights, subject to some conditions, to require us to file registration statements covering their shares of to include their shares in registration statements that we may file for ourselves or other stockholders. If such holders, by exercising their registration rights, cause a large numbers of securities to be registered and sold into the public market, these sales could have an adverse effect on the market price for our common stock. See "Shares Eligible for Future Sale - Rule 144".

Because we became public by means of a reverse merger, we may not be able to attract the attention of major brokerage firms.

There may be risks associated with us becoming public through a "reverse merger." Securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any offerings on behalf of our Company.

Forward Looking Statements

This prospectus contains forward-looking statements within the meaning of the Federal Securities laws. These statements relate to future events or future predictions, including events or predictions relating to our future financial performance, and are based on current expectations, estimates, forecasts and projections about us, our future performance, our beliefs and management's assumptions. They are generally identifiable by use of the words "may," "will," "should," "expect," "plan," "anticipate," "believe," "feel," "confident," "estimate," "intend," "predict," "forecast," "potential" or "continue" or the negative of such terms or other variations on these words or comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks described under "Risk Factors" that may cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In addition to the risks described in Risk Factors, important factors to consider and evaluate in such forward-looking statements include: (i) general economic conditions and changes in the external competitive market factors which might impact the Company's results of operations; (ii) unanticipated working capital or other cash requirements including those created by the failure of the Company to adequately anticipate the costs associated with acquisitions and other critical activities; (iii) changes in the Company's corporate strategy or an inability to execute its strategy due to unanticipated changes; and (iv) the failure of the Company to complete any or all of the transactions described herein on the terms currently contemplated. In light of these risks and uncertainties, many of which are described in greater detail elsewhere in this Risk Factors discussion, there can be no assurance that the forward-looking statements contained in this prospectus will in fact transpire.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of such statements. We do not undertake any duty to update any of the forward-looking statements after the date of this prospectus to conform such statements to actual results or changes in our expectations.

Emerging Growth Company Status

The Jumpstart Our Business Startups Act of 2012, or the JOBS Act, permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

USE OF PROCEEDS

We estimate that the net proceeds to the Company from the sale of common stock that we are offering will be approximately $17,090,000 after deducting the underwriter's fee and estimated offering expenses that we must pay, assuming (i) an initial public offering price of $5.00 per share, and (ii) that the Underwriter does not exercise its over-allotment option.

We intend to use such net proceeds for the following purposes:

- Approximately $10.5 million to acquire a developer of mobile device identification and locating systems, including $500,000 allocated for fees and expenses incurred and to be incurred in connection with said acquisition. See "Business - Pending Letter of Interest."
- Approximately $2.0 million to hire sales and marketing personnel for our Sysorex and Lilien subsidiaries and to expand our Washington, D.C. office for Sysorex Government Services. See "Business - Sales and Marketing; and Properties."
- Approximately $4.0 million to fund in whole or in part, strategic acquisitions for which we currently do not have any agreements or understandings. See "Business - Corporate Strategy."
- The remaining net proceeds will be used for working capital and general corporate purposes.

The allocation of net proceeds to the Company from this Offering set forth above represents the Company's current intentions. This allocation is based upon our present plans, and certain assumptions regarding current economic and industry conditions and the Company's future prospects. The amounts and timing of our actual expenditures will depend on numerous factors, including market conditions, results from our research and development efforts, business developments and opportunities and related rate of growth, sales and marketing activities and competition. Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the proceeds from this Offering. We may find it necessary or advisable to use portions of the proceeds from this Offering for other purposes. From time to time, we evaluate these purposes and other factors and we anticipate continuing to make such evaluations to determine if the existing allocation of resources, including the proceeds of this Offering, is being optimized.

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock has been quoted on the OTC Pink under the symbol SYRX since June 2, 2011. Prior thereto, it was quoted under the symbol SFTL. As of October 4, 2013 there were 521 holders of record of our common stock.

The following table sets forth the high and low bid closing prices for our common stock for the periods indicated, as reported by the OTC Pink. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may to represent actual transactions. All prices reflect a 1 for 20 reverse split effected by the Company on June 3, 2011.

Period	**High**	**Low**
Year Ending December 31, 2013		
July 1, 2013 through September 30, 2013	$1.75	$1.20
April 1, 2013 through June 30, 2013	$0.75	$0.50
January 1, 2013 through March 31, 2013	$0.80	$0.17
Year Ended December 31, 2012		
October 1, 2012 through December 31, 2012	$0.51	$0.20
July 1, 2012 through September 30, 2012	$0.60	$0.51
April 1, 2012 through June 30, 2012	$1.10	$0.12
January 1, 2012 through March 31, 2012	$1.09	$0.42
Year Ended December 31,1 2011		
October 1, 2011 through December 31, 2011	$1.39	$1.01
July 1, 2011 through September 30, 2011	$2.90	$1.40
April 1, 2011 through June 30, 2011	$10.00	$2.90
January 1, 2011 through March 31, 2011	$0.80	$0.14

The last report sales price of our common stock on the OTC Pink on October 8, 2013 was $1.65 per share.

We have applied for the listing of our common stock on a national securities exchange, however, cannot assure you that our application will be approved. Approval of our application is a condition to completion of this Offering.

Dividend Policy

Sysorex Global Holdings Corp. has not declared nor paid any cash dividend on our common stock, and we currently intend to retain future earnings, if any, to finance the expansion of our business, and we do not expect to pay any cash dividends in the foreseeable future. The decision whether to pay cash dividends on our common stock will be made by our board of directors, in their discretion, and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors considers significant.

Registration Rights Agreements

The Company has entered into registration rights agreements concerning an aggregate of 9,041,164 shares of common stock. Pursuant to the March 20, 2013 Lilien acquisition, the Company agreed to register its 6,000,000 shares issued to the former Lilien Members of which 200,000 shares are registered for the Selling Stockholder under this Offering. Under the Registration Rights Agreements dated March 15, 2013 and August 29, 2013, the Company agreed to register 166,667 and 112,500 shares of common stock underlying warrants issued to Bridge Bank, N.A. in connection with credit facilities. Pursuant to the Shoom Acquisition, the Company agreed to register 2,761,997 shares issued to the former Shoom Shareholders following the effective date of this registration statement, although no sales are permitted under lock-up agreements until six months after the effective date of this registration statement.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of June 30, 2013:

- on an actual basis;
- on an as adjusted basis, giving effect to the sale by us of 3,800,000 shares of common stock in this Offering at an assumed public offering price of $5.00 per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read the following table in conjunction with the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

	As of June, 2013	
	Actual	**As Adjusted (2)**
Total long-term debt	$ 4,985,509	$ 4,985,509
Shareholders' equity:		
Common stock, par value $0.001 per share: 40,000,000 shares of common stock authorized; 25,176,697 shares issued and outstanding, actual, and 28,976,697 shares issued and outstanding, as adjusted.	25,177	28,977
Additional paid-in capital	15,034,562	32,120,762
Accumulated deficit	(10,736,683)	(10,736,683)
Total stockholders' equity	2,373,896	19,463,896
Total capitalization	7,359,405	24,449,405

(1) Does not include 2,761,997 shares issued as of September 6, 2013, to the former Shoom shareholders; outstanding warrants to purchase an aggregate 1,010,023 shares of Common Stock and 3,157,500 shares of Common Stock issuable upon exercise of outstanding options.

(2) Assumes that $19,000,000 of our common stock is sold in this Offering at $5.00 per share and that the net proceeds thereof are approximately $17,090,000 after deducting underwriting discounts and commissions and our estimated expenses. If the underwriter's over-allotment option is exercised in full, net proceeds will increase to approximately $19,820,000.

DILUTION

As of June 30, 2013, the Company had a pro forma net tangible deficit of approximately ($7,293,966) or ($0.29) per share of Common Stock. Pro forma net tangible book value per share represents the Company's total tangible assets less its total liabilities, divided by the aggregate 25,176,697 number of shares of common stock outstanding. After giving effect to the sale of the 3,800,000 shares of common stock offered hereby by the Company (at an assumed initial public offering price of $5.00 per share and after deducting the estimated offering expenses of $200,000 payable by the Company) and the receipt of the proceeds therefrom, the Company's pro forma net tangible book value at June 30, 2013 would have been approximately $9,796,034 or $0.34 per share based on 28,976,697 shares issued and outstanding. This represents an immediate increase in net tangible book value per share of $0.63 to existing stockholders and an immediate dilution of $4.66 per share to the investors purchasing the shares of common stock offered hereby. The following table illustrates this dilution per share:

Assumed initial offering price per share	$	5.00
Pro forma net tangible deficit per share as of June 30, 2013		(0.29)
Increase in net tangible book value attributable to new investors	$	.063
Pro forma net tangible book value per share after the Offering	$	0.34
Dilution per share to new investors	$	4.66

The following table summarizes, on a pro forma basis, as of June 30, 2013, the total number of shares of common stock purchased from the Company, the total consideration paid, and the average price per share paid, by existing stockholders and by new investors, assuming an initial offering price of $5.00 per share, before deducting the estimated offering expenses:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing Stockholders	25,176,697(1)	86.9%	$ 15,059,739	41.2%	$ 0.60
New Investors	3,800,000	13.1%	$ 19,000,000	55.8%	$ 5.00
Total	28,976,697	100%	$ 34,059,739	100%	

(1) Does not include, as of June 30, 2013, 2,761,997 shares issued as of September 6, 2013, to the former Shoom shareholders, outstanding warrants to purchase an aggregate 1,010,023 shares of Common Stock and 3,157,500 shares of Common Stock issuable upon exercise of outstanding options. The Company has reserved an additional 1,092,500 shares of Common Stock for future option and restricted stock grants under the Company's 2011 Employee Stock Incentive Plan. The exercise of these options and warrants would result in further dilution to new investors. See "Management—Employee Stock Options." "Certain Relationships and Related Transactions" and "Description of Securities."

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

The follow discussion should be read in conjunction with the consolidated financial statements and the related notes contained elsewhere in this prospectus. In addition to historical information, the following discussion contains forward looking statements based upon current expectations that re subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors, including, but not limited to, risks described in the section entitled "Risk Factors" and elsewhere in this prospectus.

Overview

Sysorex Global Holdings Corp. provides a variety of IT services and technologies that enable customers to manage, protect and monetize their enterprise assets whether on-premise, in the Cloud, or via mobile. Historically, Sysorex' customer base was 100% public sector, however, that has changed significantly with the acquisitions we have made in 2013. Currently, approximately 90% of the revenues we earn are from commercial enterprises and approximately only 10% only are from government agencies. Our goal is to continue to build our private and public sector offerings and contracts. We intend to do this by acquiring other businesses. On March 1, 2013, we acquired Lilien Systems, an enterprise IT infrastructure solutions provider with over $40 million in annual revenue, in consideration of a combination of 6,000,000 shares of common stock and $3 million in cash from debt financing. Subsequently, on August 31, 2013, we acquired Shoom, Inc. ("Shoom") a provider of Cloud-based data analytics and enterprise solutions to the media, publishing, and entertainment industries with over $4 million in annual revenue, in consideration of a combination of 2,762,000 shares of common stock and $2.5 million in cash. The cash portion was funded by the excess working capital we obtained from the Shoom acquisition. Finally, as of August 30, 2013, we signed a non-binding Letter of Interest with a potential acquisition candidate with which we are currently performing due diligence, an audit and negotiating a definitive purchase agreement.

The acquisitions of Lilien and Shoom have expanded our depth of enterprise service offerings, including Big Data services and Cloud-based advanced analytics, while providing premier partnership status with leading vendors in IT infrastructure. Shoom also provides Sysorex with secure Cloud-based software products which result in higher gross margins. These acquisitions reflect our business strategy, the purpose of which is to transform Sysorex from a services company to a technology company. We believe the acquisitions of Lilien and Shoom also provide us with an opportunity for vertical market and geographic expansion. We are focusing our primary efforts on the U.S. market in the near-term. We have a small operating unit in Saudi Arabia and we intend to seek government contracts there. This unit does not represent a significant portion of our business and a failure to obtain contracts from the Saudi Arabian government will not have a material impact on our revenues or operations.

Cyber security and Big Data analytics are the areas we are targeting because we believe, based on industry data, that these are growing market segments. For example, security of all forms, especially cyber-security, are significant growth areas (source: Market Research Media - U.S. Federal Cyber-Security Market Forecast 2013-2018 dated April 12, 2013), and Sysorex intends to increase its role in this sector. Gartner predicts that by 2015, 20% of Global 1000 organizations will have established a strategic focus on information infrastructure equal to that of application management. This is one of five Gartner predictions about Big Data and information infrastructure discussed in "Predicts 2013: Big Data and Information Infrastructure;" a November 30, 2012 report that describes in detail how the Big Data phenomenon will affect organizations, resources and information infrastructure. Our plan is to acquire companies with unique technologies and possibly some with patents, which we believe will give us an advantage over our competitors. However, the IT services and technologies industry is extremely competitive and many of the providers in the industry are extremely large and well financed. Therefore, there is a risk that the technologies we acquire or develop could become obsolete if others in the industry develop better products.

Recent events in the federal government including the on-going budget impasse, sequestration and the current government shutdown can impact our business with the Federal government. However, our government contracts are less than 10% of our total revenues. Specifically, the current shutdown could delay payment on our current contracts, delay the award of contracts that Sysorex has under submission and delay the release of task orders from the government on its contracts including the US Navy SPAWAR contract. We currently expect the federal government shutdown will be short-lived and without a material impact to our business. The budget impasse and sequestration are longer-term issues that we believe will have a minimal impact on our business, because we are focused on cyber security and Big Data analytics, which we believe will continue to receive funding. We believe both of these will be growth areas for the government despite budget challenges because of the increased need for solutions in this space and recent high profile events, such as NSA information leaks by Edward Snowden and LexisNexis information leaks such as the Social Security number of the United States First Lady along with millions of other Americans, that have made it more of a focus. Our government contracts are typically three to five years and we believe that our recent historical government contract revenues will be indicative of future government contact based revenues. New contracts are expected to be accretive.

Lilien's revenues are typically driven by purchase orders that are received on a monthly basis and Lilien does not typically have long-term contracts. However, Lilien does have a 29-year history and track record with a senior management team that we expect will continue to successfully generate and grow this business. Lilien also has a high repeat customer rate of approximately 60% annually and approximately 25% of their revenues are recurring. Lilien's revenues are diversified over hundreds of customers and no one customer exceeds 15% of its revenues. Management believes this diversification provides stability to Lilien's revenue streams.

Shoom's software-as-a-service (SaaS) contracts are typically performed for periods of one or more years and Shoom has a high customer retention rate. Shoom offers eSolutions including eTearsheets, invoicing, CRM, and other products and services to 750 newspapers in the Cloud. Cloud or SaaS based analytics is a growing market that Sysorex intends to pursue beyond the media vertical that Shoom is in today. According to industry sources, Cloud based business analytics and business intelligence is expected to grow from $5.2 billion in 2013 to $16.52 billion in 2018 a 25.8% CAGR (source: PRWeb Article - Cloud Analytics Market is Growing at an Estimated CAGR of 25.8% & to Reach $16.52 Billion by 2018 - New Report by MarketsandMarkets April 2, 2013.) Shoom has been in business for over 10 years and has been providing its Cloud solutions for over 4 years.

The Lilien Acquisition significantly impacted our results of operations for the six months ended June 30, 2013, as indicated in the discussion below. The results show a net loss which was attributable, in part, to certain one-time non-recurring charges related to the Lilien Acquisition, resulting in the Company incurring significant legal, accounting, due diligence, financing and general and administrative expenses as compared to the expenses incurred in comparable period in 2012.

We believe the accretive impact of our acquisition strategy is becoming evident as the quarter ended June 30, 2013 included a full quarter of Lilien's revenues. We anticipate synergies and operational efficiencies to improve revenues and profitability for both Sysorex and Lilien, especially in Q3 and Q4 when Lilien's business is historically stronger as a result of customer budgeting processes. Sysorex' U.S. government operations are profitable and this division is growing, as the U.S. Navy SPAWAR contract is expected to start releasing significant task orders in Q4 2013 and other awards are expected later in the same quarter, assuming that funding is available in view of the budget impasse. With the addition of Shoom we believe that our liquidity will improve significantly as Shoom's business model generates 90% gross margins. We believe that our shift to technology based business lines like Shoom and other future acquisitions will increase our customer base and, in turn, increase revenues to a level that will allow us to achieve profitability.

JOBS Act

Pursuant to Section 107 of the JOBS Act, emerging growth companies may delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected to opt out of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Critical Accounting Policies

Our consolidated financial statements as of December 31, 2012 and June 30, 2013 and for the year and the six months then ended, respectively, were prepared in accordance with accounting principles generally accepted in the United States. In preparing these financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. The Company's complete accounting policies are described in Note 2 of the audited financial statements for the year ended December 31, 2012. We believe that the following accounting policies are particularly important to understanding our results of operations and financial position:

- The valuation of the assets and liabilities acquired from Lilien, as well as the valuation of the Company's common shares issued in that transaction;
- Revenue recognition;
- The valuation of stock-based compensation;
- The allowance for doubtful accounts; and
- The valuation allowance for the deferred tax asset.

Rounding

All dollar amounts in this section have been rounded to the nearest thousand.

Results Of Operations - For The Six Months Ended June 30, 2013 Compared To The Six Months Ended June 30, 2012

Revenues

Revenues for the six months ended June 30, 2013 were $20,150,000 compared to $2,162,000 for the comparable period in the prior year. This increase of $17,988,000 was primarily attributable to the Lilien Acquisition effective March 1, 2013 and the inclusion of Lilien's revenues of $17,837,000 from the effective date of the acquisition. Revenues of $2,313,000 related to the historical Sysorex business were essentially unchanged. However, we expect historical Sysorex business revenues to increase in 2014 as award decisions are made in connection with several outstanding proposals and our U.S. Navy SPAWAR contract releases task orders in the fourth quarter of 2013 and first quarter of 2014, although it is not currently possible to quantify the value of the contract to Sysorex. We also expect an increase in revenue as a result of introductions to the acquired companies' customers, along with a general increase in the number of proposal opportunities.

Costs of Revenues

Cost of revenues for the six months ended June 30, 2013 were $15,696,000 compared to $1,154,000 for the comparable period in the prior year. This increase of $14,542,000 was primarily attributable to the Lilien Acquisition effective March 1, 2013 and the inclusion of Lilien's cost of revenues of $14,454,000 from the effective date of the acquisition. Costs of revenues of $1,242,000 related to the historical Sysorex business were essentially unchanged. However, we expect historical Sysorex business cost of revenues to increase during the balance of this year as award decisions are made in connection with several outstanding proposals and our U.S. Navy SPAWAR contract is expected to release a large number of task orders during the fourth quarter of 2013. The gross profit margin for the six months ended June 30, 2013 was 22.1% compared to 46.6% for the comparable period in the prior year as the six months ended June 30, 2013 included Lilien revenues for the months of March through June 2013 which have lower gross profit margins than the Sysorex service revenues. Lilien's gross margin for the six months ended June 2013 was 19% and Sysorex's historical business gross margin was 46% for the same period.

Operating Expenses

Operating expenses for the six months ended June 30, 2013 were $5,847,000 compared to $1,097,000 for the comparable period in the prior year. This increase of $4,750,000 was primarily attributable to the Lilien Acquisition effective March 1, 2013 and the inclusion of Lilien's operating expenses of $3,137,000 from the effective date of the acquisition. Operating expenses related to the historical Sysorex business for the six months ended June 30, 2013 were $2,710,000 compared to $1,097,000 for the comparable period in the prior year. This increase of $1,613,000 consisted primarily of one-time non-recurring charges of $908,000 related to the acquisition of Lilien and consisted of legal, accounting, due diligence, and financing expenses, $256,000 for the amortization of the Lilien intangibles, $140,000 of legal, accounting and professional fees related to other potential acquisitions and S-1 transaction costs and $127,000 of other non-cash stock based compensation. Operating expenses will increase for reporting and compliance costs once we are a reporting company with the SEC.

Loss From Operations

Loss from operations for the six months ended June 30, 2013 was $1,392,000 compared to $89,000 for the comparable period in the prior year. This increase of $1,303,000 was primarily attributable to the historical Sysorex business for the six months ended June 30, 2013 which consisted of a loss from operations of $1,638,000 compared to $89,000 for the comparable period in the prior year. This increase of $1,549,000 was attributable primarily to the inclusion of one-time non-recurring charges of $908,000 related to the acquisition of Lilien, $256,000 of amortization, $140,000 of professional fees and $127,000 of stock based compensation as described in the prior paragraph.

Other Expense

Other expense consisted primarily of interest expense and such interest expense for the six months ended June 30, 2013 was $577,000 compared to $12,000 for the comparable period in the prior year. This increase of $565,000 was attributable to $489,000 of non-cash change in the fair value of derivative liability for warrants issued and $86,000 in fees related to the closing of a prior credit facility and the borrowings under the Bridge Bank revolving line of credit in the amount of $4,200,000. The majority of those borrowings were used in connection with the acquisition of Lilien for the $3,000,000 cash payment to the seller and the $908,000 in one-time non-recurring charges included in operational expenses discussed above.

Provision for Income Taxes

The was no provision for income taxes for the six months ended June 30, 2013 as we were in a net loss position. Deferred tax assets resulting from such losses are fully reserved as of December 31, 2012 and 2011 since, at present we have no history of taxable income and it is more likely than not that such assets will not be realized.

Net Loss Attributable To Non-Controlling Interest

Net loss attributable to non-controlling interest for the six months ended June 30, 2013 was $75,000 compared to $37,000 for the comparable period in the prior year. This increase in net loss of $38,000 was attributable to the increase in the loss of Sysorex Arabia and was not material.

Net Loss Attributable To Stockholders of Sysorex Global Holdings Corp.

Net income/loss attributable to stockholders of Sysorex Global Holdings Corp. for the six months ended June 30, 2013 was a loss of $1,894,000 compared to $64,000 for the comparable period in the prior year. This increase of $1,830,000 was attributable to the changes described for the various reporting captions discussed above.

Non-GAAP Financial information

EBITDA is defined as net income (loss) before interest, provision for (benefit from) income taxes, and depreciation and amortization. Adjusted EBITDA is used by our Company's management as the matrix in which it manages the business is defined as EBITDA plus adjustments for other income or expense items, non-recurring items and non-cash stock-based compensation.

Adjusted EBITDA for the six months ended June 30, 2013 was income of $401,000 compared to a loss of $13,000 for the comparable period in the prior year. Overall, Adjusted EBITDA compares favorably to the net loss attributable to stockholders of Sysorex Global Holdings Corp. as described in the following paragraph.

The following table presents a reconciliation of net income/loss attributable to stockholders of Sysorex Global Holdings Corp., which is our GAAP operating performance measure, to Adjusted EBITDA for the six months ended June 30, 2013 and 2012:

	6 Months Ended June 2013	6 Months Ended June 2012
Adjusted EBITDA	$ 401,000	$ (13,000)
Gain on settlement of obligations *	15,000	--
Other *	--	1,000
Acquisition expenses of acquisition not consummated - non recurring one time charges	--	(7,000)
S-1 and acquisition transaction costs - non recurring	(231,000)	--
Lilien acquisition transaction costs - non-recurring one time charges	(713,000)	--
Stock-based compensation – included in acquisition costs	(195,000)	--
Stock-based compensation – included in SG&A expense	(275,000)	--
Change in the fair value of derivative liability	(489,000)	--
Other interest expense	(103,000)	(13,000)
Depreciation and amortization	(304,000)	(32,000)
Net loss attributable to stockholders of Sysorex Global Holdings Corp.	$ (1,894,000)	$ (64,000)

* - Included on our statement of operations as a component of other income

We rely on Adjusted EBITDA, which is a non-GAAP financial measure:

- To review and assess the operating performance of our Company as permitted by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information";
- To compare our current operating results with corresponding periods and with the operating results of other companies in our industry;
- As a basis for allocating resources to various projects;
- As a measure to evaluate potential economic outcomes of acquisitions, operational alternatives and strategic decisions; and
- To evaluate internally the performance of our personnel.

We have presented Adjusted EBITDA above because we believe it conveys useful information to investors regarding our operating results. We believe it provides an additional way for investors to view our operations, when considered with both our GAAP results and the reconciliation to net income (loss), and that by including this information we can provide investors with a more complete understanding of our business. Specifically, we present Adjusted EBITDA as supplemental disclosure because:

- We believe Adjusted EBITDA is a useful tool for investors to assess the operating performance of our business without the effect of interest, income taxes, and other non-operating expenses as well as depreciation and amortization which are non-cash expenses;
- We believe that it is useful to provide to investors with a standard operating metric used by management to evaluate our operating performance; and
- We believe that the use of Adjusted EBITDA is helpful to compare our results to other companies.

Even though we believe Adjusted EBITDA is useful for investors, it does have limitations as an analytical tool. Thus, we strongly urge investors not to consider this metric in isolation or as a substitute for net income (loss) and the other consolidated statement of operations data prepared in accordance with GAAP. Some of these limitations include the fact that:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect income or other taxes or the cash requirements to make any tax payments; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, thereby potentially limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and providing Adjusted EBITDA only as supplemental information.

Results Of Operations - For The Year Ended December 31, 2012 Compared To The Year Ended December 31, 2011

Revenues

Revenues for the year ended December 31, 2012 were $4,238,000 compared to $7,004,000 for the comparable period in the prior year. This decrease of $2,766,000 was attributable to the conclusion of the MODA C4I contract in October 2011. However, we expect revenues to increase during the balance of 2013 as award decisions are made in connection with several outstanding proposals and our U.S. Navy SPAWAR contract which was awarded in February 2013 is expected to start releasing task orders during the fourth quarter of 2013 and first quarter of 2014.

Costs of Revenues

Cost of revenues for the year ended December 31, 2012 were $2,345,000 compared to $4,312,000 for the comparable period in the prior year. This decrease of $1,967,000 was primarily attributable to the conclusion of the MODA C4I contract in October 2011. However, as indicated above, we expect revenues and therefore, cost of revenues to increase during the balance of this year as award decisions are made in connection with several outstanding proposals and our U.S. Navy SPAWAR contract is expected to release a significant number of task orders during the fourth quarter of 2013. The gross profit margin for the year ended December 31, 2012 was 44.7% compared to 38.4% for the comparable period in the prior year as the Sysorex Arabia MODA C4I contract ended in 2011 and the Sysorex U.S. contracts yield higher profit margins.

Operating Expenses

Operating expenses for twelve months ended December 31, 2012 were $2,349,000 compared to $2,740,000 for the comparable period in the prior year. This decrease of $391,000 consisted of: a) decreases of $324,000 and $186,000 in compensation and consulting expenses, respectively, related to the conclusion of the MODA C41 contract in October 2011 as discussed in the preceding paragraphs; b) an increase of $331,000 in professional and legal fees related to the pursuit of the Company acquisition strategy as discussed in the preceding sections; and c) a decrease of $218,000 in other administrative expenses attributable to general cost containment measures. Operating expenses will increase for reporting and compliance costs once we are a reporting company with the SEC.

Loss From Operations

Loss from operations for the year ended December 31, 2012 was $455,000 compared to $48,000 for the comparable period in the prior year. This increase of $407,000 was attributable to the decrease in gross profit of $798,000 related to the conclusion of the MODA C41 contract in October 2011, as discussed in the preceding paragraph, offset by the decrease of $391,000 in operating expenses as also discussed in the preceding paragraphs.

Other Income (Expense)

Other income (expense) for twelve months ended December 31, 2012 was an expense of $329,000, as compared to income of $79,000 for the comparable period in the prior year. This change of $408,000 consisted of: a) a decrease of $110,000 related to a gain on settlement of a vendor liability during 2011 for which there was no comparable amount present during 2012; b) a decrease related to an additional $319,000 interest expense primarily attributable to the debt incurred by us during 2012 to finance operations; and c) an increase of $18,000 related to the change in the fair value of our derivative liability for which there was no comparable amount during 2011.

Provision for Income Taxes

There was no provision for income taxes for the year ended December 31, 2012 as we were in a net loss position. Deferred tax assets resulting from such losses are fully reserved as of December 31, 2012 and 2011 since, at present we have no history of taxable income and it is more likely than not that such assets will not be realized. The provision for income taxes for the year ended December 31, 2011 of $31,000 represented the income tax provision for the Saudi subsidiary computed under Saudi Arabia's tax law.

Net Income/Loss Attributable To Non-Controlling Interest

Net income/loss attributable to non-controlling interest for the year ended December 31, 2012 was a loss of $91,000 compared to income of $36,000 for the comparable period in the prior year. This change of $127,000 was attributable to the loss incurred at Sysorex Arabia due to the conclusion of the MODA C4I contract in October 2011.

Net Loss Attributable To Stockholders of Sysorex Global Holdings Corp.

Net income/loss attributable to stockholders of Sysorex Global Holdings Corp. for the year ended December 31, 2012 was a loss of $694,000 compared to a loss of $36,000 for the comparable period in the prior year. This increase of $658,000 was attributable to the changes described for the various reporting captions discussed above.

Non-GAAP Financial information

Adjusted EBITDA for the year ended December 31, 2012 was income of $83,000 compared to income of $394,000 for the comparable period in the prior year. Overall, Adjusted EBITDA compares favorably to the net loss attributable to stockholders of Sysorex Global Holdings Corp. as described in the following paragraph.

The following table presents a reconciliation of net income/loss attributable to stockholders of Sysorex Global Holdings Corp., which is our GAAP operating performance measure, to Adjusted EBITDA for the years ended December 31, 2012 and 2011:

	Year Ended 2012	Year Ended 2011
Adjusted EBITDA	$ 83,000	$ 394,000
Non-recurring one time charges (acquisition expenses and related charges of an acquisition that was not consummated)	(236,000)	-
Stock-based compensation – included in SG&A expense	(113,000)	(395,000)
Stock-based compensation – included in interest expense	(111,000)	-
Other interest expense	(239,000)	(31,000)
Provision for income taxes	-	(31,000)
Depreciation and amortization	(99,000)	(83,000)
Gain on settlement of obligations *	-	110,000
Change in fair value of derivative liability *	18,000	-
Other *	3,000	-
Net loss attributable to stockholders of Sysorex Global Holdings Corp.	$ (694,000)	$ (36,000)

* Included on our statement of operations as a component of other income

As previously indicated, even though we believe Adjusted EBITDA is useful for investors, it does have limitations as an analytical tool. Thus, we strongly urge investors not to consider this metric in isolation or as a substitute for net income (loss) and the other consolidated statement of operations data prepared in accordance with GAAP.

Liquidity And Capital Resources as of June 30, 2013 Compared With December 31, 2012

The Company's net cash flows used in operating, investing and financing activities for the six months ended June 30, 2013 and 2012 and certain balances as of the end of those periods are as follows:

	2013	2012
Net cash used in operating activities	$ (2,383,000)	$ (263,000)
Net cash used in investing activities	(1,891,000)	(4,000)
Net cash provided by financing activities	4,905,000	249,000
Net change in cash	$ 632,000	$ (18,000)
Cash and cash equivalents at June 30, 2013 and December 31, 2012	$ 640,000	$ 8,000
Working capital (deficit) at June 30, 2013 and December 31, 2012	$ (8,889,000)	$ (5,756,000)

Operating Activities:

Net cash flows related to operating activities during the six months ended June 30, 2013 and 2012 were negative $2,383,000 and $263,000, respectively. The net negative cash flows related to the six months ended June 30, 2013 consisted of the following:

$ (1,970,000)	Net loss
1,280,000	Non-cash expenses
(1,694,000)	Net change in operating assets and liabilities
$ (2,383,000)	Net cash used in operating activities

The net loss of $1,970,000 consisted of:

$ (1,138,000)	Expenses attributable to transaction costs of $908,000 directly related to the Lilien acquisition and $230,000 related to our ongoing acquisition related activities.
11,000	Losses attributable to the Lilien operations from March 1, 2013, the effective date of our acquisition of Lilien, through June 30, 2013. As Lilien generated $17,837,000 in revenue during that period, those operating results were effectively break-even for that period. Such results were anticipated as Lilien's operating results are traditionally stronger during the third and fourth quarters of each year. As these operating results included non-cash charges for amoritzation of intangible assets totaling $256,000, otherwise Lilien's reported operating results would have been a profit of $245,000.
(821,000)	Losses attributable to other Company activities primarily consisting of a non-cash charge of $489,000 for the change in the fair value of the derivative liability associated with warrants issued, and a non-cash charge of $275,000 for stock based compensation expense. All other Company activities represented a net loss of $57,000.
$ (1,970,000)	Net loss

As previously discussed, Lilien is an information technology company whose operations complement and significantly expand our current base of business and enables us to provide integrated consulting and implementation solutions and services to both government and private organizations in the United States, and potentially in the Middle East and South Asia. In that light, we expect significant increases in Lilien's revenues, profits, and cash flows during the balance of 2013. Cash flows related to operating activities during the six months ended June 30, 2012 were, in comparison, minimal and consisted of normal operating activities.

We also expect significant increases in the balance of our business with respect to revenues, profits, and cash flows during the balance of 2013 as the U.S. Navy SPAWAR contract (which we won in February 2013) has begun releasing task orders during the third quarter and we expect to win additional contracts during the balance of the year.

The non-cash expenses of $1,280,000 consisted of:

$ 256,000	Depreciation and amortization expenses attributable to the Lilien operations which were acquired effective March 1, 2013.
470,000	Stock-based compensation expense of $195 and $275 attributable to warrants and options issued in connection with Lilien and other Company operations, respectively.
489,000	Change in the fair value of the derivative liability associated warrants issued as discussed in the six months ended June 2013 financial Note 16.
65,000	Other
$ 1,280,000	Total non-cash expenses

The net source (use) of cash in the change in operating assets and liabilities aggregated ($1,694,000) and consisted primarily of changes attributable to the acquisition of Lilien effective March 1, 2013 as follows:

$ (5,907,000)	Increase in accounts receivable
(1,204,000)	Increase in prepaid licenses and maintenance contracts
4,472,000	Increase in accounts payable
1,194,000	Increase in deferred revenue
(249,000)	Other
$ (1,694,000)	Net use of cash in the changes in operating assets and liabilities

Investing Activities:

Net cash flows related to investing activities during the six months ended June 30, 2013 and 2012 were a negative approximately $1,891,000 and $4,000, respectively. The negative cash flows related to the six months ended June 30, 2013 was comprised of a $3,000,000 investment in Lilien offset by $1,112,000 in cash acquired in connection with the Lilien Acquisition. Cash flows related to investing activities during the six months ended June 30, 2012 were minimal.

Financing Activities:

Net cash flows from financing activities during the six months ended June 30, 2013 and 2012 were a positive approximately $4,905,000 and $249,000, respectively. The positive cash flows related to the six months ended June 30, 2013 was comprised primarily of $5,000,000 of advances from a credit facility. Those funds were primarily utilized for the $3,000,000 investment in Lilien, Lilien acquisition costs of approximately $908,000, and $467,000 of repayments of notes, balances due under other credit arrangements and advances from related parties. Cash flows related to financing activities during the six months ended June 30, 2012 were, in comparison, minimal and consisted of advances of approximately $397,000 from Duroob Technology, Inc. (“Duroob”). The owners and management of Duroob own slightly less than 50% of our subsidiary operating in Saudi Arabia. Therefore, Duroob made such advances to the Company to support those operations while we pursued the acquisition and expansion strategy described in the preceding paragraphs.

Liquidity And Capital Resources - General:

Our current capital resources and operating results as of and through June 30, 2013, as described in the preceding paragraphs, consist of:

1) An overall working capital deficit of $8,889,000;
2) Cash of $640,000;
3) A revolving line of credit for up to $5,000,000 with a maturity date of March 15, 2015 that is fully utilized; and
4) Net cash used in operating activities year-to-date of $2,383,000.

We believe our total working capital deficit of $8,889,000 does not represent a severe impediment to our operations and growth when its principal components are separately identified and analyzed and the growth of our business is taken into account. The breakdown of our overall working capital deficit is as follows:

Working capital	Assets	Liabilities	Net
Cash	$ 640,000	-	$ 640,000
Accounts receivable / accounts payable	11,439,000	10,642,000	797,000
Prepaid contracts / deferred revenue	6,072,000	7,597,000	(1,525,000)
Accrued compensation and related benefits	-	1,915,000	(1,915,000)
Revolving line of credit	-	5,013,000	(5,013,000)
Other	389,000	2,262,000	(1,873,000)
Net	$ 18,540,000	$ 27,429,000	$ (8,889,000)

Accounts receivable exceeds the related accounts payable by $797,000. We do not believe there are material collectability issues with respect to our accounts receivable. In accordance with industry practice, payments to major vendors included in our accounts payable are normally extended until the time the collection of the related sale is received. Deferred revenue exceeds the related prepaid contracts by $1,525,000 and other liabilities exceed other assets by $1,873,000. These deficits are expected to be funded by our anticipated cash flow from operations, as described below, over the next twelve months. The revolving line of credit principal and accrued interest total $5,013,000, which we believe will not have a material adverse effect on our liquidity in the next twelve months as the principal balance is not due until March 2015, twenty one months from the current balance sheet date of June 30, 2013. Additionally, as described in the preceding paragraphs, the amount of this credit facility was increased to $6,000,000 in August 2013.

Net cash used in operating activities year-to-date of $2,383,000 consists of net cash used in operations of $690,000 (net loss of $1,970,000 less non-cash expenses of $1,280,000) and net cash used of $1,694,000 in changes in operating assets and liabilities. We expect net cash from operations during the period from June 30 to December 31, 2013 to be positive as:

1) The historical Sysorex business is expected to strengthen as task orders for our Navy SPAWAR contract are expected to start being released in Q4 2013;
2) The newly acquired Lilien business is historically stronger during the second six months of every year because customer budgets are typically larger in those months;
3) Lilien complements and significantly expands our current base of business and enables us to provide integrated consulting and implementation solutions and services to both government and private organizations in the United States, and potentially in the Middle East and South Asia. In that light, we anticipate significant increases in revenues and cash flows during the balance of 2013; and
4) We concluded the acquisition of Shoom, Inc. ("Shoom"), a company with operations compatible to both Sysorex and Lilien, effective August 31, 2013 through the issuance of shares of Sysorex common stock. The acquisition provided us with:
    a) Positive working capital of approximately $1,641,000 which consisted almost exclusively of cash; and
    b) A business that benefits from high margins and generates approximately $1,000,000 positive cash flow on an annual basis.

Consequently, we expect that our current capital resources as of June 30, 2013, as described in the preceding paragraphs, will be sufficient to fund planned operations during the next twelve months. We also expect that as our business expands, cash provided from operations will, over time, eliminate our working capital deficit and provide ongoing improvement in our long-term liquidity.

We have been actively pursuing equity financing to provide us with capital necessary to continue pursuing the acquisition and expansion strategy that we launched with the acquisition of Lilien in March 2013 and, if necessary, to provide working capital to our current operations. Upon the completion of this Offering, we expect to have sufficient funds to continue this acquisition and expansion strategy. If we are unsuccessful in raising additional capital through this Offering or obtaining alternative financing during 2013, we may have to postpone or abandon our acquisition and expansion plans. However, if such postponement or abandonment of our acquisition and expansion plans is required, it should have a limited effect on our liquidity or the ongoing operations of Sysorex, Lilien, or Shoom as described above.

Liquidity And Capital Resources - Bridge Bank Financing Agreement

On March 15, 2013 and in connection with and concurrent with our acquisition of Lilien, Sysorex Government Services, Inc. and Lilien Systems, both 100%-owned subsidiaries of Sysorex Global Holdings, Inc., entered into a Business Finance Agreement (the "Agreement") as co-borrowers (the "Borrowers") with Bridge Bank, NA (the "Bank") under which the Borrowers obtained a revolving line of credit for up to $5,000,000 with a maturity date of March 15, 2015. Terms of this Agreement include compliance with certain debt covenants to include an asset coverage ratio of 1.4 to 1.0, a debt service coverage ratio of 1.5 to 1.0 and performance-to-plan covenants. As of June 30, 2013, the Company was not in compliance with certain covenants, however, the Bank did not formally notify the Company of non-compliance. Effective August 29, 2013 Amendment Number 1 to the Agreement waived those covenants as further described below. The line of credit matures on March 15, 2015 and incurs interest at the greater of 5.25% or the bank's prime rate, plus 2%. The interest rate as of June 30, 2013 was 5.25%.

The Company and its wholly-owned subsidiary, Sysorex Federal Inc., entered into unconditional guarantees of all indebtedness under the Agreement and granted the Bank a continuing security interest in all assets of the Company and its subsidiary. The Company and Sysorex Federal pledged to the Bank all of the capital stock of Lilien Systems and Sysorex Federal and Sysorex Government Services, respectively. Lilien Systems and Sysorex Government Services each entered into an intercreditor subordination agreement subordinating their right of payment to the Bank.

Terms of this Agreement require all cash receipts of Sysorex Government Services, Inc. and Lilien Systems to be remitted to a lockbox for application to the balance due in connection with this Agreement. Use of this lockbox arrangement has no noteworthy effect upon our liquidity or upon our domestic or international operations. As with any such arrangement, the Bank could limit or suspend drawdowns upon the credit facility in the event of non-compliance with the terms of the Agreement which would have a serious impact upon our liquidity and ability to operate. However, we constantly communicate with the Bank and enjoy an excellent working relationship. This Agreement was modified on August 29, 2013 to increase the line of credit available to us as explained below.

On March 20, 2013, the Borrowers received $4,175,000 under this Agreement. Of that amount, $3,000,000 was paid as consideration in connection with the Lilien Acquisition effective March 1, 2013. The balance of $1,175,000 was primarily utilized for acquisition program related expenses totaling $594,000 and reduction of debt and accrued expenses totaling $467,000. As of October 1, 2013, the principal amount outstanding under the Agreement was $5,000,000 and an additional $750,000 is outstanding under a term loan.

On August 29, 2013 the Company entered into Amendment 1 (the "Amendment") to the Agreement dated March 15, 2013 in connection with the Company's acquisition of Shoom. Under the Amendment certain sections and terms of the Agreement were amended and existing defaults were waived. The Amendment waived the asset coverage ratio for April 2013 and the performance-to-plan ratio for June 30, 2013. The Amendment includes an increase to the credit limit to $6,000,000, the asset coverage ratio was amended to be not at any time less than (i) 1.0 to 1.0, tested as at the end of each month, commencing with the month ended July 31, 2013, and (ii) 1.4 to 1.0, tested as at the end of each month, commencing with the month ending September 30, 2013 and the performance-to-plan covenant was amended to state that the combined revenues and net income are not to deviate by more than 20% or $100,000 from the projections of combined revenues and net income approved by Borrowers' boards of directors with respect to the rolling three month period ended on the date of determination, tested as at June 30, 2013, September 30, 2013, and the end of each month thereafter, commencing with the month ending October 31, 2013.

Additionally and concurrently with the Amendment the Company entered into a term loan for $750,000 which accrues interest at the greater of 5.25% or the Bank's prime rate plus 2% and matures on August 27, 2016. The Company is obligated to make payments of $41,667 on the first day of each month commencing on February 1, 2014 until the loan amount is paid in full.

The Bank received (i) warrants to purchase 166,667 shares of Common Stock exercisable at $0.45 per share in connection with the Agreement on March 20, 2013, and (ii) warrants to purchase 112,500 shares of Common Stock exercisable at $1.20 per share in connection with the Amendment on August 29, 2013.

BUSINESS

Overview

Sysorex Global Holdings Corp. ("Sysorex" or the "Company"), provides information technology and telecommunications solutions and services to commercial and government customers primarily in the United States, as well as the Middle East and India. We provide a variety of IT services and/or technologies that enable customers to manage, protect and monetize their enterprise assets whether on-premise, in the Cloud, or via mobile. Sysorex is a systems integration and consulting company and has a wide range of offerings, including, but not limited to: custom application/software design, architecture and development, data center design and operations services, command control, computer communication, intelligence (C4I) system consulting, program management and security solutions and services. Sysorex is currently engaged in an acquisition strategy to add cutting edge technologies and intellectual property that complement its service offerings. The targeted technologies typically include software and/or hardware products providing cyber security, and Big Data/Analytics capabilities on premise, in the Cloud or on a mobile device. Cyber security and Big Data Analytics are expected to be our primary focus going forward.

Effective March 1, 2013, the Company acquired Lilien Systems ("Lilien" and the "Lilien Acquisition") based in Larkspur, California, an information technology company, which significantly expanded "Lilien's Systems the Company's operations in the fields described above. Lilien delivers right-fit information technology solutions that help organizations reach their next level of business advantage. Lilien brings unsurpassed commitment, a highly qualified and educated staff with deep technical expertise, premier technology certifications, key manufacturer partnerships, and business vision to its solutions, enterprise computing and storage, virtualization, business continuity, networking and IT business consulting. See "Business - The Lilien Acquisition" below.

Effective August 31, 2013, the Company acquired Shoom, Inc. ("Shoom") based in Encino, California, a leading provider of Cloud based data analytics and enterprise solutions to the media, publishing and entertainment industries. Shoom provides Shoom specializes in providing comprehensive and integrated Internet/intranet based information services and electronic delivery systems to its expanding client base around the world. Shoom liberates publishers and advertisers from cumbersome legacy and hard-copy systems with software as a service (SaaS) products including eTearSheets, eInvoice, Ad Delivery and ePaper electronic publication solutions while generating critical data analytics for its customers. The acquisition represents another milestone for the Company, which validates our strategy of acquiring a portfolio of complementary IP/Technology based companies. Shoom expands Sysorex's depth of enterprise service offerings with powerful Cloud–based solutions. Shoom's customers can now take advantage of Lilien's Big Data expertise and advanced analytics, while Sysorex and Lilien will leverage Shoom's talent pool of expert Cloud solution engineers. Based on Management's due diligence investigation of Shoom, the Company expects Shoom to generate approximately $4 million in revenues with 25% net income in 2014 and a 10% annual growth rate thereafter exclusive of the benefits of leveraging synergies with Sysorex.

On August 30, 2013, the Company entered into a non-binding Letter of Interest to acquire 100% of the capital stock of a company ("Target") in the cyber-security space with leading-edge solutions and proprietary intellectual property. Target develops device locationing, monitoring and management technologies for mobile devices operating on WiFi, cellular and wideband RF networks. The company has two product lines. The first is a mobile security platform that locates devices operating within a monitored area, determines their compliance with network security policies for that zone, and then can modify device apps and/or features — either directly or via leading third party mobile device, application and network management tools. The company's other product is a commercial platform for enabling location and/or context-based services and information delivery to mobile devices based on zones as small as 10 feet or as long as a square mile. Based on Management's preliminary due diligence investigation of Target, Target is expected to generate in excess of $10 million in revenue with approximately 30% net income in 2014 with a 50% growth rate expected for at least 2015, although no assurance can be given prior to completion of this Offering and the pending acquisition. This acquisition is subject to obtaining financing from this Offering, or otherwise, completion of due diligence, negotiation and execution of a definitive purchase agreement, audited financial statements of Target and customary closing conditions, none of which can be assured. The Company has allocated approximately $10.5 million of the proceeds of this Offering for this acquisition. See "Use of Proceeds" and Business - Pending Letter of Interest."

Management intends to accelerate introduction of the acquired technology and products of Lilien and Shoom, as well as any future acquisitions, by offering them through its U.S. Federal government contracts by adding their solutions and services to its GSA schedule and other relevant contract vehicles where Sysorex is the prime contractor. Sysorex expects to leverage Lilien's sales force and customer base with any future acquisition as and when appropriate.

Corporate Strategy

Sysorex management has a mergers and acquisitions strategy to acquire companies and innovative technologies servicing the multi-billion dollar IT services industry. We have targeted services and technology/IP based companies since they add significant value to the Company and allow us to command a higher sales price should there be a sale or a spinoff. Sysorex plans to facilitate and manage cross-selling opportunities among the companies and provide shared corporate services to create efficiencies and be cost effective. We are seeking opportunities with the following profiles:

- Innovative and commercially proven technologies primarily in cyber-security, business intelligence/analytics, Big Data services, Cloud and mobile/BYOD.
- Commercial and government IT service companies which have an established customer base and are seeking growth capital to expand their capabilities, product offerings and substantially increase their revenues and operating profits.
- Companies with profitable, proven technologies that are complementary to the Company's overall strategy. We are looking at companies primarily in the United States. However, we may expand in our existing markets (e.g., Middle East) and into other geographies such as India and Europe, if there are significant strategic and financial reasons to do so.

An important element of our mergers and acquisitions strategy is to acquire companies with complementary capabilities/technologies and an established customer base in each of the above categories. We believe that the customer base of each potential acquisition will present an opportunity to cross-sell solutions to the customer base of other acquired companies. For example, when we acquire a company that primarily specializes in BYOD cyber security, we will be in position to market this solution to both Sysorex's public sector government clients and Lilien's private sector clients.

Another important criteria is an acquisition candidate's contract backlog. This is one of the most important benefits of having public sector clients. These customers provide very large multi-year contracts that can provide secure revenue visibility typically for three to five years. Based on Management's experience, we understand government contracting very well and have built a core competency in bidding on government requests for proposals (RFPs). We are actively seeking companies that have built a backlog with various government agencies that can complement Sysorex's existing contracts.

We intend to acquire innovative technologies and established, reputable IT services companies, using restricted common stock, cash and debt financing in combinations appropriate for each potential acquisition.

Industry Overview

Worldwide, companies and organizations are expected to spend a combined $3.8 trillion on hardware, software, IT services and telecommunications in 2013 with approximately 3.9% growth rate over the next five years (Source: Gartner, Inc. March 28, 2013 press release). The automatic sequestration that has mandated sudden cuts in United States government spending and budget impass have offset anticipated gains. Although European economies appear less volatile, intermittent sovereign debt issues (e.g., Cyprus) have also served to reduce the level of IT spending (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $3.8 Trillion," by Arik Hesseldahl, March 28, 2013).

The U.S. Government spends approximately $80 billion in IT annually and this level of spending is expected to continue at a 3% compound annual growth rate (CAGR), compared with 6% historically in the first decade of the 21st Century (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018). Security of all forms, especially cyber-security, are significant growth areas, and Sysorex intends to increase its role in this sector (based on: Market Research Media - U.S. Federal Cyber-Security Market Forecast 2013-2018 dated April 12, 2013). The focus is on deployment of technologies that proved their worth in the private sector. The technology segments like business intelligence, cloud computing, eDiscovery, GIS and geospatial, non-relational database management systems, smart grid, SOA, unified communications and virtualization are expected to have double digit growth in the period 2013 – 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018). The total annual U.S. Federal IT market is expected to surpass $93 billion by 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018).

The Company's headquarters offices are located at 3375 Scott Boulevard, Suite 440, Santa Clara, California 95054. Our telephone number is (408) 702-2167. The Company's subsidiaries maintain offices in Herndon, VA, Larkspur CA, and Riyadh, Saudi Arabia.

Corporate Structure

Sysorex has four operating subsidiaries: Sysorex Federal, Inc. (100% ownership) and its wholly owned subsidiary Sysorex Government Services, Inc. based in Herndon, Virginia, which focuses on the U.S. Federal Government market; Lilien Systems (100% ownership) based in Larkspur, California; Shoom, Inc. (100% ownership) based in Encino, California, and Sysorex Arabia LLC (50.2% ownership) based in Riyadh, Saudi Arabia.

Mr. Nadir Ali is the Chief Executive Officer ("CEO") of Sysorex and the four Sysorex subsidiaries. Geoffrey Lilien is the CEO of Lilien Systems and William Freschi is the CEO of Shoom. Future acquisitions may be operated as separate business units or merged into one of the existing subsidiaries depending on its business focus.

Although the subsidiaries operate independently, they work in concert to cross sell and leverage each other's capabilities, technologies and customer base. Sysorex provides shared corporate services across the entities. We believe that the implementation and execution of our corporate strategy will benefit our shareholders and attract investors.

Corporate History

The Company was formed in Nevada in April 1999, under the name Liquidation Bid, Inc. It changed its name to Softlead, Inc. on September 9, 2003.

On March 2, 2011 by a majority vote of shareholders a special meeting, the Company elected to change its name to Sysorex Global Holdings, Corp.; effect a 1 for 20 reverse split of its stock; and acquired the Sysorex operational businesses. On June 2, 2011, the Company affected a 1 for 20 reverse split and changed its name to Sysorex Global Holdings Corp.

On July 29, 2011, the Company acquired all of the stock of the U.S. Federal Government business of Sysorex (Sysorex Federal, Inc. and its subsidiary Sysorex Government Services, Inc.) and 50.2% of the stock of the operating unit of Sysorex engaged in Saudi Arabian Government contracts (Sysorex Arabia, LLC). The acquisition was based on a share exchange, with Sysorex shareholders being issued 14,600,000 restricted common shares of the Company in exchange for stock of the three operating entities.

The Company recapitalized itself by amending its Articles of Incorporation on August 3, 2011 and increased its authorized common stock to 30,000,000 common shares, with a par value $0.001 per share. On September 1, 2011, the Board of Directors and the majority shareholders authorized the increase of the authorized shares from 30,000,000 to 40,000,000; however, the filing of the Amendment to the Articles of Incorporation was not filed with the State of Nevada until April, 2012.

Effective March 20, 2013, the Company completed the acquisition of the assets of Lilien LLC and 100% of the stock of Lilien Systems in exchange for $3,000,000 cash and 6,000,000 shares of common stock.

Effective August 31, 2013, the Company completed the acquisition of 100% of the stock of Shoom Inc. in exchange for 2,761,997 shares of Common Stock and $2,500,000 in cash.

Sysorex Products and Services

Sysorex's focus is largely on services and related solutions; its solutions are primarily software and select high-end hardware products required for our contracts. Sysorex services cover a full range of systems integration, cyber-security, Business Intelligence (BI)/Analytics, mobile/bring your own device (BYOD) and custom application development services as described in the table below. Sysorex also assists customers with:

- assessment of available solutions;
- strategy to apply these solutions to existing processes;
- road-map for streamlining processes to take advantage of new technologies;
- management and implementation resources to deliver a solution; and
- maintenance, training and support of solutions.

Project/Program Management and Independent Validation & Verification	Sysorex provides life-cycle comprehensive project and program management services, reorganization/cost-cutting strategies IV&V services and training. Recent projects include C41SR system implementation to fiber network roll-out.
Custom Application Development and Enterprise Architecture Design	Providing technology consulting (architecture; platform; technology) and outsourced product design; SOA development; enhancement; testing for enterprise, mobile, etc.; On-site, off-site, off-shore or a combination.
Green Data Center Design and Operations & Facilities Management	Providing full service infrastructure management and managed services on-site or remotely; design, build, operate and manage data centers using green methodologies and solutions.
Security (Cyber/Network, Physical, Information), Critical Infrastructure Protection	Designing and implementing solutions that integrate physical (surveillance/access control) to cyber security; information assurance, designing and implementing security policies and re-designing business processes; secure information sharing and collaboration solutions.
Business Intelligence/Analytics	Business intelligence and analytics in real-time using semantic ontologies and other methodologies; predictive analytics; forensics; and decision support systems.

Sysorex Government Services Contracts

Sysorex Government Services, Inc. enters into various types of contracts with our customers, such as Indefinite Delivery Indefinite Quantity (IDIQ), Cost-Plus-Fixed-Fee (CPFF) Level of Effort (LOE), Cost-Plus-Fixed-Fee (CPFF) Completion, Cost-reimbursement (CR), Firm-Fixed-Price (FFP), Fixed-Price Incentive (FPI) and Time-and-materials (T&M).

IDIQ contracts provide for an indefinite quantity of services or stated limits of supplies for a fixed period. They are used when the customer cannot determine, above a specified minimum, the precise quantities of supplies or services that the government will require during the contract period. IDIQs help streamline the contract process and speed service delivery. IDIQ contracts are most often used for service contracts and architect-engineering services. Awards are usually for base years and option years. The customer places delivery orders (for supplies) or task orders (for services) against a basic contract for individual requirements. Minimum and maximum quantity limits are specified in the basic contract as either a number of units (for supplies) or as dollar values (for services).

CPFF LOE contracts will be issued when the scope of work is defined in general terms requiring only that the contractor devote a specified LOE for a stated time period. A CPFF completion contract will be issued when the scope of work defines a definite goal or target which leads to an end product deliverable (e.g., a final report of research accomplishing the goal or target).

CR contracts provide for payment of allowable incurred costs, to the extent prescribed in the contract. These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer and are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract.

FFP contract will be issued when acquiring supplies or services on the basis of definite or detailed specifications and fair and reasonable prices can be established at the outset.

FPI target delivery contract will be issued when acquiring supplies or services on the basis of reasonably definite or detailed specifications and cost can be reasonably predicted at the outset wherein the cost risk will be shared. A firm target cost, target profit, and profit adjustment formula will be negotiated to provide a fair and reasonable incentive and a ceiling that provides for the contractor to assume an appropriate share of the risk.

T&M contract provides for acquiring supplies or services on the basis of (1) direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and (2) actual cost for materials. A customer may use this contract when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

Lilien Systems Products and Services

On March 20, 2013, Sysorex Global Holdings, Corp., acquired substantially all of the assets and liabilities of Lilien, LLC and 100% of the stock of Lilien Systems, a California corporation, with an effective date of March 1, 2013. Founded in 2004, Lilien Systems based in Larkspur, California, had approximately $42 million in revenues in 2012. Lilien Systems currently serves approximately 700 commercial businesses in California, Oregon, Washington and Hawaii with its approximately 50 employees as of December 31, 2012.

Lilien delivers right-fit information technology solutions that help organizations reach their next level of business advantage. Lilien brings technical expertise and business vision to its solutions – enterprise computing and storage, virtualization, business continuity, networking and IT business consulting.

Lilien has received a variety of industry awards. CRN recently recognized Lilien as one of the 50 fastest-growing VARs in the nation over the last three years. For 2009, Lilien was named *Top Partner* for *HP Storage Sales* in a nationwide field by Avnet, the largest distributor of technology products in the U.S. The year before, Lilien was honored with Avnet's *Innovation Award* and CRN's *Best Partnership Award*, for our collaboration with HP on delivering customer value. Since 2006, Lilien has been included in CRN's annual *VAR500 (top 500 VARs in the U.S.).*

Lilien is a full-service solutions integrator, effecting sales of hardware and software for enterprise infrastructure solutions. Lilien's core practice areas include:

- Big Data – mining terabytes of data from disparate sources in real time
- Advanced analytics
- Secure wireless networking
- Enterprise IT as a service
- Converged infrastructure

Lilien enjoys a leadership position among solution providers in the Western United States. Lilien holds premier partner status with many of its Technology Partners as a result of its commitment to solution training, its business orientation and its performance. In addition, Lilien is regularly recognized by the industry as a top Solution Integrator/VAR and was recently named to CRN's inaugural Tech Elite 250 which recognizes the top IT organizations in the U.S.

The Lilien Acquisition

The purchase price for Lilien, under the Asset Purchase and Merger Agreement (the "APMA"), effective March 1, 2013 was $9,000,000. This consisted of the payment of $3,000,000 of cash and the issuance of 6,000,000 shares of restricted common stock of Sysorex deemed to have a fair value of $6,000,000, or $1.00 per share to the members of Lilien, LLC (the "Former Lilien Members") in exchange for all of the outstanding capital stock of Lilien Systems, Inc. The cash consideration of $3,000,000 was obtained by the Company under a credit facility entered into for the purpose of completing the acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." All of the Company's 6,000,000 shares issued in the Lilien Systems Acquisition (collectively, the "Company Shares") are subject to Lock-up/Leak-out and Guaranty Agreements. All of the Lilien Systems, Inc. stockholders, including Geoffrey Lilien, who continued as CEO of Lilien, Bret Osborn, President of Lilien and Dhruv Gulati, EVP of Lilien (the "Lilien Stockholders") cannot sell any of their Company Shares for a six-month period beginning on the effective date of this Offering. In addition, Geoffrey Lilien can sell up to $1,000,000 in shares in this Offering. The Company contingently guaranteed (the "Guaranty") to the Former Lilien Members the net sales price of $1.00 per share for a two year period following the closing, provided the Lilien Stockholders are in compliance with the terms and conditions of the lock-up agreement. At the end of the two year Guaranty period the Former Lilien Members shall have an option to put all, but not less than all, of their unsold Sysorex shares to Sysorex, for the price of $1.00 per unsold share. Notwithstanding the foregoing, in the event the gross profit for calendar 2013 and 2014, attributable to the Lilien business is more than 20% below what was forecasted to the Company the Guaranty will be proportionately reduced.

Under the APMA, the Former Lilien Members were entitled to any excess cash above $1,000,000, provided both Lilien's net worth immediately preceding the closing was greater than $1,000,000 and its net worth less excess cash of at least $1,000,000 was greater than $1,000,000. As a result of a post-closing adjustment, Lilien's net worth was less than $1,000,000 and the former Lilien Members refunded $153,000 to the Company, subject to further adjustment.

Upon the completion of the Lilien Acquisition, Geoffrey Lilien, Bret Osborn and Dhruv Gulatui were elected to the Company's then existing Board of Directors of three persons. Sysorex and Lilien agreed to mutually elect an independent seventh director, who has not yet been elected. Sysorex also agreed to nominate Lilien's three representatives for re-election for two successive annual shareholder meetings except in the event the Company's securities are listed on a national securities exchange.

Shoom Products and Services

On September 6, 2013, Sysorex Global Holdings Corp. completed the acquisition, effective August 31, 2013, of substantially all of the assets and liabilities of Shoom, Inc. Shoom was founded in 1998 and is based in Encino, California. Shoom is a leading provider of cloud based data analytics and enterprise solutions to the media, publishing and entertainment industries with over 700 active publications in North America. Shoom specializes in providing comprehensive and integrated Internet/intranet based information services and electronic delivery systems to its expanding client base around the world. Shoom liberates publishers and advertisers from cumbersome legacy and hard-copy systems with software as a service (SaaS) products including eTearSheets, eInvoice, Ad Delivery and ePaper electronic publication solutions while generating critical data analytics for its customers. The acquisition validates Sysorex's strategy of acquiring (see prior comments) a portfolio of complementary IP/Technology based companies. Shoom expands Sysorex's depth of enterprise service offerings with powerful Cloud–based solutions. Shoom's customers can now take advantage of Lilien's Big Data expertise and advanced analytics; Sysorex and Lilien plan to leverage Shoom's talent pool of expert Cloud solution engineers. Based on Management's due diligence investigation of Shoom, the Company expects Shoom to generate approximately $4 million in revenues with 25% net income in 2014 and a 10% annual growth rate thereafter exclusive of the benefits of leveraging synergies with Sysorex. As of October 1, 2013, Shoom has 20 employees and is located at 6345 Balboa Blvd., Suite 247, Encino, CA 91316.

The Shoom Acquisition

Pursuant to an Agreement and Plan of Merger dated as of August 31, 2013, a wholly-owned subsidiary of Sysorex was merged with and into Shoom which continued its existence as a California wholly-owned subsidiary of Sysorex. Sysorex issued approximately 2,762,000 shares of its common stock to the former shareholders of Shoom, plus their pro rata share of $2,500,000 cash consideration, subject to adjustment based on the Net Worth (as defined in the Agreement of Plan and Merger) of Shoom as of August 31, 2013 compared with $6,038,020, the net worth of Shoom on July 31, 2013. Of this amount, approximately 500,000 shares of Sysorex common stock, plus approximately $500,000 of the cash consideration is being held in escrow for the benefit of the former Shoom stockholders, pro rata, for one year based on any claim for indemnification, other than tax matters for which there is a seven-year escrow. All of the Company's 2,762,000 shares issued in the Shoom Acquisition are restricted and subject to lock-up agreements during which they cannot sell any shares for a six-month period beginning on the effective date of this Offering. In addition, the

Company issued stock options to Shoom employees to purchase an aggregate of 200,000 shares of Sysorex common stock. William Freschi (CEO/CFO), Dan Cole (President/COO), Michael Lynch (Executive VP/GM) and Sharon Ryoji (Senior VP Customer Services) each entered into employment agreements with Shoom upon the completion of the acquisition.

Pending Letter of Interest

On August 30, 2013, the Company entered into a non-binding Letter of Interest to acquire 100% of the capital stock of a company ("Target") in the Mobile cyber-security space with leading-edge solutions and proprietary intellectual property. Target develops indoor device locationing, monitoring and management technologies for mobile devices operating on WiFi, cellular and wideband RF networks. The Target has two product lines. The first is a mobile security platform that locates devices operating within a monitored area, determines their compliance with network security policies for that zone, and then can trigger policy modification of device apps and/or features — either directly or via leading third party mobile device, application and network management tools. The Target's other product is a commercial platform for enabling location and/or context-based services and information delivery to mobile devices based on zones as small as 10 feet or as long as a square mile. The monitored areas may include a building, a campus, a mall, and outdoor regions like a downtown. Unlike other mobile locationing technologies, Target technologies use passive sensors that work over both cellular and WiFi networks and offer device locationing and zone-based app and information delivery accurate to within 10 feet -- three to five times more precise than the industry standard. Additionally, unlike geo-fencing systems, Target technologies are capable of simultaneously enabling different policies and delivering different apps or information to multiple devices within the same zone based on contexts such as the type of device, the device user and time of day.

Target's products and technologies deliver solutions to address an exploding global location-based mobile security and services (LBS) market currently estimated to be more than $12 billion in 2014, growing at a fast rate (Jupiter Research, 2013). Target has 15 patents pending globally, currently pending in the areas of context-aware policy management, RF detection, cellular monitoring, end node network applications for mobile devices and related technologies. Customers for the security platforms are big box retailers, healthcare facilities, property managers (malls, shopping centers, etc.), hotels and resorts, gaming operators and government agencies. This platform requires no app installation for anonymous collection of behavioral data such as traffic flow, entry and exit patterns, length of stay and other business intelligence and analytics functions. It also serves as a location-based services, sales and marketing system. In these cases, the security platform connects to third party apps on a user's mobile device that provide functions such as location-based offers, discounts and suggestive selling, VIP service functions (for hotels, resorts, casinos, etc.), and location-based information delivery such as mobile-based guided tours of historic sites, points of interest and museums, shopping center maps, building floor plans and so on.

Based on Management's preliminary due diligence investigation of Target, Target is expected to generate in excess of $10 million in revenue with approximately 30% net income in 2014 with a 50% growth rate expected for at least 2015, although no assurance can be given prior to completion of this Offering and the pending acquisition. This acquisition is subject to obtaining financing from this Offering, or otherwise, completion of due diligence, negotiation and execution of a definitive purchase agreement, audited financial statements of Target and customary closing conditions, none of which can be assumed. The Company has allocated approximately $10.5 million of the proceeds of this Offering for this acquisition. In addition, there will be stock and earnout components to be paid to Target that will be finalized through the due diligence and definitive purchase agreement negotiation. See "Use of Proceeds" and "Business - Pending Letter of Interest."

Target granted the Company a 60 day right of exclusivity commencing August 30, 2013 to complete the acquisition. If Target breaches the Company's exclusivity right it must pay the Company a break-up fee of $250,000. Similarly, if the Company refuses to complete the acquisition without Good Reason (as defined) then any amount Target owes the Company shall be reduced by $250,000. "Good Reason" means a material breach of the LOI or a subsequent definitive purchase agreement with the Company by Target, a material misrepresentation by Target or any of its representatives at any time (including inaccuracies in the materials provided by Target prior to the LOI), the discovery during due diligence of a material liability affecting Target which had not been disclosed to the Company prior to the entry into the LOI, or the commencement of a material lawsuit against target or its business after the entry into the LOI (including, but not limited to, the loss of a major client or supplier), the discovery that one of Target's material contracts will not be assignable as a result of the transactions contemplated by the LOI, the commencement of a material lawsuit against Target or notice that such a lawsuit is reasonably imminent, or any governmental investigation into or actions against Target.

In addition, pursuant to a Loan Agreement dated as of August 30, 2012, the Company loaned Target $1 million evidenced by a secured promissory note due March 1, 2014. The Note bears interest at 8% per annum secured by all assets of Target. The Note shall accelerate and be due and payable if the proposed acquisition is terminated for any reason before March 1, 2014.

Market Size

Worldwide, companies and organizations are expected to spend a combined $3.8 trillion on hardware, software, IT services and telecommunications in 2013 (Source: Gartner, Inc. March 2013 Forecast.) That is $100 billion higher than the last forecast it made in October 2012.

The current budget impass and automatic sequestration that has mandated severe cuts in government spending has cast a pall over everything related to the global economy, including IT spending. Although European economies appear less volatile, intermittent sovereign debt issues (e.g., Cyprus) have also served to reduce the level of IT spending. (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $318 trillion," by Arik Hesseldahl, March 28, 2013).

Spending on devices — smartphones, tablets and printers — has grown rapidly, and is expected to continue to grow according to Gartner Inc. Last year, spending on devices was $665 billion globally, and is expected to reach $718 billion this year, or 8 percent more (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $318 Trillion," by Arik Hesseldahl, March 28, 2013).

Spending on enterprise software is running a close second, and is expected to grow this year by more than 6 percent to $297 billion. In this sector, a slowdown in IT operations management software is being offset by growth in spending on database management systems (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $318 Trillion," by Arik Hesseldahl, March 28, 2013).

IT services and data center systems are also expected to grow this year, but a bit more slowly than in the previous forecast. Spending is coming down in the near-term on external storage and in Europe. IT services are subject to intense price competition and redirection of budgets away from new consulting projects (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $318 Trillion," by Arik Hesseldahl, March 28, 2013).

The slowest-growing segment according to Gartner, Inc. is expected to be telecom services, which declined last year. Gartner, Inc. has stated that one television sector will generate approximately $1.7 trillion in revenue, up about 2 percent from last year. Declines in spending on voice are being offset by mobile data (Source: All Things D Article, "Gartner Raises 2013 IT Spending Forecasts to $318 Trillion," by Arik Hesseldahl, March 28, 2013).

Government IT Services and Solutions Market

The U.S. government spends approximately $80 billion on IT annually. This spending is expected to continue at a 3% growth rate vs. 6% historically because of the sequester. (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018.) Security of all forms, especially cyber-security, are significant growth areas (Source: Market Research Media - U.S. Federal Cyber Security Market Forecast 2013-2018 and Sysorex intends to increase its role in this sector. Sysorex Government Services, Inc. ("SGS") is servicing U.S. Government customers in both civilian and defense agencies. SGS provides a variety of IT Solutions and services through its various government contract vehicles including our GSA Schedule, SPAWAR, TEIS-III, SITE, and others. SGS serves as a prime and subcontractor depending on the contract. SGS is also well positioned to win Foreign Military Sales (FMS) contracts leveraging the Sysorex Group presence overseas.

With a cumulative market valued at $518 billion (2013–2018), the U.S. Federal IT market is expected to grow steadily – at about 3% CAGR over the period 2013–2018. The projected growth rate of 3% is less than the historical average 6% in the first decade of 21st century, reflecting not only the struggling economy and budget pressures, but also confidence in better performing government IT machine at lower costs. (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018).

Our focus is on deployment of technologies with proven worth in the private sector. Technology segments like business intelligence, cloud computing, eDiscovery, GIS and geospatial, non-relational database management systems, Smart Grid, SOA, unified communications and virtualization are expected to experience double digit growth in the period from 2013 to 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018.). Total annual U.S. Federal IT market is expected to surpass $93 billion by 2018 (Source: Market Research Media - U.S. Federal IT Market Forecast 2013-2018.)

Despite sequestration, the U.S. government is still expanding its cyber security force. (Source: Market Research Media - U.S. Federal Cyber Security Market Forecast 2013-2018.). In our opinion, the Government IT market is expected to continue to grow under the Obama Administration as funds shift from Defense to Civilian Agencies and the Government tries to create jobs and opportunities for businesses like Sysorex. Many Government agencies continue to struggle with:

- Standalone applications/technology silos
- Interoperability issues
- Information sharing challenges
- Cyber-security challenges
- A critical lack of internal IT skills and resources
- Fast evolving technology is making it difficult for government employees to stay current
- Government is outsourcing civilian positions under the A-76 Rule

- Government cannot successfully attract and maintain required technical staff for critical systems development
- The on-going war on terrorism, Iraq and Afghanistan and homeland security requirements has forced the Government to expedite critical system deployments. This is expected to continue despite the focused shift to civilian agencies
- The larger established integrators often move too slowly, miss many smaller critical pilot opportunities and have rigid structures that inhibit innovation.

Sysorex expects to provide a variety of systems integration services to many Government agencies. Many of our target clients have specialized systems that need to be modernized, integrated or connected to the Cloud, all with proper security infrastructure and resulting in efficiencies. Government customers are also looking to create more efficient systems to deploy green IT pursuant to Government guidelines. This could be LEED certification by "greening" federal buildings or simply improving energy utilization from large complex systems by using cutting edge IT and alternative energy technologies.

Cyber Security:

"Federal agencies have spent more on cyber security than the entire GDP of North Korea, who some have speculated is to be involved with some of this cyber-attacks," said Senator Thomas. L. Carper. "The issue of Cyber Warfare is not science fiction anymore. It's reality" (Source: Market Research Media - U.S. Federal Cyber Security Market Forecast 2013-2018 .)

The short- to long-term federal cyber security investments is expected to be driven by:

- an ever-increasing number and severity of cyber-attacks,
- dramatic expansion in computer interconnectivity and the exponential increase in the data flows and computing power of the government networks;
- perception of the U.S. adversaries that the United States is dependent on information technology and that this dependency constitutes an exploitable weakness; and
- developments in the existing cyber security approaches and technologies and emergence of new technologies and approaches.

With a cumulative market valued at $65.5 billion (2013–2018), the U.S. Federal Cyber security market is expected to grow steadily–at about 6.2% CAGR over the next six years (Source: Market Research Media - U.S. Federal Cyber Security Market Forecast 2013-2018).

Cloud Services:

Spending on public Cloud services is expected to increase 20 percent, to $109 billion, from $91 billion in 2011. By 2016, Gartner said, this expenditure could nearly double, to $207 billion (Source: Gartner, Inc. March 2013 Forecast Press Release dated July 9, 2012 "Gartner Says Worldwide IT Spending on Pace to Surpass $3.6 billion in".)

Big Data/Analytics:

The volume, velocity and variety of big data can be overwhelming to IT organizations and their leaders. Gartner predicts that by 2015, Big Data demand will reach 4.4 million jobs. While this provides many opportunities to collect, manage and deploy data, we believe that a well thought out strategy is needed. According to a recent Gartner Survey ("Predicts 2013: Information Innovation" and published in "Invest in Information and Analytics to Benefit from Big Data" document dated March 8, 2013), 42% of respondents stated they had invested in Big Data technology or were planning to do so within a year.

Gartner predicts that by 2015, 20% of Global 1000 organizations will have established a strategic focus on information infrastructure equal to that of application management. This is one of five Gartner predictions about Big Data and information infrastructure discussed in "Predicts 2013: Big Data and Information Infrastructure;" a November 30, 2012 report that describes in detail how the big data phenomenon will affect organizations, resources and information infrastructure.

"Big Data Adoption in the Logical Data Warehouse" by Gartner dated February 7, 2013, reports on the results of a Gartner study about Big Data. For example, over 40% of all organizations plan on using the data warehouse and data integration practices.

Mobile/BYOD:

The mobile software and services capabilities are a market that is predicted by McKinsey & Co. to reach $130 billion in revenue by 2015 (Source: Article from FierceMobileIT dated, November 9, 2012 http://news.enterprisemobilitytoday.com/articles/share/54230/.) According to Forrester Research statistics provided by IBM, mobile spending is predicted to reach $1.3 trillion by 2016. In addition, there are expected to be 200 million employees bringing their mobile devices to work by 2016. (Source: Article from FierceMobileIT dated, November 9, 2012 - http://news.enterprisemobilitytoday.com/articles/share/54230/).

Sales and Marketing

Sysorex has built a core competency in bidding on government RFPs. It utilizes its internal bid and proposal team as well as consultants to prepare the proposal responses for Government clients. Sysorex also uses business development, sales and account management employees or consultants and expects to increase these departments as the Company grows.

Lilien Systems utilizes direct marketing through approximately 20 outside and inside sales representatives, who are compensated with a base salary and commission, and relationships with customers and channel partners to generate new projects. Lilien Systems also maintains the following web site: www.lilien.com.

Shoom has a sales force of two outside sales representatives and a VP of Sales and VP of Customer Service, who are compensated with a base salary and commission. Shoom maintains the following Web site: www.shoom.com.

Customers

Sysorex

In the United States, Sysorex has already re-established itself with a variety of Government contracts and subcontracts serving the U. S. Army, FAA, DHS, Army Corps of Engineers, U.S. Navy, Department of Defense, Department of Health and Human Services and others. Sysorex is currently providing services, solutions or training to the following customers and holds a variety of contracts (either as a prime or subprime contractor):

- U.S. GSA Schedule 70 (prime contractor)
- U.S. Navy SPAWAR BFS Pillar (prime contractor)
- GSA Alliant (subcontractor to CSC)
- DIA - SITE– (subcontractor to Lockheed Martin)
- Department of Treasury – TIPPS 4 (subcontractor to VIP)
- U.S. Army Rock Island Arsenal (prime contractor)
- FAA e-FAST (subcontractor to HiTec Systems)
- U.S. Army – ITES-2 (subcontractor to NCI & ManTech)
- DoD– Encore II (subcontractor to Lockheed Martin & ManTech)
- BOSS-U – (subcontractor to Northrop Grumman)
- Saudi War College (Foreign Military Sales Project, subcontractor to SAIC)
- DoD - PORTICO Program – (subcontractor to Lockheed Martin)
- TEIS III – (subcontractor to General Dynamics)

Our relationships with our prime contractors (when we act as a subcontractor) and our subcontractors (when we act as a prime contractor) are based on Non-Disclosure Agreements, Teaming Agreements and Subcontracts, Delivery, Task and Purchase Orders which include the agreed upon general terms and conditions between the prime contractor and subcontractor. In addition, these agreements are governed by the Government issued prime contract which prescribes the rights and responsibilities of the prime contractor and subcontractor(s). The rights and responsibilities at the solicitation and contract level are further described by the Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulations Supplement (DFARS); these clauses are incorporated in the prime contract and passed along in the subcontract(s) as Government Flow-Down clauses. The FAR is the principal set of rules in the Federal Acquisition Regulation System. This system consists of sets of regulations issued by agencies of the federal government of the United States to govern what is called the “acquisition process”; this is the process through which the government purchases (“acquires”) goods and services. That process consists of three phases: (1) need recognition and acquisition planning, (2) contract formation, and (3) contract administration. The DFARS are a supplement to the FAR that provides Department of Defense (DoD) specific acquisition regulations. The Office of the Under Secretary of Defense for Acquisition Technology and Logistics maintains the Defense Procurement and Acquisition Policy.

Lilien Systems

Lilien Systems’ key customers in 2012 were BioRad, Healthnet, Gilead Sciences, E&J Gallo, Boswell, and several other commercial customers and several state, local and educational agencies including City of Kirkland, City of Oakland and Hawaii Electric Co.

Shoom

Shoom's key customers in the Media, Publishing and Entertainment industries include Gannett, Hearst Corporation, Media General, USA Today, MediaOne, Dow Jones Local Media Group, Gate House Media and others.

Competition

Sysorex

The market-space for those providing IT solutions and services is competitive throughout the world. However, the Government sector is less competitive as fewer companies understand how to successfully penetrate the Government tendering process. The management of Sysorex has 30 plus years of experience in this area and knows how to compete against the smallest to the largest players. In the past, our predecessor Sysorex went head to head with companies such as EDS, Micron, IBM, and Accenture on large government projects and was able to compete effectively. We are seeking to do the same going forward.

Competition comes in a variety of forms in today's global economy. There are large systems integrators and defense contractors as well as small businesses, 8a, Women-owned, Veteran Disabled, Alaskan Native, etc. Some of these players include global defense & IT service companies including IBM Global Services, LogicaCMG, CSC, ATOS Origins, Northrop Grumman, Raytheon IT Services and SAIC. Sysorex expects to also face new competitors as it makes acquisitions in its target areas of cyber-security, Big Data, Cloud services and mobile/BYOD; etc. We believe these will range from services companies to companies with products and technologies.

Traditional consulting firm potential competitors include: KPMG, Accenture, Ernst & Young

Medium/small business potential competitors include: Starry Associates, Eyak Technologies, Hi-Tec Systems, Inc., CACI, Apptis and Cylab.

Indian IT service firm potential competitors include: Wipro, TCS, Infosys, HC and Polaris

Middle East IT service firms potential competitors include: Jeraisy Group, Ebttikaar, Ejada, ACS and NATCOM

This complex landscape of domestic and multi-national services companies creates a challenging environment, however, Sysorex has a successful history and brand that it believes it can leverage. Our strategy is to be a global services provider with presence in two high growth markets (India and Middle-East). Our focus is on public, as well as private sectors, which we believe gives us a balanced and strong base for success.

Lilien Systems

The enterprise infrastructure and IT VAR industry is highly competitive. Lilien competes with various types and sizes of companies ranging from local and national service providers such as Fusion Storm Global Inc., Bear Data, LLC, enPointe Technologies and sometimes manufacturers of the products themselves. Lilien believes that it can differentiate itself from its competitors because it brings commitment, technical expertise and business vision to its solutions – enterprise computing and storage, virtualization, business continuity, networking and IT business consulting.

Shoom

Shoom competes primarily with in-house solutions that media and publishing companies may have. In addition, companies like MerlinOne and PressTeligence have part of Shoom's solutions but usually only provide information for the specific customer and not for their competiors or for the industry.

Intellectual Property

The Company currently does not have any legally filed trademarks for the names Sysorex or Lilien although it has assigned value to the Lilien trade name as part of the acquisition accounting. Sysorex is investigating a trademark and is also looking at future acquisitions, which have intellectual property with patents, trademarks, etc. Sysorex believes that it does not infringe upon any intellectual property rights held by other parties.

Employees

As of October 1, 2013, Sysorex Government Services had 21 employees, including its parents two executive officers and one administrative person. Lilien Systems had 44 full-time, non-union employees, including the executive officers and no part-time employees. Shoom had 20 employees including its four officers, including its VP of Sales and VP of Customer Services, two sales representatives, one administrative person and 13 technical/engineering persons.

Properties

The Company's executive offices are located at 3375 Scott Blvd. Suite 440 Santa Clara, CA 95054; Tel (408) 702-2167. The Company entered into a 12 month lease for the facility commencing in August 2012 at a monthly rental of $1,785 for approximately 1,275 square feet of office space. Sysorex Government Services/Sysorex Federal offices are located at 13800 Coppermine Road, Suite 300, Herndon, VA 20171 under a shared office lease which ends on January 31, 2014. Monthly rental is $175.

Lilien's executive offices are located at 17 E. Sir Francis Drake Blvd. Suite 110 Larkspur, CA 94939. The monthly rental is $17,885 for approximately 6,062 square feet of office space under a lease which expires on July 31, 2014. Sysorex' fixed assets include computers, servers, desks, chairs, conference table and other miscellaneous office equipment.

Shoom's executive offices are located at 6345 Balboa Boulevard, Suite 247, Encino, California 91316. The monthly rental is currently $11,433 under a lease which expires on July 31, 2017 with a five-year option to extend. Shoom is responsible for taxes, utilities and operating expenses under the lease.

Sysorex Arabia LLC maintains an office at Akaria Center, Building 1, Suite 302-2, Riyadh, Saudi Arabia. The lease was renewed for a one year until February 6, 2014, at an annual rental of approximately $16,500.

We believe that each of our properties is suitable and adequate for the operations conducted therein.

Legal Proceedings

From time to time, the Company may become involved in litigation relating to claims arising out of its operations in the normal course of business. No legal proceedings, government actions, administrative actions, investigations or claims are currently pending against us or involve the Company which, in the opinion of the management of the Company, could reasonably be expected to have a material adverse effect on its business or financial condition.

During the year ended December 31, 2011, a judgment in the amount of $936,330 was levied against Sysorex Arabia LLC in favor of Creative Edge, Inc. in connection with amounts advanced for operations. Of that amount, $214,187 has been repaid, $514,836 will be paid through a surety bond, and the remaining $207,320 has been accrued by Sysorex Arabia as of June 30, 2013 in its consolidated financial statements.

There are no proceedings in which any of the directors, officers or affiliates of the Company, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to that of the Company.

MANAGEMENT

Set forth below is certain information regarding our executive officers and directors. Each of the directors listed below was elected to our board of directors to serve until our next annual meeting of stockholders or until his or her successor is elected and qualified. All directors hold office for one-year terms until the election and qualification of their successors. The following table sets forth information regarding the members of our board of directors and our executive officers:

Name	Age	Position
Abdus Salam Qureishi,	76	Chairman of the Board of Directors
Nadir Ali	44	CEO & Director
Wendy Loundermon	42	Chief Financial Officer, Secretary, President Sysorex Government Services, Inc.
Geoffrey Lilien	50	CEO Lilien Systems, Director
Bret Osborn	49	President Lilien Systems, Director
Dhruv Gulati	49	EVP Lilien Systems, Director
Leonard Oppenheim	66	Director

Management Team

The CEO of Sysorex Global is Nadir Ali. He has been responsible for Sysorex growth since prior to its sale to Vanstar Corporation in 1997 where he managed $165 million annual federal government business. The Sysorex management team in the United States, consisting of Nadir Ali and Wendy Loundermon, Chief Financial Officer, has recently won contracts with the U.S. Navy, U.S. Army, Homeland Security, U.S. Treasury, Department of Defense, FAA and others. Mr. Ali has an employment contract with the Company.

Geoffrey Lilien serves as the CEO of Lilien Systems with Bret Osborn as the President and Dhruv Gulati as the EVP of Lilien Systems. All three Lilien executives have two-year employment contracts. This team is responsible for the operations of Lilien Systems.

William Freschi serves as CEO of Shoom with Dan Cole as President and COO. They serve under two-year employment contracts and are responsible for the daily operations of Shoom.

Mr. Abdul-Aziz Salloum as General Manager heads Sysorex Arabia operations. He is responsible for the day-to-day operations of Sysorex Arabia. Nabil Abdul-Baqi is the VP of local business development activities and business partnerships. Mr. Abdul-Baqi has an employment contract.

Abdus Salam Qureishi, Chairman

Abdus Salam Qureishi is the Founder and Chairman of the Board of Directors of the Company, and was the CEO of the predecessor of Sysorex. Until September 2011, he was also Chief Executive Officer. He launched Sysorex Information Systems (SIS) in 1972 establishing the company as a major force in the international computer industry. In less than four years he brought the company to prominence with offices in key cities and clients worldwide. SIS became one of the leading providers of information technology solutions to U.S. Federal government customers worldwide. Headquartered in the Washington, D.C. metropolitan area, SIS was awarded and successfully managed multi-year multi-million dollar contracts, before being sold to the Vanstar Corporation in 1997.

Mr. Qureishi is a veteran of the IT industry and has been as an investor in cutting edge technologies in Silicon Valley since the 1970's. He invented, developed, and marketed a highly successful player selection/organization system used by three major NFL championship-winning athletic teams. He conceived, designed, and installed a personnel-testing system for a 300,000-person organization. The system effectively evaluated numerous behavioral, professional, and performance facets of key employees in the organization. Mr. Qureishi has also managed the development, marketing, and implementation of a broad series of successful computer application programs in business, education, and government. He has vast technical and business experience that he brings to the Sysorex Board along with extensive contacts and relationships. He is the father-in-law of Nadir Ali, the Company's CEO.

Nadir Ali, CEO

Nadir Ali was elected CEO and a Director of the Company in September 2011. Prior thereto, from 2001, he served as President of Sysorex Consulting and its subsidiaries. As CEO of the Company, Nadir is responsible for establishing the vision, strategic intent, and the operational aspects of Sysorex. Nadir works with the Sysorex executive team to deliver both operational and strategic leadership and has over 15 years of experience in the consulting and high tech industries.

Prior to Sysorex, from 1998-2001, Nadir was the co-founder and Managing Director of Tira Capital, an early stage technology fund. Immediately prior thereto, Nadir served as Vice President of Strategic Planning for Isadra, Inc., an e-commerce software start-up. Nadir led the company's capital raising efforts and its eventual sale to VerticalNet. From 1995 through 1998, Nadir was Vice President of Strategic Programs at Sysorex Information Systems (acquired by Vanstar Government Systems in 1997) a leading computer systems integrator. Nadir played a key operations role and was responsible for implementing and managing the company's $1 billion plus in multi-year contracts. He worked closely with the investment bankers on the sale of Sysorex Information Systems to Vanstar in 1997. This started Mr. Ali's mergers and acquisitions experience which was enhanced with additional M&A activity totaling $150 million which experience is critical and relevant to Sysorex's strategy today. Mr. Ali's extensive experience in Sysorex' core Government business, as well as extensive contacts and relationships in Silicon Valley and Washington, D.C. were further considered by the Company in appointing Nadir to the Board of Directors.

From 1989 to 1994 he was a management consultant, first with Deloitte & Touche LLC in San Francisco and then independently. Nadir received a Bachelor of Arts degree in Economics from the University of California at Berkeley in 1989. Mr. Ali is the son-in-law of Abdus Salam Qureishi, the Company's Chairman of the Board.

Wendy Loundermon, Chief Financial Officer

Ms. Loundermon has overseen all of Sysorex's finance, accounting and HR activities as Chief Financial Officer since 2002. She is responsible for the preparation and filing of financial statements and reports for all companies, tax return filings, negotiating vendor credit terms, banking relationships, and managing the accounting staff. Ms. Loundermon also assists in 401(k) activities and prepares financial projection and budgeting models. Ms. Loundermon and her team manage all of the HR activities for the Company including payroll, employment contracts, compensation packages, health plans, etc. Ms. Loundermon received a Bachelor of Science degree in Accounting and a Masters of Science degree in Taxation from George Mason University.

Geoffrey Lilien, CEO, Lilien Systems

Geoffrey Lilien was elected CEO of Lilien Systems and a member of the Company's Board of Directors upon the Company's acquisition of Lilien on March 20, 2013. Prior thereto, he held the position of Chairman and CEO with Lilien since 1984, when he founded the Company. He has overseen Lilien's growth from his being the only employee to having five offices in four states with over 50 employees. Geoffrey has authority over the operations of Lilien including sales/marketing, business development, program management, partnerships, etc. Geoffrey's leadership in the reseller community includes his participation on HP Enterprise Council and Avnet Executive Partner Council, and is regularly quoted in CRN and other trade press. In 2009, he received the VAR 500 Best Partnership Award recognizing nearly two decades of successful partnering with Hewlett-Packard. Geoffrey has a B.S. in Applied Science and Business from the University of San Francisco. Much of Lilien Systems' longevity and success can be attributed to that company's culture that has evolved under Geoffrey's leadership. Geoffrey started out as a technologist and instituted the practice of having the most capable and communicative technical staff in the industry. He was responsible for the company's finances until its acquisition by Sysorex, and continues to be responsible for strategic business planning and expansion, which will help guide the Board of Directors going forward.

Bret Osborn, President, Lilien Systems

Bret Osborn was elected President of Lilien Systems, and a member of the Company's Board of Directors upon the Company's acquisition of Lilien on March 20, 2013. Prior thereto, he held the position of President with Lilien since 2005. Bret is responsible for the general operations of Lilien and sets Lilien's strategic direction, oversees Lilien's sales, marketing and services organizations, and manages partner relationships. Since Bret jointed Lilien in 2005 as Vice President of Sales, Lilien has doubled in employees, quadrupled in revenue, and made VAR Business's list of Top 50 fastest growing VARs.

Prior to joining Lilien, from 2003-2004, Bret was Regional Vice President for BlueArc. Corp., where his key responsibilities included strategy formulation, team acquisition, solution development, sales, and account penetration strategies. From 1997-2002, Bret was Area Vice President for EMC Corporation, where he helped grow the business from $10 million to $110 million per year. Bret has a B.A. in Speech Communications and Minor in Business Administration from Humboldt State University. Mr. Osborn's extensive sales and operations experience brings valuable capabilities as Sysorex grows its business. He will help guide the Board of Directors as the Company builds its sales organization.

Dhruv Gulati, EVP Lilien Systems

Dhruv Gulati was elected EVP of Lilien Systems and a director of the Company upon the Company's acquisition of Lilien on March 20, 2013. Prior thereto, he held the same position with Lilien since 1992. Dhruv is responsible for the business development of Lilien, where he is responsible for partner relationships for the purpose of building synergies that drive revenue growth for the Company. Individually, Dhruv has been one of the top revenue producers for Lilien over the past 20 years. Mr. Gulati's business development and sales marketing experience across the Company's operations were factors that the Company considered in appointing Mr. Gulati to the Board of Directors.

As Managing Director at GG Ventures SA, Dhruv has also founded and built a property development business in Nicaragua called El Encanto del Sur, where Dhruv manages finance, marketing and investor relations for the ongoing business. Dhruv has a B.S. in Manufacturing Design and Process from San Francisco State University, with a Minor in Business Administration from San Francisco State University.

Board of Directors

The Sysorex Board of Directors includes:

Mr. A. Salam Qureishi, Chairman -- see “Management Team” above

Mr. Nadir Ali, CEO -- see “Management Team” above

Mr. Geoffrey Lilien, CEO Lilien Systems -- see “Management Team” above

Mr. Bret Osborn, President Lilien Systems -- see “Management Team” above

Mr. Dhruv Gulati, EVP Lilien Systems -- see “Management Team” above

Mr. Leonard A. Oppenheim – Director – Mr. Oppenheim has served as a director of the Company since July 29, 2011. Mr. Oppenheim retired from business in 2001 and has since been active as a private investor. From 1999 to 2001, he was a partner in Faxon Research, a company offering independent research to professional investors. From 1983 to 1999, Mr. Oppenheim was a principal in the Investment Banking and Institutional Sales division of Montgomery Securities. Prior to that, he was a practicing attorney. Mr. Oppenheim is a graduate of New York University Law School. Mr. Oppenheim serves on the Board of Apricus Biosciences, Inc. (Nasdaq:APRI), a publicly held bioscience company. Mr. Oppenheim’s public company board experience is essential to Sysorex. Mr. Oppenheim also meets the Audit Committee Member requirements as an audit expert.

There are no family relationships among any of our directors and executive officers other than Mr. Qureishi is the father-in-law of Mr. Ali.

Board of Advisors

Sysorex has established a Board of Advisors to review transactions, including, but not limited to, mergers and acquisitions in which Sysorex is involved, as well to consult and advise Sysorex on any proposed or potential transactions and to recommend any significant contracts or transactions that Sysorex should pursue. Members of the Board of Advisors, acting as independent contractors shall provide consulting services from time to time as requested by the Company. The Company plans to enter into individual consulting agreements with each member of the Board of Advisors to be negotiated on a case-by-case basis.

Robert Guerra

Mr. Guerra joined the Sysorex Board of Advisors in 2011. He has since 2002, been the Executive Vice President of Guerra Kiviat, Inc., a strategic sales consulting firm specializing in Federal Government solution selling, sales strategy and tactics, and market analysis and positioning. Immediately before that he was a founding Partner of Guerra, Kiviat, Flyzik & Associates, Inc. Prior thereto, he was the President of Robert J. Guerra & Associates for eight years.

Mr. Guerra is a highly respected veteran in the Federal Information Technology (IT) community. On five occasions (1993, 1994, 1998, 2001, and 2003) Mr. Guerra was selected as one of *Federal Computer Week’s* Federal 100 award recipients. The Federal 100 is an annual selection of leading Federal Government and industry executives, nominated by readers and selected by a panel of Federal IT executives. He is one of only two private sector executives to be so honored this many times in the history of the award. He has also been selected as the Federation of Government Information Processing Councils (FGIPC) “Industry Executive of the Year.”

Mr. Guerra was Executive Vice President of Sysorex Information Systems Inc. from 1995 to 1997, where he oversaw the identification, account development, contract capture, and contract implementation aspects of the Company’s Federal IT business. He also served as Vice President of Strategic Programs at Falcon Micro Systems, a major provider of information technology solutions to Federal agencies. Prior to that Mr. Guerra served as President of Everex Federal Systems Inc. where he led the growth of annual Federal sales from $22 million in excess of $160 million in 18 months. His background includes a 14-year career at the Xerox Corporation and a career at Federal Data Corporation (FDC) where he engineered the sale of FDC’s client/server subsidiary to Everex Systems Inc. He was active in the Math Box Inc. (later MBI Business Centers) three public stock offerings in 1983 and 1984.

Mr. Guerra served as the founding President of the Bethesda/National Institutes of Health (NIH) chapter of the Armed Forces Communications & Electronics Association (AFCEA), and now serves on its Advisory Committee. He has served on the NIH AFCEA sponsored gala for 13 years assisting in raising over $3.2 million in contributions. Mr. Guerra holds a Bachelor of Business Administration degree concentrating in Finance, from St. John Fisher College in Rochester, New York. He currently resides with his family in Ashburn, Virginia.

Director or Officer Involvement in Certain Legal Proceedings

Our directors and executive officers were not involved in any legal proceedings as described in Item 401(f) of Regulation S-K in the past ten years.

Directors and Officers Liability Insurance

We have directors' and officers' liability insurance insuring our directors and officers against liability for acts or omissions in their capacities as directors or officers, subject to certain exclusions. Such insurance also insures us against losses, which we may incur in indemnifying our officers and directors. In addition, officers and directors also have indemnification rights under applicable laws, and our articles of incorporation and bylaws.

Independent Directors

We believe Len Oppenheim is an "independent director," and an audit committee financial expert as those terms are defined by listing standards of the national exchanges and SEC rules, including the rules relating to the independence standards of an audit committee and the non-employee director definition of Rule 16b-3 under the Securities Exchange Act of 1934. We intend to add additional independent directors in order to meet listing requirements of a national securities exchange.

Committees of the Board of Directors

Currently, our Board of Directors acts as audit, nominating, corporate governance and compensation committees. The Board of Directors has adopted charters relative to its audit committee, compensation committee and nominating committee. Until such time as we add more members to the Board, the entire Board will determine all matters and no committees have been formed. We intend to appoint persons to the board of directors and committees of the board of directors as required to meet the corporate governance requirements of a national securities exchange, although we are not required to comply with these requirements until we are listed on a national securities exchange. We intend to appoint directors in the future so that we have a majority of our directors who will be independent directors, and of which at least one director will qualify as an "audit committee financial expert," prior to a listing on a national securities exchange.

Audit Committee

The audit committee's duties under the terms of its charter are to recommend to our board of directors the engagement of independent auditors to audit our financial statements and to include the terms of its charter review our accounting and auditing principles. The audit committee reviews the scope, timing and fees for the annual audit and the results of audit examinations performed by independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee oversees the independent auditors, including their independence and objectivity. However, the committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditors. The audit committee is empowered to retain independent legal counsel and other advisors as it deems necessary or appropriate to assist the audit committee in fulfilling its responsibilities, and to approve the fees and other retention terms of the advisors. The audit committee members possess an understanding of financial statements and generally accepted accounting principles.

Compensation Committee

The compensation committee has certain duties and powers as described in its charter, including but not limited to periodically reviewing and approving our salary and benefits policies, compensation of our executive officers, administering our stock option plans, and recommending and approving grants of stock options under those plans.

Nominating Committee

Under the charter of our nominating and corporate governance committee, the nominating and corporate governance committee considers and makes recommendations on matters related to the practices, policies and procedures of the board of directors and takes a leadership role in shaping our corporate governance. As part of its duties, the nominating and corporate governance committee assesses the size, structure and composition of the board of directors and its committees, coordinates evaluation of board performance and reviews board compensation. The nominating and corporate governance committee also acts as a screening and nominating committee for candidates considered for election to the board of directors.

Compensation Committee Interlocks and Insider Participation

None of our directors or executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more of its executive officers serving as a member of our board of directors.

EXECUTIVE COMPENSATION

The table below sets forth, for the last three fiscal years, the compensation earned by (i) each individual who served as our principal executive officer or principal financial officer, and (ii) our most highly compensated executive officers, other than those listed in clause (i) above, who was serving as executive officers at the end of the last fiscal year (together, the "Named Executive Officers"). No other executive officer had annual compensation in excess of $100,000 during the last fiscal year.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Nadir Ali,	2012	$ 240,000(1)	-0-	$ 29,000	-0-	$ 269,000
Chief Executive Officer	2011	$ 310,000(2)	-0-	-0-	-0-	$ 310,000
	2010	$ 240,000(2)	-0-	-0-	-0-	$ 240,000
Abdus Salam Qureishi	2012	-0-	-0-	$ 86,000(3)	-0-	$ 86,000
Chief Executive Officer	2011	-0-	-0-	-0-	-0-	-0-
	2010	-0-	-0-	-0-	-0-	-0-
Wendy Loundermon,	2012	$ 117,083	2,917	$ 21,300	-0-	$ 141,300
Chief Financial Officer	2011	$ 110,000	10,000	$ 57,400	-0-	$ 177,400
	2010	$ 110,000	2,083	$ -0-	-0-	$ 112,083

(1) As of December 31, 2012, an aggregate of approximately $180,000 of Mr. Ali's salary had been accrued but not yet paid.
(2) Includes approximately $210,000 and $240,000 of accrued salary to be paid by Sysorex Consulting and not the Company for fiscal 2011 and 2010, respectively.
(3) Mr. Qureishi resigned as Chief Executive Officer of the Company in September 2011. Mr. Qureishi received 500,000 options and 309,856 warrants during 2012 with an aggregate value of $86,000 in consideration of loans made by him to the Company.

Outstanding Equity Awards at Fiscal Year-End

Other than as set forth below, there were no outstanding unexercised options, unvested stock, and/or equity incentive plan awards issued to our named executive officers as of December 31, 2012.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Warrants Exercisable	Number of Securities Underlying Unexercised Warrants Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Warrants	Warrant Exercise Price ($)	Warrant Expiration Date	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(1)
Abdus Salam	500,000	-0-	-0-	0.156	12/21/2022	-0-	-0-	-0-	-0-
Qureishi	309,856	-0-	-0-	0.156	12/21/2017	-0-	-0-	-0-	-0-
Nadir Ali	250,000	-0-	-0-	0.156	12/21/2022	-0-	-0-	-0-	-0-
Wendy	165,000	-0-	-0-	0.70	12/05/2021	-0-	-0-	-0-	-0-
Loundermon	150,000	-0-	-0-	0.156	12/21/2022	-0-	-0-	-0-	-0-
	43,500	-0-	-0-	0.156	12/21/2017	-0-	-0-	-0-	-0-

(1) The closing price of the Company's Common Stock on December 31, 2012 was $0.20 per share.

Employment Agreements

On July 1, 2010, Nadir Ali entered into an "at will" Employment and Non-Compete Agreement, as subsequently amended, with the Sysorex Group, consisting of Sysorex Federal, Inc., Sysorex Government Services and Sysorex Consulting prior to their acquisition by the Company. Under the terms of the Employment Agreement Mr. Ali serves as President. The Employment Agreement was assumed by the Company and Mr. Ali became CEO in September 2011. Mr. Ali's salary under the Agreement is $240,000 per annum plus other benefits including a bonus plan, a housing allowance, health insurance, life insurance and other standard Sysorex employee benefits. If Mr. Ali's employment is terminated without Cause (as defined), he will receive his base salary for 12 months from the date of termination. Mr. Ali's employment agreement provides that he will not compete with the Company for a period ending 12 months from termination and will be subject to non-solicitation provisions relating to employees, consultants and customers, distributors, partners, joint ventures or suppliers of the Company.

On March 20, 2013, upon the Company's acquisition of Lilien Systems, Lilien Systems entered into a two-year employment agreement with Geoffrey Lilien, as CEO of Lilien Systems. The parties agreed to negotiate in good faith either a new contract or an extension no later than six months prior to the expiration of the term. Mr. Lilien's compensation is $238,704 per annum. He is entitled to a bonus based on a compensation plan to be agreed to between him and Lilien. If the contract is terminated by Lilien for Cause (as defined), or if Mr. Lilien resigns without Good Reason (as defined), Mr. Lilien shall only receive his compensation earned through the termination date. If the contract is terminated by Lilien without Cause or if Mr. Lilien terminates his employment for Good Reason, or upon a Change in Control (as defined), Mr. Lilien shall also be entitled to one year's severance pay; all non-vested equity in the Company shall accelerate and vest on the date of termination and all healthcare and life insurance coverage through the end of the term shall be paid by the Company. For purposes of this Agreement, Cause shall include, among other things: the gross profits for calendar years ending December 31, 2013 and 2014 attributable to Lilien are more than 25% below the Gross Profit Projections for Lilien provided by Mr. Lilien.

On March 20, 2013, Lilien System entered into an employment agreement with Brett Osborn to serve as President of Lilien Systems. Mr. Osborn's salary is $180,000 per year and he is eligible to receive compensation under a bonus plan. Otherwise, Mr. Osborn's contract is the same as that of Mr. Lilien.

On March 20, 2013, Lilien System entered into an employment agreement with Dhruv Gulati to serve as Executive Vice President of Business Development for Lilien Systems. Mr. Gulati's salary is $60,000 per year, plus commissions on sales and is eligible to receive compensation under a bonus plan. Otherwise, Mr. Gulati's contract is the same as that of Mr. Lilien.

Equity Compensation Plan Information

On September 1, 2011 our Board of Directors and stockholders adopted the 2011 Employee Stock Incentive Plan (the "Plan"). The purpose of the Plan is to provide an incentive to attract and retain directors, officers, consultants, advisors and employees whose services are considered valuable, to encourage a sense of proprietorship, and to stimulate an active interest of these persons in our development and financial success. Under the Plan, as amended, we are authorized to issue up to 3,000,000 shares of Common Stock, including incentive stock options intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended, non-qualified stock options, stock appreciation rights, performance shares, restricted stock and long term incentive awards. The 2011 Equity Incentive Plan will be administered by our board of directors until authority has been delegated to a committee of the board of directors.

As of June 30, 2013, an aggregate of 1,707,500 options had been granted under the Plan. The options are exercisable at prices ranging from $0.156 to $0.70 per share. Included are options to the following officers of the Company: A. Salam Qureishi, Chairman of the Board (500,000 options); Nadir Ali, CEO (250,000 options); and Wendy Loundermon, CFO (315,000 options). Included, effective March 1, 2013, upon the Lilien Acquisition, are 38 employees of Lilien Systems who granted an aggregate of 209,500 incentive stock options with four-year vesting schedules exercisable for ten (10) years at $0.40 per share. As of the September 6, 2013 closing date of the Shoom Acquisition, 22 employees were granted an aggregate of 200,000 incentive stock options with three-year vesting schedules exercisable for 10 years at $1.30 per share. Thus, there are 1,907,500 options currently issued and outstanding that the Plan and 1,092,500 options and shares available for future issuance with the Plan. In addition, on August 14, 2013 the Board of Directors granted to Nadir Ali non-qualified stock options outside of the Plan to purchase 1,250,000 shares of Common Stock at $1.35, the current fair market value. The options vest in four equal installments from the second through the fifth anniversary dates of grant. However, in the event of a Change of Control (as defined) where Mr. Ali is no longer employed by the Company as an executive officer, the Option will accelerate and be fully vested (and non-forfeitable) and immediately exercisable.

Director Compensation

Len Oppenheim was our sole independent director during the year ended December 31, 2012. We have accrued, not but paid $20,000 as the value of the restricted shares of common stock earned by Mr. Oppenheim for 2012. Directors are reimbursed ordinary and reasonable expenses incurred in exercising their responsibilities.

PRINCIPAL AND SELLING STOCKHOLDER

The following table sets forth certain information as of October 4, 2013, and as adjusted to reflect the sale of Common Stock in this Offering, assuming no exercise by the Underwriter of its over-allotment option regarding the beneficial ownership of our common stock by the following persons:

- each person or entity who, to our knowledge, owns more than 5% of our common stock;
- our executive officers named in the Summary Compensation Table above;
- each director;
- all of our executive officers and directors as a group; and
- the Selling Stockholder.

Unless otherwise indicated in the footnotes to the following table, each person named in the table has sole voting and investment power and that person's address is c/o Sysorex Global Holdings Corp., 3375 Scott Boulevard, Suite 440, Santa Clara, California 95054. Shares of common stock subject to options, warrants, or other rights currently exercisable or exercisable within 60 days of the date of this prospectus, are deemed to be beneficially owned and outstanding for computing the share ownership and percentage of the stockholder holding the options, warrants or other rights, but are not deemed outstanding for computing the percentage of any other stockholder.

	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
Name and Address of Beneficial Owner	**Number (1)**	**Percentage**	**Number (2)**	**Percentage**
Abdus Salam Qureishi	4,473,246(3)	15.5%	4,473,246)(3)	13.7%
Nadir Ali	2,094,023(4)	7.4%	2,094,023(4)	6.5%
Wendy Loundermon	395,094(5)	1.4%	395,094(5)	1.2%
Geoffrey I. Lilien (6)	3,411,815	12.1%	3,211,815	10.1%
Brett Osborn	1,222,012	4.4%	1,222,012	3.8%
Dhruv Gulati	885,766	3.2%	885,766	2.8%
Len Oppenheim	47,935	*	47,935	4.0%
All Directors and Executive Officers as a Group (7 persons)	12,529,891	42.3%	12,329,891	36.0%
5% Beneficial Owners				
Dr. Shaheen Ahmad 909 Third Avenue, New York, NY 10150.7584	2,663,087	9.5%	2,663,087	8.4%
Sy Holdings Corporation (7)	4,336,336	15.4%	4,336,336	13.6%
Qureishi 1998 Family Trust (8)	1,814,576	6.5%	1,814,576	5.7%

* less than 1% of the issued and outstanding Shares.

(1) Based on 28,091,305 shares issued and outstanding as of October 4, 2013, including up to 2,762,000 shares reserved for issuance to former stockholders of Shoom who have not yet exchanged their shares. Does not include shares of Common Stock issuable upon exercise of 1,010,023 warrants, 3,157,500 outstanding options, as well as an additional 1,092,500 shares reserved for issuance under the Company's 2011 Employee Stock Incentive Plan.

(2) Based on 31,891,305 shares to be outstanding upon completion of this Offering without giving effect to the exercise of the Underwriter's over-allotment option.

(3) Includes 500,000 options and 309,856 warrants, all currently exercisable, as well as 3,377,882 shares held by various trusts and corporations related to family interests of Mr. Qureishi, including the Qureishi 1998 Family Trust, for which Mr. Qureishi holds the power to vote and dispose of the shares. Does not include Sy Holdings Corporation of which Mr. Qureishi and Nadir Ali are directors.

(4) Includes 250,000 options and 87,500 warrants held directly or indirectly by Mr. Ali, but excludes 1,250,000 options not currently exercisable.

(5) Includes 315,000 options and 43,500 warrants held directly by Mrs. Loundermon.

(6) Mr. Lilien is CEO of Lilien Systems, a wholly-owned subsidiary of the Company and a director of the Company. He may be deemed an underwriter within the meaning of the Securities Act. The Company will pay all of the direct expenses of this Offering, except the Selling Stockholder will bear his pro rata share of the Underwriter's fee and any legal fees and transfer and other taxes incurred in connection with the sale of his Shares in this Offering.

Mr. Lilien acquired his shares of common stock in the Company's March 20, 2013 Lilien Acquisition. These Shares were part of the 6,000,000 shares of common stock issued to the former members of Lilien pursuant to an Asset Purchase and Merger Agreement, a copy of which has been filed as an exhibit to this registration statement.

The Selling Stockholder is a party to a Lock-Up/Leak-Out and Registration Rights Agreement. Mr. Lilien's Shares were restricted for the six-month period ended September 20, 2013. He is permitted to sell pursuant to Rule 144 until the effective date of this prospectus. However, except for the shares offered hereby by Mr. Lilien, all Former Lilien Members will be restricted from selling for a six-month period commencing with the effective of this prospectus. The Company agreed to register the remainder of Mr. Lilien's Shares, as well as the balance of the 6 million shares held by other Former Lilien Members concurrent with this registration statement, and keep such registration effective until all Shares can be sold without registration pursuant to Rule 144 under the Securities Act.

(7) The power to vote and dispose of these shares is held by Mr. Tanveer Khader, 1735 Technology Drive, #430, San Jose, CA 95110.

(8) The power to vote and dispose of these shares is held by Abdus Salam Qureishi.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Except as set forth below, during the past three years, there have been no transactions, whether directly or indirectly, between the Company and any of its officers, directors or their family members.

Employment Agreements

The Company entered into an employment agreement with Nadir Ali, as the CEO, on July 1, 2010, as amended. Lilien Systems has entered into substantively similar employment agreements effective March 20, 2013, with Geoffrey Lilien, as Chief Executive Officer, Brett Osborn as President and Dhruv Gulati, as Executive Vice President of Business Development. See "Executive Compensation - Employment Agreements."

Acquisition of Lilien

As discussed under the heading "The Lilien Acquisition" in the "Business" section above, on March 1, 2013, the Company completed the acquisition of Lilien LLC ("Lilien LLC"), for consideration consisting of $3,000,000 cash and the issuance of 6,000,000 shares of restricted common stock of the Company with a deemed fair market value of $6,000,000, or $1.00 per share, to the former members of Lilien LLC (the "Former Lilien Members"), pursuant to the Asset Purchase and Merger Agreement (the "APMA"). Pursuant to the APMA, the Company purchased the assets of Lilien LLC which included all of the capital stock of Lilien Systems ("Lilien"), now a subsidiary of the Company.

Upon the completion of the Lilien Acquisition, Geoffrey Lilien, Bret Osborn and Dhruv Gulatui were elected to the Company's then existing Board of Directors of three persons. Sysorex and Lilien LLC agreed to mutually elect an independent seventh director, who has not yet been elected. Sysorex also agreed to nominate Lilien's three representatives for re-election for two successive shareholder meetings. In addition to serving as directors of the Company, Geoffrey Lilien is the Chief Executive Officer of Lilien, Bret Osborn serves as the President of Lilien, and Dhruv Gulati serves as the Executive Vice President.

In the Lilien Acquisition, Geoffrey Lilien received 3,411,815 shares of Common Stock of the Company and $1,705,908, Bret Osborn received 1,222,012 shares of Common Stock and $611,006 and Dhruv Gulati received 885,766 shares of Common Stock and $442,883.

All of the shares of common stock of the Company that were issued in the Lilien Acquisition are subject to Lock-up/Leak-out and Guaranty Agreements, prohibiting the holders from selling such shares for six months from the effective date of this registration statement. Notwithstanding that fact, Geoffrey Lilien can sell up to $1,000,000 in shares in this Offering. The Company contingently guaranteed (the "Guaranty") to the Former Lilien Members the net sales price of $1.00 per share for a two year period following the closing, provided the stockholders are in compliance with the terms and conditions of the lock-up agreement. At the end of the two year Guaranty period the Former Lilien Members shall have an option to put all, but not less than all, of their unsold Sysorex shares to Sysorex, for the price of $1.00 per unsold share. Notwithstanding the foregoing, in the event the gross profit for calendar 2013 and 2014, attributable to the Lilien assets is more than 20% below what was forecasted to the Company the Guaranty will be proportionately reduced.

Under the APMA, the Former Lilien Members were entitled to any excess cash above $1,000,000, provided both Lilien's net worth immediately preceding the closing was greater than $1,000,000 and its net worth less excess cash of at least $1,000,000 was greater than $1,000,000. Since net worth was less than $1,000,000 there was an $153,000 working capital settlement adjustment, however, this amount is subject to continuing negotiation.

Note Payable to Related Party

The Company has borrowed funds from the Qureishi 1998 Family Trust, pursuant to an oral agreement with no stated interest rate and which is payable upon demand. As of December 31, 2012, the Company owed $136,977 to the Qureishi 1998 Family Trust, which was repaid in full March 2013. The Qureishi 1998 Family Trust owns 1,814,576 shares of common stock of the Company, representing approximately 6.5% of the issued and outstanding common stock of the Company as of October 4, 2013. The power to vote and dispose of the shares held by the Qureishi 1998 Family Trust is held by Abdus Salam Qureishi, the chairman of the board of directors of the Company. Nadir Ali and his wife are beneficiaries of the Trust.

The Company has borrowed funds from Sysorex Consulting, Inc., pursuant to an oral agreement with no stated interest rate and which is payable upon demand. As of December 31, 2012, the Company owed $11,717 to Sysorex Consulting, Inc., which has since been repaid in full. Sysorex Consulting, Inc. owns 421,566 shares of common stock of the Company, representing approximately 1.5% of the issued and outstanding common stock of the Company as of October 1, 2013. The power to vote and dispose of the shares held by Sysorex Consulting, Inc. is held by Abdus Salam Qureishi, the chairman of the board of directors of the Company.

Non-interest bearing amounts due on demand from Sysorex Consulting to Sysorex Saudi Arabia, Inc. were $665,554 as of June 30, 2013 and December 31, 2012. These advances were made to fund operations of Sysorex Consulting. As Sysorex Consulting is a direct shareholder and invested in the Company, the amounts due to the Company as of June 30, 2013 and December 31, 2012 have been included in Stockholders' Equity.

Agreements with Duroob Technology, Inc.

On March 31, 2013, the Company issued 887,433 shares of common stock in satisfaction of $1,774,865 owed by Sysorex Arabia LLC to Duroob Technology, Inc., a Saudi Arabian limited liability company ("Duroob"), a related party, as Duroob's CEO owns a minority interest in Sysorex Arabia LLC. The money owed by Sysorex Arabia to Duroob was for working capital loans for payroll, rent and past-due liabilities. The fair market value of the shares was $887,433 and since Duroob is a related party the resulting gain of $887,443 has been credited to additional paid-in capital. As of June 30, 2013, Duroob was owed $237,798. Sysorex Arabia LLC is 50.2% owned by the Company and 49.8% owned by Abdul Aziz Salloum ("Salloum"), its general manager. Salloum is also the CEO and principal shareholder of Duroob.

The issuance of these shares was recorded by Sysorex Global Holdings Corp. as an additional investment in its majority-owned subsidiary, Sysorex Arabia LLC. However, by agreement with Salloum, the ownership percentages of Sysorex Arabia LLC remained unchanged. The Company's 50.2% interest in Sysorex Arabia LLC was acquired from Sysorex Consulting, Inc. and the Qureishi Family Trust pursuant to a July 29, 2011 Acquisition and Share Exchange Agreement. The power to vote and dispose of the shares held by Sysorex Consulting, Inc. and the Qureishi Family Trust are held by Abdus Salam Qureishi, the chairman of the board of directors of the Company.

Family Relationships

Abdus Salam Qureishi, the Chairman of the Board of Directors of the Company, is the father-in-law of Nadir Ali, the CEO and a director of the Company.

DESCRIPTION OF SECURITIES

Authorized and Outstanding Capital Stock

The following description of our capital stock and provisions of our articles of incorporation and by-laws are summaries and are qualified by reference to our articles of incorporation and by-laws. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part.

We have authorized 45,000,000 shares of capital stock, par value $0.001 per share, of which 40,000,000 are shares of common stock and 5,000,000 are shares of "blank check" preferred stock.

As of October 4, 2013, we had 28,091,305 shares of common stock held of record (including up to 2,762,000 shares reserved for issuance to former Shoom shareholders) by 521 shareholders of record There are no shares of preferred stock outstanding.

Common Stock

The holders of our common stock are entitled to one vote per share. In addition, the holders of our common stock will be entitled to receive ratably dividends, if any, declared by our board of directors out of legally available funds; however, the current policy of our board of directors is to retain earnings, if any, for operations and growth. Upon liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all assets that are legally available for distribution. The holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock, which may be designated solely by action of our board of directors and issued in the future.

Preferred Stock

Our board of directors are authorized, subject to any limitations prescribed by law, without further vote or action by our stockholders, to issue from time to time shares of preferred stock in one or more series. Each series of preferred stock will have the number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges as shall be determined by our board of directors, which may include, among others, dividend rights, voting rights, liquidation preferences, conversion rights and preemptive rights.

It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of our common stock until the board of directors determines the specific rights of the holders of our preferred stock. However, the effects might include, among other things:

- Impairing dividend rights of our common stock;
- Diluting the voting power of our common stock;
- Impairing the liquidation rights of our common stock; and
- Delaying or preventing a change of control without further action by our stockholders.

Underwriter's Warrants

We have agreed to issue to the Underwriter a warrant to purchase a number of shares of our common stock equal to an aggregate of 3% of the shares of our common stock sold in this Offering (including any shares issued pursuant to the Underwriter's over-allotment option). The warrant will have an exercise price equal to 120% of the offering price of the shares sold in this Offering. The warrant is exercisable commencing one year after the effective date of the registration statement related to this Offering, and will be exercisable for four years thereafter, including exercise on a cashless basis. The warrant is not redeemable by us. The Underwriter (or permitted assignees under the Rule) may not sell, transfer, assign, pledge, or hypothecate the warrantor the shares of our common stock underlying the warrant, except to any underwriter and selected dealer participating in the Offering and their bona fide officers or partners, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrant or the underlying shares of our common stock for a period of 180 days from the effective date of this prospectus. Additionally, the warrant may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180-day period) following the effective date of this prospectus. Except to any underwriter and selected dealers participating in the Offering and their bona fide officers or partners. The warrant will provide for adjustment in the number and price of such warrant (and the shares of common stock underlying such warrant) in the event of recapitalization, merger or other structural transaction to prevent mechanical dilution.

Transfer Agent

Our transfer agent is Corporate Stock Transfer, 3200 Cherry Creek Drive South, Suite 430, Denver, CO 80209.

National Securities Exchange Listing

We have applied for listing of our common stock on a national securities exchange which listing is a condition to this Offering.

Indemnification of Directors and Officers

Section 718.7502 of the Nevada Revised Statutes ("NRS") provides, in general, that a corporation incorporated under the laws of the State of Nevada, as we are, may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than a derivative action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person (a) is not liable pursuant to Section 73.138 of the NRS, and (b) acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. In the case of a derivative action, a Nevada corporation may indemnify any such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person (a) is not liable pursuant to Section 73.138 of the NRS, and (b) acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation.

Our Articles of Incorporation and Bylaws provide that we will indemnify our directors, officers, employees and agents to the extent and in the manner permitted by the provisions of the NRS, as amended from time to time, subject to any permissible expansion or limitation of such indemnification, as may be set forth in any stockholders' or directors' resolution or by contract. In addition, our director and officer indemnification agreements with each of our directors and officers provide, among other things, for the indemnification to the fullest extent permitted or required by Nevada law, provided that no indemnitee will be entitled to indemnification in connection with any claim initiated by the indemnitee against us or our directors or officers unless we join or consent to the initiation of the claim, or the purchase and sale of securities by the indemnitee in violation of Section 16(b) of the Exchange Act.

Any repeal or modification of these provisions approved by our stockholders will be prospective only and will not adversely affect any limitation on the liability of any of our directors or officers existing as of the time of such repeal or modification.

We are also permitted to maintain insurance on behalf of any director, officer, employee or other agent for liability arising out of his actions, whether or not the NRS would permit indemnification.

Disclosure of Commission Position on Indemnification for Securites Act Liabilities

Insofar as indemnification for liabilities under the Securities Act may be permitted to officers, directors or persons controlling our Company purusant to the foregoing provisions, we have been informed that is it is the opinion of the Securities and Exchange Commission that such indemnification is against public policy as expressed in such Securities Act and is, therefore, unenforceable.

Anti-Takeover Effect of Nevada Law, Certain By-Law Provisions

Certain provisions of our Bylaws are intended to strengthen the board of directors' position in the event of a hostile takeover attempt. These provisions have the following effects:

We are subject to the provisions of NRS 78.378 to 78.3793, inclusive, an anti-takeover law which applies to any acquisition of a controlling interest in an "issuing corporation." In general, such anti-takeover laws permit the articles of incorporation, bylaws or a resolution adopted by the directors of an "issuing corporation" (as defined in NRS 78.3788) to impose stricter requirements on the acquisition of a controlling interest in such corporation than the provisions of NRS 78.378 to 78.3793, inclusive, as well as permit the directors of an issuing corporation to take action to protect the interests of the corporation and its stockholders, including, but not limited to, adopting plans, arrangements or other instruments that grant or deny rights, privileges, power or authority to holder(s) of certain percentages of ownership and/or voting power. Further, an "acquiring person" (and those acting in association) only obtains such voting rights in the control shares as are conferred by resolution of the stockholders at either a special meeting requested by the acquiring person, provided it delivers an offeror's statement pursuant to NRS 78.3789 and undertakes to pay the expenses thereof, or at the next special or annual meeting of stockholders. In addition, the anti-takeover law generally provides for (i) the redemption by the issuing corporation of not less than all of the "control shares" (as defined) in accordance with NRS 78.3792, if so provided in the articles of incorporation or bylaws in effect on the 10th day following the acquisition of a controlling interest in an "issuing corporation", and (ii) dissenter's rights pursuant to NRS 92A.300 to 92A.500, inclusive, for stockholders that voted against authorizing voting rights for the control shares.

We are also subject to the provisions of NRS 78.411 to 78.444, inclusive, which generally prohibits a publicly held Nevada corporation from engaging in a "combination" with an "interested stockholder" (each as defined) that is the beneficial owner, directly or indirectly, of at least ten percent of the voting power of the outstanding voting shares of the corporation or is an affiliate or associate of the corporation that previously held such voting power within the past three years, for a period of three years after the date the person first became an "interested stockholder", subject to certain exceptions for authorized combinations, as provided therein.

In accordance with NRS 78.195, our articles of incorporation provide for the authority of the board of directors to issue shares of preferred stock in series by filing a certificate of designation to establish from time to time the number of shares to be included in such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof, subject to limitations prescribed by law.

Blank Check Preferred Stock

The ability to authorize "blank check" preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our Company.

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to the commencement of this Offering, there was a limited public market for our common stock and a limited number of shares in the public float. Sales of substantial amounts of our common stock in the public market commencing six months after the effective date of this prospectus when lock-up agreements expire could adversely affect the prevailing market price and our ability to raise capital in the future.

We currently have 28,091,305 shares of common stock issued and outstanding. Upon the completion of this Offering, we will have outstanding an aggregate of 31,891,305 shares of common stock, assuming the issuance of 3,800,000 shares of common stock in this Offering and assuming that the Underwriter does not exercise its option to purchase up to an additional 600,000 shares and assuming that none of our other outstanding warrants or options granted under our 2011 Employee Stock Incentive Plan are exercised. Of these outstanding shares, all 3,800,000 shares sold by us in the Offering will be freely tradable without restriction or further registration under the Securities Act, unless these shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act. Of the 28,091,305 shares of our common stock outstanding prior to the completion of this Offering and held by existing stockholders, approximately 3,916,000 shares are currently free trading and the remaining are "restricted securities" as that term is defined in Rule 144 under the Securities Act all but approximately 2,900,000 of which have been held for more than six months. Restricted shares may be sold in the public market only if registered or if they qualify for exemption under Rule 144 or 701 promulgated under the Securities Act, which rules are summarized below, or another exemption.

Lock-Up Agreements

We have obtained lock-up agreements from each of our officers and directors and stockholders owning 2% or more of our common stock and their respective affiliates who, immediately prior to the commencement of this Offering, collectively held approximately 67% of our shares. Pursuant to the lock-up agreements, each such stockholder has agreed that such stockholder will not, directly or indirectly, offer, sell, pledge, contract to sell, grant any option to purchase or otherwise transfer or dispose of any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock, for a period of 180 days following the date of this prospectus, without the prior written consent of the Underwriter, subject to an extension in the event we issue an earnings release or make a public announcement of a material event during the last 17 days of the lock-up period. The lock-up agreements permit transfers of shares of our common stock in limited circumstances, provided that the transferee agrees to be bound in writing by the provisions of the lock-up agreement.

As a result of these lock-up agreements and rules of the Securities act, the restricted shares will be available for sale in the public market, subject to certain volume and other restrictions, and subject to release as mentioned above, as follows:

Date	Number of Shares
On the date of this prospectus	15,275,305
For 180 days following the date of this prospectus*	8,761,997
At various times after the six-month anniversary of the date of this prospectus	2,900,000

* Subject to an extension in the event we issue an earnings release or make a public announcement of a material event during the last 17days of the lock-up period.

Rule 144

In general, under Rule 144, as currently in effect, a person who owns shares that were acquired from us or one of our affiliates at least six months prior to the proposed sale is entitled to sell, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- One percent of the number of shares of common stock then outstanding, which will equal approximately 317,-913 shares immediately after this Offering, assuming that the Underwriter does not exercise its option to purchase additional shares; or
- The average weekly trading volume of the common stock on a national securities exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.
- In addition to these volume limitations, sales of unregistered shares of our common stock in reliance on Rule 144 may only be made by affiliates if such sales:
- are preceded by a notice filing on Form 144;
- are limited to broker's transactions, as such term is defined under Section 4(4) of the Securities Act; and
- only occur at a time when current public information about us is available, which generally would require that we are not delinquent with any of our reports required pursuant to Sections 13 or 15(d) of the Exchange Act.

Rule 144 also provides that our affiliates who sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, with the exception of the holding period requirement.

Under Rule 144, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144. If the non-affiliate has held the shares for at least one year, then the shares may be sold without regard to the public information provisions of Rule 144. Therefore, unless otherwise restricted, shares held by non-affiliates may be sold immediately upon the expiration of the lock-up agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, consultants or advisors who acquire shares from us in connection with a compensatory stock or option plan or other written agreement will be eligible to resell such shares 90 days after the effective date of this offering in reliance of Rule 144, but without compliance with certain restrictions, including the holding period, contained in Rule 144.

Penny Stock Rules

Broker-dealer practices in connection with transactions in penny stocks are regulated by certain penny stock rules adopted by the SEC. Penny stocks generally are equity securities with a price of less than US $5.00. Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer 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. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Our shares may in the future be subject to such penny stock rules in which care our stockholders would, in all likelihood, as a result of the penny stock rules, find it difficult to sell their securities.

UNDERWRITING

Subject to the terms and conditions of the underwriting agreement, Wellington Shields & Co. LLC has agreed to purchase from us in a firm commitment offering 3,800,000 shares of common stock in this offering and from the Selling Stockholder 200,000 shares of common stock at a public offering price, less the Underwriter's fee, set forth on the cover page of this prospectus.

The underwriting agreement provides that the obligations of the Underwriter to purchase the shares of common stock offered hereby are subject to certain conditions precedent and that the Underwriter will purchase all of the shares of common stock offered by this prospectus, other than those covered by the over-allotment option described below, if any of these shares are purchased.

We have been advised by the Underwriter that the Underwriter proposes to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus and to dealers at a price that represents a concession not in excess of $[—] per share under the public offering price. The Underwriter may allow, and these dealers may re-allow, a concession of not more than $[—] per share to other dealers. After the initial public offering, the Underwriter may change the offering price and other selling terms.

We have granted to the Underwriter an option, exercisable not later than 45 days after the date of this prospectus, to purchase up to 600,000 additional shares of common stock at the public offering price set forth on the cover page of this prospectus, less the Underwriter's fee. The Underwriter may exercise this option only to cover over-allotments made in connection with the sale of the common stock offered by this prospectus. We will be obligated, pursuant to the option, to sell these additional shares of common stock to the Underwriter to the extent the option is exercised. If any additional shares of common stock are purchased, the Underwriter will offer the additional shares on the same terms as those on which the shares are being offered.

Under our underwriting agreement with Wellington Shields & Co. LLC, we are to pay (or, in some incidences have paid) to the underwriter (a) an underwriting fee equal to 7% of the gross proceeds of the Offering to us but not to the Selling Stockholder who will pay his proportionate share, (b) a non-refundable engagement fee of $50,000 and (c) a non-accountable expense allowance equal to 2% of the gross proceeds of the offering.

The following table shows the per share and total underwriting discounts, fees and commissions to be paid to the underwriter by us, as well as the number of warrants issuable to the underwriter. Such amounts are shown assuming both no exercise and full exercise of the underwriter's option to purchase 600,000 additional shares.

	Underwriter's Fee Payable in Cash		Number of Underwriter Warrants Issuable	
	No Exercise	**Full Exercise**	**No Exercise**	**Full Exercise**
Per Share	$ 0.45	$ 0.45	--	--
Sysorex	$ 1,710,000	$ 1,980,000	114,000	132,000
Selling Stockholder	$ 90,000	$ 90,000	6,000	6,000
Total:	$ 1,800,000	$ 2,070,000	120,000	138,000

We estimate that our total expenses of this offering, excluding the Underwriter's fees, will be approximately $200,000 which includes our legal and accounting costs and various other fees associated with registering and listing the shares offered hereby.

We also agreed to issue to the Underwriter a warrant to purchase a number of shares of our common stock equal to an aggregate of 3% of the shares of our common stock sold in this Offering (including any shares issued pursuant to the Underwriter's over-allotment option). The warrant will have an exercise price equal to 125% of the offering price of the shares sole in this offering. The warrant is exercisable commencing one year after the effective date of the registration statement related to this offering, and will be exercisable for four years thereafter. The warrant is not redeemable by us. The Underwriter (or permitted assignees under the Rule) may not sell, transfer, assign, pledge, or hypothecate the warrant or the shares of our common stock underlying the warrant, except to any underwriter and selected dealer participating in the Offering and their bona fide officers or partners, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrant or the underlying shares of our common stock for a period of 180 days from the date of this prospectus. Additionally, the warrant may not be sold, transferred, assigned, pledged or hypothecated for a one-year period (including the foregoing 180 day period) following the effective date of the registration statement except to any underwriter and selected dealer participating in the offering and their bona fide officers or partners. The warrant will provided for adjustment in the number and price of such warrant (and the shares of common stock underlying such warrant) in the event of recapitalization, merger or other structural transaction to prevent mechanical dilution.

We have granted the Underwriter a right of first refusal ("ROFR") if we complete a private placement, public offering or other transaction within two months of the effective date of this registration statement. For the 18 month period commencing upon the closing of such transaction, the Underwriter shall have a ROFR to provide any financing arrangements to the Company, with the role of the Underwriter, if any, to be determined at that time. In addition, for the one year period commencing two months after the effective date of this registration statement, the Underwriter shall have a preferential right to participate as co-manager with no less than a 25% economic interest (fees) in providing any financial arrangements for the Company or be paid a breakup fee of $200,000.

We have agreed to indemnify the Underwriter against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the Underwriter may be required to make in respect of any of these liabilities.

We and each of our officers, directors and stockholders owning 2% or more of our common stock and their respective affiliates have agreed not to offer, sell, contract to sell or otherwise dispose of, or enter into any transaction that is designed to, or could be expected to, result in the disposition of any shares of our common stock or other securities convertible into or exchangeable or exercisable for shares of our common stock or derivatives of our common stock owned by these persons prior to this offering or common stock issuable upon exercise of options held by these persons for a period of 180 days following the effective date of the registration statement of which this prospectus is a part. Transfers or dispositions can be made during the lock-up period in the case of gifts or for estate planning purposes where the donee signs a lock-up agreement. There are no agreements between the underwriter and any of our officers, directors, stockholders or affiliates releasing them from these lock-up agreements prior to the expiration of the one-year period.

The Underwriter has advised us that they do not intend to confirm sales to any account over which it exercises discretionary authority.

In connection with the offering, the Underwriter may purchase and sell shares of our common stock in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by an Underwriter of a greater number of shares than it is required to purchase in the Offering. Covered short sales are sales made in an amount not greater than an Underwriter's option to purchase additional shares of common stock from us in the Offering. An Underwriter may close out any covered short position by either exercising its option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the Underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the over-allotment option.

Naked short sales are any sales in excess of the over-allotment option. An Underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if an Underwriter is concerned that there may be downward pressure on the price of the shares in the open market prior to the completion of the Offering.

Stabilizing transactions consist of various bids for or purchases of our common stock made by an Underwriter in the open market prior to the completion of the Offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our common stock. In addition, these purchases may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on a national securities exchange, in the over-the-counter market or otherwise.

A prospectus in electronic format is being made available on Internet web sites maintained by the Underwriter of this Offering. Other than the prospectus in electronic format, the information on the Underwriter's web site and any information contained in any other web site maintained by such Underwriter is not part of the prospectus or the registration statement of which the prospectus forms a part.

Other Relationships

Wellington Shields & Co. LLC may provide investment banking services to us in the future.

LEGAL MATTERS

Davidoff Hutcher & Citron LLP, 605 Third Avenue, New York, New York 10158, will pass upon the validity of the shares of our common stock to be sold in this Offering.

EXPERTS

The financial statements as of and for the years ended December 31, 2011 and 2012, included in this prospectus have been audited by Marcum LLP an independent registered public accounting firm as set forth in their report, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, under the Securities Act with respect to the shares of common stock being offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement or the exhibits to the registration statement. For further information with respect to us and the shares we and the Selling Stockholder are offering pursuant to this prospectus, you should refer to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete, and you should refer to the copy of that contract or other documents filed as an exhibit to the registrations statement. You may read or obtain a copy of the registration statement at the SEC's public reference room and Website referred to below.

We will file annual, quarterly and current reports and other information with the SEC under the Exchange Act. Our SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms and their copy charges. You may also request a copy of those filings, excluding exhibits, from us at no cost. These requests should be addressed to us at: Wendy Loundermon, CFO, Sysorex Global Holdings Corp., 3375 Scott Boulevard, Suite 440, Santa Clara, CA 94054.

SYSOREX GLOBAL HOLDINGS CORP.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited Consolidated Financial Statements

	Page
Consolidated Balance Sheets as of June 30, 2013 and December 31, 2012 (audited)	F-2
Consolidated Statements of Operations for the six months ended June 30, 2013 and 2012	F-3
Consolidated Statements of Stockholders' Equity (Deficiency) for the six months ended June 30, 2013	F-4
Consolidated Statement of Cash Flows for the six months ended June 30, 2013 and 2012	F-5
Notes to Consolidated Financial Statements	F-6
Report of Independent Registered Public Accounting Firm for Sysorex Global Holdings Corp.	F-21
Consolidated Balance Sheets - December 31, 2012 and 2011	F-22
Consolidated Statements of Operations for the years ended December 31, 2012 and 2011	F-23
Consolidated Statements of Stockholders' Deficiency for the years ended December 31, 2012 and 2011	F-24
Consolidated Statements of Cash Flows for the years ended December 31, 2012 and 2011	F-25
Notes to Consolidated Financial Statements	F-26
Report of Independent Registered Public Accounting Firm for Lilien Systems	F-44
Consolidated Balance Sheets - December 31, 2012 and 2011	F-45
Consolidated Statements of Operations for the years ended December 31, 2012 and 2011	F-46
Consolidated Statements of Changes in Members' Equity for the years ended December 31, 2012 and 2011	F-47
Consolidated Statements of Cash Flows for the years ended December 31, 2012 and 2011	F-48
Notes to Consolidated Financial Statements	F-49
Pro Forma Condensed Combined Financial Statements for Sysorex Global Holdings Corp. and Lilien	F-57

SYSOREX GLOBAL HOLDINGS CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	$ 640,479	$ 8,301
Accounts receivable, net	11,439,273	386,720
Inventory	267,660	--
Prepaid expenses	121,173	31,762
Prepaid licenses and maintenance contracts	6,071,506	--
Total Current Assets	18,540,091	426,783
Property and equipment, net	258,760	49,238
Deposits	919,894	749,227
Contract receivable, long-term	414,493	369,804
Prepaid licenses and maintenance contracts, non-current	4,279,417	--
Other assets	707,564	20,060
Trade names/trademarks, net	3,095,238	--
Customer relationships, net	2,028,571	--
Goodwill	4,544,053	--
Total Assets	$ 34,788,081	$ 1,615,112
Liabilities and Stockholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable	$ 10,642,167	$ 1,075,311
Accrued expenses	1,001,757	503,634
Accrued compensation and related benefits	1,915,096	1,078,330
Deferred revenue, current	7,596,693	236,291
Due to factoring company	--	46,426
Due to related parties	237,798	1,829,141
Advances payable	722,156	722,156
Notes payable	288,566	391,181
Notes payable to related party	11,050	35,050
Convertible note payable	--	88,333
Revolving line of credit	5,013,391	--
Derivative liability	--	177,100
Total Current Liabilities	27,428,674	6,182,953
Long-Term Liabilities		
Deferred revenue, non-current	4,985,509	--
Total Liabilities	$ 32,414,183	$ 6,182,953
Commitments and Contingencies		
Stockholders' Equity (Deficiency)		
Preferred stock - $0.001 par value: 5,000,000 shares authorized; no shares issued and outstanding	$ --	$ --
Common stock - $0.001 par value: 40,000,000 shares authorized; 25,176,697 and 17,987,518 issued and outstanding	25,177	17,988
Additional paid-in capital	15,034,562	6,130,440
Due from Sysorex Consulting Inc.	(665,554)	(665,554)
Accumulated deficit (excluding $2,441,960 reclassified to additional paid in capital in quasi-reorganization)	(10,736,681)	(8,842,558)
Stockholders' Equity (Deficiency) Attributable to Sysorex Global Holdings Corp.	3,657,504	(3,359,684)
Non- controlling interest	(1,283,606)	(1,208,157)
Total Stockholders' Equity (Deficiency)	2,373,898	(4,567,841)
Total Liabilities and Stockholders' Equity (Deficiency)	$ 34,788,081	$ 1,615,112

See accompanying notes.

SYSOREX GLOBAL HOLDINGS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Six Months Ended June 30,	
	2013	**2012**
	(Unaudited)	
Revenues, Net	$ 20,150,494	$ 2,162,299
Cost of Revenues	15,695,637	1,154,395
Gross Profit	4,454,857	1,007,904
Operating Expenses		
Compensation and related benefits	3,071,099	754,107
Professional and legal fees	471,215	158,612
Consulting expenses	294,559	710
Occupancy	140,865	25,837
Acquisition transaction costs	907,865	--
Amortization of intangibles	256,191	--
Other administrative	705,447	157,679
Total Operating Expenses	5,847,241	1,096,945
Loss from Operations	$ (1,392,384)	$ (89,041)
Other Income (Expense)		
Other Income	--	856
Interest expense	(86,115)	(13,011)
Interest expense - amortization of debt discount	(16,667)	--
Gain on the settlement of obligation	14,762	--
Change in fair value of derivative liability	(489,168)	--
Total Other Expense	(577,188)	(12,155)
Loss before Provision for Income Taxes	(1,969,572)	(101,196)
Provision for Income Taxes	--	--
Net Loss	(1,969,572)	(101,196)
Net Loss Attributable to Non-controlling Interest	$ (75,449)	$ (37,264)
Net Loss Attributable to Stockholders of Sysorex Global Holdings Corp.	$ (1,894,123)	$ (63,932)
Net Loss Per Share - Basic and Diluted	$ (0.09)	$ (0.00)
Weighted Average Shares Outstanding		
Basic and Diluted	21,958,907	17,962,518

See accompanying notes.

SYSOREX GLOBAL HOLDINGS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)

FOR THE SIX MONTHS ENDED JUNE 30, 2013
(Unaudited)

	Common Stock		Additional Paid-in	Due to Sysorex	Accumulated	Non-controlling	Total Stockholders' Equity
	Shares	Amount	Capital	Consulting, Inc.	Deficit	Interest	(Deficiency)
Balance – January 1, 2013	17,987,518	$ 17,988	$ 6,130,440	$ (665,554)	$ (8,842,558)	$ (1,208,157)	$ (4,567,841)
Reclassification of derivative liability to equity	--	--	666,268	--	--	--	666,268
Common stock issued for Lilien acquisition	6,000,000	6,000	5,994,000	--	--	--	6,000,000
Common stock issued for consulting services	301,746	302	301,444	--	--	--	301,746
Stock options granted to employees and consultants for services	--	--	59,131	--	--	--	59,131
Warrants granted in connection with Lilien acquisition	--	--	109,300	--	--	--	109,300
Common stock issued for settlement of a related party payable	887,433	887	1,773,979	--	--	--	1,774,866
Net loss	--	--	--	--	(1,894,123)	(75,449)	(1,969,572)
Balance – June 30, 2013	25,176,697	$ 25,177	$ 15,034,562	$ (665,554)	$ (10,736,681)	$ (1,283,606)	$ 2,373,898

See accompanying notes.

SYSOREX GLOBAL HOLDINGS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30,	
	2013	**2012**
	(Unaudited)	
Cash Flows from Operating Activities		
Net loss	$ (1,969,572)	$ (101,196)
Adjustments to reconcile net loss to net cash used in by operating activities:		
Depreciation and amortization	48,269	31,876
Amortization of intangible assets	256,191	--
Stock based compensation	470,177	--
Change in the fair value of derivative liability	489,168	--
Debt discount	16,667	--
Changes in operating assets and liabilities:		
Accounts receivable	(5,907,119)	(87,414)
Inventory	(212,250)	--
Prepaid expenses	17,293	15,265
Prepaid licenses and maintenance contracts	(1,203,969)	--
Deposits	(170,667)	--
Other assets	(261,100)	(61,949)
Accounts payable	4,472,467	(4,238)
Accrued expenses	(439,741)	86,790
Accrued compensation	817,880	--
Deferred revenue	1,193,670	(142,266)
Total Adjustments	(413,064)	(161,936)
Net Cash Used in Operating Activities	(2,382,636)	(263,132)
Cash Used in Investing Activities		
Purchase of property and equipment	(3,153)	(3,859)
Cash paid for the acquisition of Lilien	(3,000,000)	--
Cash acquired in Lilien acquisition	1,112,485	--
Net Cash Used in Investing Activities	(1,890,668)	(3,859)
Cash Flows from Financing Activities		
Advances from revolving credit line	5,000,000	--
Repayment of advances to related parties	(148,694)	(68,565)
Repayment of notes payable	(126,615)	(51,883)
Repayment of convertible notes	(105,000)	--
Repayment of factor	(46,426)	(1,602)
Advance to related party	--	(25,550)
Advances from Duroob Technology	332,217	396,796
Net Cash Provided by Financing Activities	4,905,482	249,196
Net Increase in Cash and Cash Equivalents	632,178	(17,795)
Cash and Cash Equivalents - Beginning of period	8,301	225,134
Cash and Cash Equivalents - End of period	$ 640,479	$ 207,339
Supplemental Disclosure of cash flow information:		
Cash paid for:		
Interest	$ 105,118	$ 13,011
Income taxes	$ 8,001	$ --
Supplemental disclosures for non-cash operating, investing and financing activities:		
Acquisition of Lilien:		
Assumption of assets other than cash	$ 15,180,332	--
Assumption of liabilities	$ 17,216,770	--
Issuance of common stock	$ 6,000,000	--
Issuance of common stock for settlement of liability	$ 1,774,865	--

See accompanying notes.

Note 1 - Organization and Nature of Business

Sysorex Global Holdings Corp. ("SGHC"), through its wholly-owned subsidiaries, Sysorex Federal, Inc. and Sysorex Government Services, Inc., and majority-owned subsidiary, Sysorex Arabia LLC (collectively the "Company"), provides information technology and telecommunications solutions and services primarily to government customers in the United States and Saudi Arabia. The Company is a systems integration and consulting company and has a wide range of offerings, including, but not limited to: custom application/software design, architecture and development, data center design and operations services, command control, computer communication, intelligence (C4I) system consulting, program management and security solutions and services.

Effective March 1, 2013, and as more fully described in Note 4, the Company acquired the assets of Lilien LLC ("Lilien"), and 100% of the stock of Lilien Systems. The Company expanded its operations by providing information technology solutions services to organizations. These services include enterprise computing and storage, virtualization, business continuity, networking and information technology business consulting services. The Company is headquartered in the state of California, has an office in the Commonwealth of Virginia, and the Company's majority-owned subsidiary operates in Saudi Arabia.

Liquidity

As of June 30, 2013 the Company has a working capital deficiency of approximately $8.9 million. For the six months ended June 30, 2013 the Company incurred a net loss of approximately $2.0 million and cash used in operations was approximately $2.4 million.

Subsequent to June 30, 2013, the Company entered into an agreement to acquire the stock of Shoom, Inc. a California based provider of cloud based data analytics and enterprise solutions to the media, publishing, and entertainment industries. In addition the Company amended its bank line of credit to increase the credit limit to $6,000,000. The Company's current capital resources as of June 30, 2013 are expected to be sufficient to fund planned operations during the succeeding twelve months. The Company's plans include entering into agreements to obtain additional equity financing to fund short-term operating activities and implementing its expansion strategy that was launched with the acquisition of Lilien in March 2013. In addition in February 2013, the Company will be a participant in the U.S. Navy SPAWAR contract of which is expected to start releasing task orders during the fourth quarter of 2013 and first quarter of 2014.

The Company can give no assurance that it will be successful in implementing its business plan and obtain financing that will be available on terms advantageous to the Company, or at all. Should the Company not be successful in implementing its business plan or obtaining the necessary financing to fund its short-term operations, the Company may need to curtail certain or all of its expansion activities.

Note 2 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for the six -month period ended June 30, 2013 is not necessarily indicative of the results to be expected for the year ending December 31, 2013. These interim condensed consolidated financial statements should be read in connection with the Company's audited financial statements and footnotes for the years ended December 31, 2012 and 2011 contained elsewhere in this document.

Note 3 - Significant Accounting Policies and Recent Accounting Pronouncements

Significant Accounting Policies

The Company's complete accounting policies are described in Note 2 to the Company's audited financial statements and footnotes for the years ended December 31, 2012 and 2011 contained elsewhere in this document.

Principles of Consolidation

The condensed consolidated financial statements have been prepared using the accounting records of the Company and its wholly-owned subsidiaries, Lilien Systems, Sysorex Federal, Inc., and Sysorex Government Services, Inc., and its majority-owned subsidiary, Sysorex Arabia LLC. All material inter-company balances and transactions have been eliminated.

Note 3 - Significant Accounting Policies and Recent Accounting Pronouncements (continued)

Principles of Consolidation (continued)

The Company owns 50.2% of Sysorex Arabia ("SA"). As of June 30, 2013, SA had minimal cash, approximately $415,000 in contracts receivable, $920,000 in deposits, $58,000 in other assets and intercompany balances and debts as disclosed in the following footnotes, with an accumulated deficit of approximately $1,362,000.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during each of the reporting periods. Actual results could differ from those estimates. The Company's significant estimates consist of:

- The valuation of the assets and liabilities acquired from Lilien LLC as described in Note 4, as well as the valuation of the Company's common shares issued in that transaction;
- The valuation of stock-based compensation;
- The allowance for doubtful accounts; and
- The valuation allowance for the deferred tax asset.

Inventory

Inventory consisting primarily of finished goods is stated at the lower of cost or market utilizing the first-in, first-out method. The Company continually analyzes its slow-moving, excess and obsolete inventories. Based on historical and projected sales volumes and anticipated selling prices, the Company establishes reserves. If the Company does not meet its sales expectations, these reserves are increased. Products that are determined to be obsolete are written down to net realizable value. As of June 30, 2013 and December 31, 2012, the Company deemed any such allowance nominal.

Intangible Assets

Intangible assets primarily consist of customer lists, and trade names and trademarks and are amortized ratably over seven years which approximates customer attrition rate. The Company assesses the carrying value of its intangible assets for impairment each year. Based on its assessments, the Company did not incur any impairment charges for the six months ended June 30, 2013.

Goodwill

The Company records goodwill and other indefinite-lived assets in connection with business combinations. Goodwill, which represents the excess of acquisition cost over the fair value of the net tangible and intangible assets of acquired companies, is not amortized. Indefinite-lived assets are stated at fair value as of the date acquired in a business combination. The Company's goodwill balance and other assets with indefinite lives are evaluated for potential impairment annually each year and in certain other circumstances. The evaluation of impairment involves comparing the current fair value of the business to the recorded value, including goodwill. To determine the fair value of the business, the Company utilizes both the "Income Approach", which is based on estimates of future net cash flows, and the "Market Approach", which observes transactional evidence involving similar businesses. There was no impairment for the six months ended June 30, 2013.

Prepaid Licenses and Maintenance Contracts

Prepaid licenses and maintenance contracts represent payments made by the Company directly to the manufacturer. The Company acts as the principal and the primary obligor in the transaction and amortizes the capitalized costs ratably over the term of the contract to cost of revenues, generally one to five years.

Note 3 - Significant Accounting Policies and Recent Accounting Pronouncements (continued)

Stock-Based Compensation

The Company accounts for equity instruments granted to employees by measuring the cost of services received in exchange for the award of equity instruments based upon the fair value of the award on the date of grant. The fair value of that award is then ratably recognized as expense over the period during which the recipient is required to provide services in exchange for that award.

Equity instruments granted to consultants and other non-employees are recorded at fair value as of the grant date and subsequently adjusted to fair value at the end of each reporting period until such options and warrants vest, and the fair value of such instruments, as adjusted, is expensed over the related vesting period.

The Company incurred stock-based compensation charges, net of estimated forfeitures, of $470,177 and $-0- for the six months ended June 30, 2013 and 2012, respectively. The following table summarizes the nature of such charges for the six months ended June 30, 2013:

	For the Six Months Ended June 30,	
	2013	**2012**
Compensation and related benefits	$ 59,131	$ 0
Professional and legal fees	106,746	0
Acquisition Transaction Costs	304,300	0
Total	**$ 470,177**	**$ 0**

Revenue Recognition

Revenues for the six months ended June 2013 and 2012 are comprised of the following:

	For the Six Months Ended June 30,	
	2013	**2012**
Resale of hardware	$ 9,712,310	$ 132
Resale of software	3,342,353	326
Third party maintenance	3,347,674	4,018
Professional services contracts – time and materials	716,484	336,637
Professional services contracts – firm fixed price	3,031,673	1,821,186
Total	**$ 20,150,494**	**$ 2,162,299**

The Company is primarily a reseller of third-party manufactured products, maintenance, and services, recognizes the revenue on sales of products (software and hardware) and maintenance agreements once four criteria are met: (1) persuasive evidence of an arrangement exists, (2) the price is fixed and determinable, (3) delivery (software and hardware) or fulfillment (maintenance) has occurred, and (4) there is reasonable assurance of collection of the sales proceeds. Revenues from the sales of hardware products, software products, licenses, and maintenance agreements are recognized on a gross basis in accordance with applicable standards with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales.

Revenue on time and material contracts is recognized based on a fixed hourly rate for direct labor hours expended. The fixed rate includes direct labor, indirect expenses, and profits. Materials, or other specified direct costs, are reimbursed as actual costs and may include markup. Anticipated losses are recognized as soon as they become known. These amounts are based on known and estimated factors. Revenues are derived principally from time and material or firm fixed price long-term and short-term contracts with various United States Government agencies, Saudi Arabian Government agencies, and commercial customers.

Note 3 - Significant Accounting Policies and Recent Accounting Pronouncements (continued)

Revenue Recognition (continued)

The Company records revenues from sales of third party products in accordance with Accounting Standards Codification ("ASC") Topic 605-45 "Principal Agent Consideration" ("ASC 605-45"). Furthermore, in accordance with ASC 605-45, the Company evaluates sales on a case by case basis to determine whether the transaction should be recorded gross or net, including, but not limited to, assessing whether or not the Company: 1) acts as principal in the transaction, 2) takes title to the products, and 3) has risks and rewards of ownership, such as the risk of loss for collection, delivery, or returns. The Company did not record any revenues on a net basis for the six months ended June 30, 2013 and 2012.

The Company also enters into sales transactions whereby customer orders contain multiple deliverable, and reports its multiple deliverable arrangements under ASC 605-25 "Revenue Arrangements with Multiple Deliverables" ("ASC-605-25"). These multiple deliverable arrangements primarily consist of the following deliverables: third-party computer hardware, third-party software, third-party hardware and software maintenance (a.k.a. support), and third-party services. From time to time the personnel of the Company were contracted to perform installation and services for the customer. In situations where the Company bundles all or a portion of the separate elements, Vendor Specific Objective Evidence ("VSOE") is determined based on prices when sold separately. For the 6 months ended June 30, 2013 and 2012 revenues recognized as a result of customer contracts requiring the delivery of multiple elements was $11,277,839 and $0 respectively. The Company had no multiple deliverable arrangements prior to the acquisition of Lilien.

Product delivery to customers occur in a variety of ways, including (i) as physical product shipped from the Company's warehouse, (ii) via drop-shipment by the vendor, or (iii) via electronic delivery for software licenses. The Company leverages drop-ship arrangements with many of its vendors and suppliers to deliver products to customers without having to physically hold the inventory at its warehouse, thereby increasing efficiency and reducing costs. Furthermore, in such drop-ship arrangements, the Company negotiates price with the customer, pays the supplier directly for the product shipped and bears credit risk of collecting payment from its customers. The Company serves as the principal with the customer and, therefore, recognizes the sale and cost of sale of the product upon receiving notification from the supplier that the product has shipped.

Maintenance agreements allow customers to obtain technical support directly from the manufacturer and to upgrade, at no additional cost, to the latest technology if new software updates are introduced during the period that the maintenance agreement is in effect. Revenue derived from maintenance contracts primarily consists of the sale of third-party maintenance contracts by the Company, whereby the Company acts as the principal and the primary obligor in the transaction. Typically, the Company sells third-party maintenance contracts for a separate fee with initial contractual periods ranging from one to three years with renewal for additional periods thereafter. The Company generally bills maintenance fees in advance. The Company recognizes maintenance revenue ratably over the term of the maintenance agreement. In situations where the Company bundles all or a portion of the maintenance fee with products, VSOE for maintenance is determined based on prices when sold separately.

The Company recognizes revenue for sales of internally-performed services ratably over the time period over which the service will be provided. Billings for such services that are made in advance of the related revenue recognized are recorded as deferred revenue and recognized as revenue ratably over the billing coverage period. For service engagements that are on a time and materials basis, revenues are recognized based upon hours incurred as services are performed and amounts are earned. Sales are recorded net of discounts, rebates, and returns. Vendor rebates and price protection are recorded when earned as a reduction to cost of sales or merchandise inventory, as applicable. Vendor product price discounts are recorded when earned as a reduction to cost of sales. Vendor product sales volume and growth incentive rebates based on total Company quarterly sales are recorded when earned as other income.

Cooperative reimbursements from vendors, which are earned and available, are recorded in the period the related advertising expenditure is incurred. Cooperative reimbursements are recorded as a reduction of cost of sales in accordance with ASC Topic 605-50 "Accounting by a Customer (including reseller) for Certain Consideration Received from a Vendor." Provisions for returns are estimated based on historical sales returns and credit memo analysis which are adjusted to actual on a periodic basis. The Company receives Marketing Development Funds (MDF) from vendors based on quarterly sales performance to promote the marketing of vendor products and services. The Company must file claims with vendors for these cooperative reimbursements by providing invoices and receipts for marketing expenses. Reimbursements are recorded as a reduction of marketing expenses and other applicable selling general and administrative expenses in the period in which the expenses were incurred.

Note 3 - Significant Accounting Policies and Recent Accounting Pronouncements (continued)

Revenue Recognition (continued)

In general, the Company requires an upfront deposit for significant arrangements. If the Company receives a payment from a customer prior to meeting all of the revenue recognition criteria, the payment is recorded as deferred revenue. The Company's current arrangements with its third party integrators, value added resellers and distributors generally do not provide for any rights of return, price protection or other contingencies.

Net Loss Per Share

The Company computes basic and diluted earnings per share by dividing net loss by the weighted average number of common shares outstanding during the period. Basic and diluted net loss per common share were the same since the inclusion of common shares issuable pursuant to the exercise of options and warrants in the calculation of diluted net loss per common shares would have been anti-dilutive.

The following table summarizes the number of common share equivalents excluded from the calculation of diluted net loss per common share as of June 30, 2013 and 2012:

	June 30, 2013	June 30, 2012
Options	1,707,500	528,500
Warrants	1,010,023	-
Totals	2,717,523	528,500

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the FASB and the SEC did not have, or are not expected to have, a material impact on the Company's condensed consolidated financial statements.

Subsequent Events

The Company evaluates events and/or transactions occurring after the balance sheet date and before the issue date of the condensed consolidated financial statements to determine if any of those events and/or transactions requires adjustment to or disclosure in the condensed consolidated financial statements.

Note 4 - Acquisition of the Business of Lilien LLC

On March 20, 2013, the Company entered into an Asset Purchase and Merger Agreement (the "Agreement") to acquire substantially all of the assets and liabilities of Lilien LLC and 100% of the stock of Lilien Systems (collectively referred hereafter as "Lilien") effective as of March 1, 2013. Lilien is an information technology company whose operations complement and significantly expands the Company's current base of business.

The purchase price of this acquisition aggregated $9,000,000 and consisted of cash of $3,000,000, and 6,000,000 shares of the Company's common stock deemed to have a fair value of $6,000,000. The cash consideration of $3,000,000 was obtained by the Company through a borrowing under a credit facility entered into jointly by Sysorex Government Services, Inc. and Lilien Systems concurrently with and for the express purpose of consummating that acquisition. Total costs incurred for the Lilien acquisition were $907,865.

Lilien Systems and Sysorex Government Services are co-borrowers on the loan and both guaranteed the debt. As they are part of the consolidated group of the Company no accounting consideration related to the co-guarantee was deemed necessary since such impact, if any, would be eliminated in consolidation.

Note 4 - Acquisition of the Business of Lilien LLC (continued)

Additionally, under the terms of the Agreement, the Company is liable to the former members of Lilien LLC for the payment of additional cash consideration on March 20, 2015 to the extent that they receive less than $1.00 per share from the sale of the 6,000,000 shares of the Company's common stock referred to above (the "Guaranteed Amount"), less customary commissions, on or before March 20, 2015, provided the stockholders are in compliance with the terms and conditions of the lock-up agreement. Notwithstanding the foregoing, in the event that the gross profits for calendar 2013 and 2014 attributable to the Lilien assets are more than 20% below what was forecasted to the Company, the Guaranteed Amount will be proportionately reduced. As of the date of the acquisition and June 30, 2013 the guaranteed amount was de minimis.

The acquisition of Lilien was accounted for by the Company under the acquisition method of accounting, whereby assets acquired and liabilities assumed by the Company are recorded at their estimated fair values as of the date of acquisition and the results of operations of the acquired company are consolidated with those of the Company from the date of acquisition. The Company deemed the quoted market prices for those shares not to be a reliable measurement method due to the very limited trading activity in such securities.

The purchase price is allocated as follows:

Assets Acquired:		
Cash	$	1,112,485
Receivables		4,870,471
Inventory		55,410
Other current assets (Note A)		852,759
Prepaid Licenses/Contracts (Note B)		9,146,954
Property and equipment		254,638
Trade name/trademarks (Note C)		3,250,000
Customer relationships (Note C)		2,130,000
Goodwill		4,544,053
		26,216,770
Liabilities Assumed:		
Accounts payable		5,094,390
Accrued expenses (Note D)		970,139
Deferred Revenue		11,152,241
		17,216,770
Purchase Price	$	9,000,000

(A) Other current assets consist primarily of $356,000 of rebates receivable, $107,000 of prepaid expenses, $195,000 of unbilled revenues and $153,000 for a working capital settlement adjustment. The asset purchase agreement included a provision for an adjustment to working capital as of the closing date of the transaction. This is the amount due to Sysorex for that adjustment,; however, this amount is subject to continuing negotiation.

(B) Prepaid licenses/contracts are payments made by the Company directly to the manufacturer for the third party maintenance services and are being amortized over the life of the contract

(C) The trade name/trademarks and customer relationships are identifiable intangible assets that are being amortized over their useful life of seven years.

(D) Accrued expenses consist primarily of $654,000 of accrued compensation, $50,000 of accrued other operational expenses and $35,000 of sales taxes payable.

Note 4 - Acquisition of the Business of Lilien LLC (continued)

The following unaudited proforma financial information presents the consolidated results of operations of the Company and Lilien for the six months ended June 30, 2013 and 2012, as if the acquisition had occurred on January 1, 2012 instead of March 1, 2013. The proforma information does not necessarily reflect the results of operations that would have occurred had the entities been a single company during those periods.

	6 Months Ended June 2013	6 Months Ended June 2012
Revenues	$ 25,311,495	$ 22,245,926
Net Loss Attributable to Common Shareholder	$ (1,811,252)	$ (928,227)
Weighted Average Number of Common Shares Outstanding	24,628,575	17,962,518
Loss Per Common Share - Basic and Fully Diluted	$ (.07)	$ (.05)

Note 5 - Due from Related Parties

Non-interest bearing amounts due on demand from a related party was $665,554 as of June 30, 2013 and December 31, 2012 and consisted primarily of amounts due from Sysorex Consulting, Inc. As Sysorex Consulting, Inc. is a direct shareholder of and an investor in the Company, the amounts due from Sysorex Consulting, Inc. as of June 30, 2013 and December 31, 2012 have been classified in and as a reduction of stockholders' deficiency.

Note 6 - Intangible Assets

Intangibles assets relate exclusively to the Lilien acquisition. Balances as of June 30, 2013 are as follows:

	As of June 30, 2013	
Amortized Intangible Assets	Gross Carrying Amount	Accumulated Amortization
Trade name/trademarks	$ 3,250,000	$ (154,762)
Customer relationships	2,130,000	(101,429)
Total	$ 5,380,000	$ (256,191)

The weighted average remaining amortization period for the Company's trade names/ trademarks and customer relationships is 4.03 and 2.64 years, respectively.

Aggregate Amortization Expense:

For the 6 months ended June 30, 2013 $ 256,191

The following table presents the Company's estimate for total amortization expense for the year ended June 30, 2014 through 2019 and thereafter.

Year Ending June 30,	Amount
2014	768,572
2015	768,572
2016	768,572
2017	768,572
2018	768,572
2019 and thereafter	1,280,949
Total	$ 5,123,809

Note 7 – Deferred revenue

Deferred revenue as of June 30, 2013 and December 31, 2012 consisted of the following:

	June 30, 2013	Dec 31, 2012
Deferred Revenue, current		
Lilien third party maintenance agreements	$ 7,301,242	$ 0
Services to be provided by Lilien	59,160	0
Services to be provided by Sysorex	236,291	236,291
Total Deferred Revenue, current	7,596,693	236,291
Deferred Revenue, non-current		
Lilien third party maintenance agreements	4,985,509	0
Total Deferred Revenue	$ **12,582,202**	$ **236,291**

The fair value of the deferred revenue approximates the services to be rendered.

Note 8 - Due to Related Parties

Non-interest bearing amounts due on demand to related parties as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Qureishi Family Trust, an entity which owns 6.5% and 10.1% of the outstanding common shares of the Company as of June 30, 2013 and December 31, 2012, respectively.	$ --	$ 136,977
Duroob Technology, Inc., an entity whose CEO owns a minority interest in Sysorex Arabia LLC, the Company's 50.2% owned subsidiary as of June 30, 2013 and December 31, 2012	237,798	1,680,447
Sysorex Consulting, Inc., an entity which owns 1.5% and 2.3% of the outstanding common shares of the Company as of June 30, 2013 and December 31, 2012, respectively.	--	11,717
Totals	$ 237,798	$ 1,829,141

Note 9 - Notes Payable

Notes payable and accrued interest as of June 30, 2013 and December 31, 2012 consisted of the following:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
(A) Note payable dated July 1, 2008	$ 288,566	$ 341,899
(B) Note payable dated June 15, 2010	--	22,020
(C) Note payable dated July 29, 2011	--	27,262
Total	$ 288,566	$ 391,181

(A) On July 1, 2008, the Company entered into a note payable for gross proceeds of $515,233. The note has no stated interest rate or repayment terms and matured on July 31, 2012. Effective December 31, 2012, that arrangement has been amended and the maturity date was revised to September 30, 2013. The Company is in current negotiations for an extension of the maturity date.

Note 9 - Notes Payable (continued)

(B) On June 15, 2010, the Company entered into a note payable for gross proceeds of $28,000. The note accrued interest at the rate of 6% per annum and matured on March 31, 2013. Principal and interest was paid in full on March 27, 2013.

(C) On July 29, 2011 and in connection with the acquisition of Softlead, the Company became responsible for a note payable in the amount of $27,262. The note had no stated interest rate, repayment terms or maturity date. This note was paid in full on April 3, 2013.

Note 10 - Note Payable to Related Party

On June 15, 2010, the Company entered into a note payable with a director of the Company for $15,000. The note accrues interest at an annual rate of 8% per annum and matures on September 30, 2013. Principal and interest due in connection with this note totaled $11,050 and $18,050 as of June 30, 2013 and December 31, 2012, respectively.

On May 29, 2012, the Company entered into a note payable with a related party of the Company for $37,595. This note has no stated interest rate and is payable upon demand. Principal due in connection with this note totaled $0 and $17,000 as of June 30, 2013 and December 31, 2012, respectively.

Note 11 - Secured Convertible Note Payable

On August 7, 2012, the Company issued a secured convertible promissory note (the "Note") in the face amount of $200,000 The Note accrues interest at the effective rate of 32%, is secured by Company receivables, matures on February 7, 2013, and may be prepaid without penalty at any time.

The Note is also convertible at any time at the option of the holder into shares of the Company's common stock at a conversion price equal to 45% of the lowest trading price for the common stock at any time during the ten trading days immediately preceding the date of issuance by the holder of a notice of conversion. Therefore, since this embedded conversion feature provides for the settlement of this convertible promissory note with shares of common stock at a rate which is variable in nature, this embedded conversion feature must be classified and accounted for as a derivative financial instrument.

In connection with the issuance of the Note, the Company also issued warrants for the purchase of 300,000 shares of the Company's common stock at an exercise price of $0.87 per share through July 29, 2014. Therefore, since the embedded conversion feature of the convertible promissory note must be accounted for as a derivative instrument, these warrants must also be accounted for as derivative instruments. As a result of entering into the convertible promissory note described above, all other non-employee warrants issued by the Company must also be classified and accounted for as derivative financial instruments.

Generally accepted accounting principles require that:

a) Derivative financial instruments be recorded at their fair value on the date of issuance and then adjusted to fair value at each subsequent balance sheet date with any change in fair value reported in the statement of operations; and
b) The classification of derivative financial instruments be reassessed as of each balance sheet date and, if appropriate, be reclassified as a result of events during the reporting period then ended.

The fair value of the embedded conversion feature and the warrants, $244,500 and $17,700, respectively, aggregated $262,200. Consequently, upon issuance of the Note, a debt discount of $200,000 was recorded and the difference of $62,200, representing the fair value of the conversion feature and the warrants in excess of the debt discount, was immediately charged to interest expense. The debt discount will be amortized over the earlier of (i) the term of the debt, or (ii) conversion of the debt, using the straight-line method, which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the condensed consolidated statements of operations.

The fair value of the embedded conversion feature and the warrants was estimated using the Black-Scholes option-pricing model. Key assumptions used to apply this pricing model during the quarter ended March 31, 2013 were as follows:

Risk-free interest rate	0.3%
Expected life of option grants	0.5 to 2.0 years
Expected volatility of underlying stock	39%

Note 11 - Secured Convertible Note Payable (continued)

The expected stock price volatility for the Company's stock options was determined by the historical volatilities for industry peers and used an average of those volatilities. The risk free interest rate was obtained from U.S. Treasury rates for the applicable periods.

The Company repaid $105,000 and $95,000 of the principal balance due and reclassified $128,468 and $116,097 of the derivative liability to additional paid-in capital during the period ended March 31, 2013 and the year ended December 31, 2012, respectively. This note payable was paid in full during the six months ended June 30, 2013.

Note 12 - Line of Credit

On March 15, 2013 and in connection with and concurrent with our acquisition of Lilien, Sysorex Government Services, Inc., and Lilien Systems, 100%-owned subsidiaries of Sysorex Global Holdings, Inc., entered into a Business Finance Agreement (the "Agreement") as co-borrowers (the "Borrowers") with Bridge Bank, NA (the "Bank") under which the Borrowers obtained a revolving line of credit for up to $5,000,000 through March 15, 2015. Terms of this agreement include compliance with certain debt covenants to include an asset coverage ratio of 1.4 to 1.0, a debt service coverage ratio of 1.5 to 1.0 and performance to plan covenants. As of June 30, 2013, the Company was not in compliance with certain covenants, however, the bank did not formally notify the Company of non-compliance. Effective August 29, 2013 Amendment Number 1 to the Agreement waived those covenants as further described in Note 20. The line of credit incurs interest at the greater of 5.25% or the bank's prime rate plus 2% and matures on March 15, 2015. The interest rate as of June 30, 2013 was 5.25%. Terms of this agreement require all cash receipts of Sysorex Government Services, Inc. and Lilien Systems to be remitted to a lockbox for application to the balance due in connection with this Agreement. Several of the terms described above which were effective as of June 30, 2013 were subsequently modified, see Subsequent Events Note 20.

On March 20, 2013, the Borrowers received $4,175,000 under this Agreement. Of that amount, $3,000,000 was paid as consideration in connection with the acquisition of Lilien effective March 1, 2013. The balance of $1,175,000 was utilized to pay the acquisition costs, for the repayment of various notes and short-term debts and to support operations.

The balance outstanding under this facility, including accrued interest, was $5,013,391 as of June 30, 2013.

Note 13 - Common Stock

On March 20, 2013 and as more fully described in Note 4, the Company issued 6,000,000 shares of common stock in connection with the acquisition of substantially all of the assets of Lilien LLC and 100% of the stock of Lilien Systems. These shares were deemed to have a fair value of $6,000,000.

On March 20, 2013, the Company issued 180,000 shares of common stock under the terms of a consulting services agreement in connection with the Lilien acquisition. The Company recorded an expense of $180,000 during the six months ended June 30, 2013 which has been including as a component of the acquisition transaction costs in the condensed consolidated statement of operations.

On March 20, 2013, the Company issued 15,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $15,000 during the six months ended June 30, 2013 which has been including as a component of the acquisition transaction costs in the condensed consolidated statement of operations.

On March 31, 2013, the Company issued 887,433 shares of common stock in satisfaction of $1,774,865 owed by Sysorex Arabia LLC to Duroob Technology, Inc. ("Duroob"), a related party, as Duroob's Chief Executive Officer owns a minority interest in Sysorex Arabia, LLC. On December 31, 2012 Sysorex Arabia owed Duroob Technology $1,680,447. During the quarter ended March 31, 2013, Duroob Technology advanced another $94,419 to Sysorex Arabia for continuing operations which created a balance owed to Duroob Technology at March 31, 2013 of $1,774,865. The fair market value of the shares was $887,433 and as Duroob is a related party the resulting gain of $887,433 has been credited to additional paid in capital. The issuance of these shares was recorded by Sysorex Global Holdings Corp. as an additional investment in its majority-owned subsidiary, Sysorex Arabia LLC. However, by agreement with the other shareholder of Sysorex Arabia LLC, the ownership percentages of Sysorex Arabia LLC remained unchanged.

Note 13 - Common Stock (continued)

On April 8, 2013, the Company issued 31,746 shares of common stock under the terms of a consulting services agreement. The Company recorded expense of $31,746 during the six months ended June 30, 2013 which has been including as a component of professional and legal fees in the condensed consolidated statement of operations.

On May 2, 2013, the Company issued 60,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $60,000 during the six months ended June 30, 2013 which has been including as a component of professional and legal fees in the condensed consolidated statement of operations.

On June 30, 2013, the Company issued 15,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $15,000 during the six months ended June 30, 2013 which has been including as a component of professional and legal fees in the condensed consolidated statement of operations.

Note 14 - Options

On March 20, 2013 the Company granted options for the purchase of 209,500 shares of common stock to employees. These options vest over four years, have a life of ten years, and have an exercise price of $0.40 per share. The Company valued the stock options using the Black-Scholes option valuation model and the fair value of the award was $154,400. The Company incurred a stock-based compensation charge of $48,250 during the six months ended June 30, 2013 for the vested portion, which has been included as a component of compensation and related benefits.

On April 1, 2013 the Company granted options for the purchase of 20,000 shares of common stock to non-employees. These options are fully vested, have a life of ten years, and have an exercise price of $1.00 per share. The Company valued the stock options using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $10,400 during the six months ended June 30, 2013 which has been included as a component of compensation and related benefits.

On April 8, 2013 the Company granted options for the purchase of 15,000 shares of common stock to an employee. These options vest over four years, have a life of ten years, and have an exercise price of $1.00 per share. The Company valued the stock options using the Black-Scholes option valuation model and the fair value of the award was $7,700. The Company incurred a stock-based compensation charge of $481 during the six months ended June 30, 2013 which has been included as a component of compensation and related benefits.

As of June 30, 2013, the fair value of non-vested options totaled $113,369 which will be amortized to expense over the remaining vesting period of 3.75 years.

The fair value of each employee option grant was estimated on the date of the grant using the Black-Scholes option-pricing model. Key assumptions used in those calculations during the six months ended June 30, 2013 were as follows:

Risk-free interest rate	1.8% to 2.0%
Expected life of option grants	10 years
Expected volatility of underlying stock	40%

The expected stock price volatility for the Company's stock options was determined by the historical volatilities for industry peers and used an average of those volatilities. The Company attributes the value of stock-based compensation to operations on the straight-line single option method. The risk free interest rate was obtained from U.S. Treasury rates for the applicable periods.

Note 15 - Warrants

On March 20, 2013, the Company granted 166,667 warrants to Bridge Bank, NA in connection with the acquisition of Lilien. The warrants were fully vested on the date of the grant and have a life of seven years. The warrants have an exercise price of $0.45 per share. The Company valued the warrants using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $109,300 during the six months ended June 30, 2013, respectively, which has been including as a component of acquisition transaction costs.

Note 16 - Fair Value

The Company determines the estimated fair value of amounts presented in these condensed consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the condensed consolidated financial statements are not necessarily indicative of the amounts that could be realized in a current exchange between buyer and seller. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. These fair value estimates were based upon pertinent information available as of June 30, 2013 and December 31, 2012 and, as of those dates, the carrying value of all amounts approximates fair value.

The Company has categorized its assets and liabilities at fair value based upon the following fair value hierarchy:

- Level 1 - Inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 - Inputs use other inputs that are observable, either directly or indirectly. These inputs include quoted prices for similar assets and liabilities in active markets as well as other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 - Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair measurements requires judgment and considers factors specific to each asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that are classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in historical company data) inputs.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques, and at least one significant model assumption or input is unobservable. The Company's Level 3 liabilities consist of derivative liabilities associated with the convertible debt that contains an indeterminable conversion share price and the tainted warrants as the Company cannot determine if it will have sufficient authorized common stock to settle such arrangements.

There were no assets measured at fair market value included in the Company's financial statements as of June 30, 2013.

The following table provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets measured at fair value on a recurring basis using significant unobservable inputs during the six months ended June 30, 2013.

	Warrant Liability	Embedded Conversion Feature	Total
Balance - December 31, 2012	$ 48,800	$ 128,300	$ 177,100
Change in Fair Value of Derivative Liability	489,000	168	489,168
Reclassification of Derivative Liability to Equity	(537,800)	(128,468)	(666,268)
Balance – June 30, 2013	$ --	$ --	$ --

Note 17 - Credit Risk and Concentrations

Financial instruments that subject the Company to credit risk consist principally of trade accounts receivable and cash. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. The Company believes that credit risk is limited because the Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk of its customers, establishes an allowance for uncollectible accounts and, as a consequence, believes that its accounts receivable's credit risk exposure beyond such allowances is limited.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. Cash is also maintained at a foreign financial institution for its majority-owned subsidiary. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

As of June 30, 2013, Customer B represented approximately 23%, Customer A represented approximately 21%, Customer H represented approximately 12% and Customer I represented approximately 10% of total accounts receivable. As of June 30, 2012, Customer E represented approximately 44%, Customer F represented approximately 19%, Customer G represented approximately 19% and Customer D represented approximately 17% of total accounts receivable.

The following table sets forth the percentages of revenue derived by the Company from those customers which accounted for at least 10% of revenues during the applicable period:

	For the Period Ended June 30,			
	2013	%	2012	%
Customer A	$ 2,636,063	13.0		
Customer B	$ 2,471,840	12.2		
Customer C	$ 2,087,501	10.3		
Customer D			$ 1,069,286	49.5
Customer E			$ 424,202	19.6
Customer F			$ 336,637	15.6
Customer G			$ 298,338	13.8

Note 18 - Foreign Operations

The Company's operations are located primarily in the United States and Saudi Arabia. Revenues by geographic area are attributed by country of domicile of our subsidiaries. The financial data by geographic area are as follows (amounts in rounded thousands):

	United States	Saudi Arabia	Eliminations	Total
Six Months Ended June 30, 2013:				
Revenues by geographic area	$ 20,166,000	$ 45,000	$ --	$ 20,211,000
Operating loss by geographic area	$ (1,241,000)	$ (151,000)	$ --	$ (1,392,000)
Net loss by geographic area	$ (1,818,000)	$ (151,000)	$ --	$ (1,969,000)
Six Months Ended June 30, 2012:				
Revenues by geographic area	$ 1,738,000	$ 424,000	$ --	$ 2,162,000
Operating loss by geographic area	$ (13,000)	$ (76,000)	$ --	$ (89,000)
Net income (loss) by geographic area	$ (26,000)	$ (75,000)	$ --	$ (101,000)
As of June 30, 2013:				
Identifiable assets by geographic area	$ 33,395,000	$ 1,393,000	$ --	$ 34,788,000
Long lived assets by geographic area	$ 9,903,000	$ 24,000	$ --	$ 9,927,000
As of December 31, 2012:				
Identifiable assets by geographic area	$ 429,000	$ 1,186,000	$ --	$ 1,615,000
Long lived assets by geographic area	$ 8,000	$ 41,000	$ --	$ 49,000

Note 19 - Commitments and Contingencies

Litigation

Certain conditions may exist as of the date the condensed consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's condensed consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

During the year ended December 31, 2011, a judgment in the amount of $936,330 was levied against Sysorex Arabia LLC in favor of Creative Edge, Inc. in connection with amounts advanced for operations. Of that amount, $214,187 has been repaid, $514,836 will be paid through a surety bond, and the remaining $207,320 has been accrued by Sysorex Arabia as of June 30, 2013.

During the year ended December 31, 2011, a judgment in the amount of $613,333 was levied against Sysorex Arabia LLC in favor of one of its vendors (Tuwaiq) in connection with a dispute related to a services contract. However, this vendor owed Sysorex Arabia LLC a like amount in connection with the same services contract. In 2012, the balances were offset, the accounts were settled, and the judgment was released.

Contingent Consideration

Under the terms of the acquisition of Lilien as more fully described in Note 4, the Company is liable for the payment of additional cash consideration to the extent that the recipients of the 6,000,000 shares of the Company's common stock referred to above receive less than $6,000,000 from the sale of those shares, less customary commissions, on or before March 20, 2015. As of the date of the acquisition and June 30, 2013 the guaranteed amount was considered by management to be de minimis.

Note 20 - Subsequent Events

Acquisition of Shoom, Inc.

On September 6, 2013, the Company entered into an Agreement and Plan of Merger (the "Agreement") and, effective August 31, 2013, acquired 100% of the stock of Shoom, Inc. "(Shoom"), a California based provider of cloud based data analytics and enterprise solutions to the media, publishing, and entertainment industries.

Consideration paid in connection with this transaction consisted of $2,500,000 in cash, 2,762,000 shares of the Company's common stock, and options for the purchase of 200,000 shares of the Company's common stock. The cash consideration is subject to adjustment under terms of the agreement.

In connection with this transaction, as of August 31, 2013, the Company issued to certain employees of Shoom options for the purchase of 200,000 shares of the Company's common stock at an exercise price of $1.30 per share. These options are exercisable for ten years and were 25% vested upon issuance with the remainder vesting in three equal installments on the first, second, and third anniversaries of the date of issuance.

Note 20 - Subsequent Events (continued)

Acquisition of Shoom, Inc. (continued)

The acquisition of Shoom will be accounted for by the Company under the acquisition method of accounting whereby assets acquired and liabilities will be recorded at their estimated fair values as of the date of the acquisition and the results of operations of Shoom will be consolidated with those of the Company beginning with the effective date of the acquisition.

Bank Credit Line Amendment

On August 29, 2013 the Company entered into Amendment 1 to its Business Financing Agreement ("BFA") dated March 15, 2013 whereby certain sections and terms of the BFA were amended and existing defaults were waived. The Amendment waived the Asset Coverage Ratio for April 2013 and the Performance to Plan ratio for June 30, 2013. The amendments include an increase to the credit limit to $6,000,000, the Asset Coverage Ratio was amended to be not at any time less than (i) 1.0 to 1.0, tested as at the end of each month, commencing with the month ended July 31, 2013, and (ii) 1.4 to 1.0, tested as at the end of each month, commencing with the month ending September 30, 2013 and the Performance to Plan covenant was amended to state that the combined revenues and net income are not to deviate by more than 20% or $100,000 from the projections of combined revenues and Net Income approved by Borrowers' boards of directors with respect to the rolling three month period ended on the date of determination, tested as at June 30, 2013, September 30, 2013, and the end of each month thereafter, commencing with the month ending October 31, 2013.

Additionally and concurrently with the Amendment 1 to the BFA, the Company entered into a term loan for $750,000 which accrues interest at the greater of 5.25% or the bank's prime rate plus 2% and matures on August 27, 2016. The Company will make payments of $41,667 on the first day of each month commencing on February 1, 2014 until the loan amount is paid in full.

On August 29, 2013, the Company granted 112,500 warrants to Bridge Bank, NA in connection with the Amendment 1 to the BFA. The warrants were fully vested on the date of grant and have a life of seven years. The warrants have an exercise price of $1.20 per share.

The Company paid $6,552 in fees to the Bank for Amendment 1.

Secured Promissory Note

On August 30, 2013, the Company entered into a Secured Promissory Note ("Note") agreement wherein it loaned $1,000,000 to a company in the field of cyber security to support its operations. The Note is due on February 28, 2014, accrues interest at 8% per annum, and is collateralized by the general assets of that company.

Exercise of Warrants

In September 2013, the Company issued 120,865 shares for the cashless exercise of 300,000 of common stock warrants.

Issuance of Common Stock

On July 8, 2013, the Company issued 31,746 shares of common stock under the terms of a consulting services agreement.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Sysorex Global Holdings Corp.

We have audited the accompanying consolidated balance sheets of Sysorex Global Holdings Corp. and Subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related statements of operations, changes in stockholders' deficiency, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sysorex Global Holdings Corp. and Subsidiary as of December 31, 2012 and 2011, and the results of its operations, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP
New York, NY
August 12, 2013

SYSOREX GLOBAL HOLDINGS CORP.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 8,301	$ 225,134
Accounts receivable, net	386,720	414,519
Prepaid expenses	31,762	43,318
Total Current Assets	426,783	682,971
Property and Equipment - Net	49,238	144,921
Deposits	749,227	762,738
Contracts Receivable, Long Term	369,804	21,788
Other Assets	20,060	298
Total Assets	$ 1,615,112	$ 1,612,716
Liabilities and Stockholders' Deficiency		
Current Liabilities		
Accounts payable	$ 1,075,312	$ 896,262
Accrued expenses	503,634	456,152
Accrued compensation and related benefits	1,078,330	1,024,403
Deferred revenue	236,291	378,557
Due to factoring company	46,426	44,423
Due to related parties	1,829,141	1,365,888
Advance payable	722,156	936,343
Notes payable	391,181	479,741
Note payable to related party	35,050	16,850
Convertible note payable, net of debt discount of $16,667	88,333	--
Derivative liability	177,100	--
Total Liabilities	6,182,953	5,598,619
Commitments and Contingencies	--	--
Stockholders' Deficiency		
Preferred stock - $0.001 par value: 5,000,000 shares authorized; -0- shares issued and outstanding	--	--
Common stock - $0.001 par value: 40,000,000 shares authorized; 17,987,518 and 17,962,518 issued and outstanding	17,988	17,963
Additional paid-in capital	6,130,440	5,901,968
Due from Sysorex Consulting, Inc.	(665,554)	(639,744)
Accumulated deficit (excluding $2,441,960 reclassification to additional paid-in capital in quasi-reorganization)	(8,842,558)	(8,148,712)
Stockholders' Deficiency Attributable to Sysorex Global Holdings Corp.	(3,359,684)	(2,868,525)
Non-controlling interest	(1,208,157)	(1,117,378)
Total Stockholders' Deficiency	(4,567,841)	(3,985,903)
Total Liabilities and Stockholders' Deficiency	$ 1,615,112	$ 1,612,716

The accompanying notes are an integral part of these consolidated financial statements.

SYSOREX GLOBAL HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Revenues, Net	$ 4,237,789	$ 7,003,549
Cost of Revenues	2,344,592	4,312,281
Gross Profit	1,893,197	2,691,268
Operating Expenses		
Compensation and related benefits	1,462,858	1,787,255
Professional and legal fees	471,393	140,459
Consulting and advisory fees	1,685	187,625
Occupancy	50,043	44,137
Other administrative	362,632	580,165
Total Operating Expenses	2,348,611	2,739,641
Loss from Operations	(455,414)	(48,373)
Other Income (Expense)		
Other income	2,987	66
Gain on settlement of obligations	--	110,049
Interest expense	(350,201)	(30,890)
Change in fair value of derivative liability	18,003	--
Total Other (Expense) Income	(329,211)	79,225
Net (Loss) Income before Provision for Income Taxes	(784,625)	30,852
Provision for Income Taxes	--	30,606
Net (Loss) Income	$ (784,625)	$ 246
Net (Loss) Income Attributable to Non-controlling Interest	$ (90,779)	$ 35,775
Net Loss Attributable to Stockholders of Sysorex Global Holdings Corp.	$ (693,846)	$ (35,529)
Dividends	--	118,200
Net Loss Attributable to Common Stockholders	$ (693,846)	$ (153,729)
Net Loss Per Share - Basic and Diluted	$ (0.04)	$ (0.01)
Weighted Average Shares Outstanding		
Basic and Diluted	17,962,586	13,879,817

The accompanying notes are an integral part of these consolidated financial statements.

SYSOREX GLOBAL HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Common Stock		Additional Paid-in	Due to Sysorex	Accumulated	Non-Controlling	Total Stockholders'
	Shares	Amount	Capital	Consulting, Inc.	Deficit	Interest	Deficiency
Balance – January 1, 2011	9,658,967	$ 9,659	$ 3,943,441	$ (651,625)	$ (7,994,983)	$ (2,349,883)	$ (7,043,391)
Issuance of common stock for the settlement of debt due to a related party	1,135,781	1,136	1,174,864	--	--	--	1,176,000
Dividends	--	-	--	--	(118,200)	--	(118,200)
Conversion of Sysorex Federal, Inc. preferred stock and accrued dividends to common stock prior to reverse merger with Softlead, Inc.	3,805,252	3,805	1,549,220	--	--	--	1,553,025
Reverse merger with Softlead, Inc. and Sysorex Arabia LLC	2,650,518	2,651	(1,311,645)	--	--	1,196,730	(112,264)
Stock options granted to employees for services	--	-	202,800	--	--	--	202,800
Shares issued for the exercise of stock options	30,000	30	2,970	--	--	--	3,000
Shares of common stock issued for consultant and legal services	42,000	42	20,958	--	--	--	21,000
Shares of common stock issued for cash and services	350,000	350	174,650	--	--	--	175,000
Shares of common stock issued for cash	290,000	290	144,710	--	--	--	145,000
Cash repayment of advances from related party	--	-	--	11,881	--	--	11,881
Net income (loss)	--	--	--	--	(35,529)	35,775	246
Balance – December 31, 2011	17,962,518	17,963	5,901,968	(639,744)	(8,148,712)	(1,117,378)	(3,985,903)
Advances from related party	--	--	--	(25,810)	--	--	(25,810)
Stock options granted to employees for services	--	--	108,500	--	--	--	108,500
Reclassification of derivative liability (Note 10)	--	--	116,097	--	--	--	116,097
Shares of common stock issued for services	25,000	25	3,875	--	--	--	3,900
Net loss	--	--	--	--	(693,846)	(90,779)	(784,625)
Balance - December 31, 2012	17,987,518	$ 17,988	$ 6,130,440	$ (665,554)	$ (8,842,558)	$ (1,208,157)	$ (4,567,841)

The accompanying notes are an integral part of these consolidated financial statements.

SYSOREX GLOBAL HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities		
Net income (loss)	$ (784,625)	$ 246
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	99,204	83,198
Bad debt expense	--	99,341
Stock based compensation	223,600	395,300
Accretion of debt discount	183,333	--
Change in fair value of derivative liability	(18,003)	--
Gain on settlement of obligations	--	(110,049)
Changes in operating assets and liabilities:		
Accounts receivable	(320,217)	(60,739)
Prepaid expenses	11,557	38,487
Other assets	(6,251)	4,610
Accounts payable	179,048	(337,841)
Accrued expenses	47,481	274,585
Accrued compensation	53,928	(942,716)
Deferred revenue	(142,266)	107,273
Accrued interest	1,200	6,640
Net Cash Used in Operating Activities	(472,011)	(441,665)
Cash Used in Investing Activities		
Purchase of property and equipment	(3,521)	(5,875)
Cash Flows from Financing Activities		
Advances from factor	2,003	3,957
Net proceeds from issuance of common stock	--	148,500
Net proceeds from the exercise of stock options	--	3,000
Proceeds from note from related party	17,000	--
Repayment of advances to Qureishi Family Trust	(7,631)	(82,099)
Repayment of advances to Sysorex Consulting, Inc.	(122,613)	(338,890)
Repayment of cash advances	(214,187)	(106,667)
Proceeds from convertible notes	200,000	--
Repayment of convertible notes	(95,000)	--
Repayment of notes payable	(88,560)	(93,344)
Advance from Duroob Technology	567,687	1,112,760
Net Cash Provided by Financing Activities	$ 258,699	$ 647,217
Net (Decrease) Increase in Cash and Cash Equivalents	(216,833)	199,677
Cash and Cash Equivalents - Beginning of Year	225,134	25,457
Cash and Cash Equivalents - End of Year	$ 8,301	$ 225,134
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for:		
Interest	$ 55,668	$ 25,233
Income Taxes	$ 23,122	$ 1,320
Non-cash disclosure of Financing and Investing Activities:		
Reclassification of derivative liability to equity	$ 116,097	$ --
Issuance of common stock for the settlement of related party advances	$ --	$ 1,176,000
Issuance of common stock for the settlement of accrued dividends	$ --	$ 1,553,025
Acquisition of Softlead:		
Assumption of assets other than cash	$ --	$ 20,000
Assumption of liabilities	$ --	$ 32,264
Dividends accrued	$ --	$ 118,200

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - Organization and Nature of Business

Overview

Sysorex Global Holdings Corp. ("SGHC"), through its wholly-owned subsidiaries, Sysorex Federal, Inc. and Sysorex Government Services, Inc., and majority-owned subsidiary, Sysorex Arabia LLC (collectively the "Company"), provides information technology and telecommunications solutions and services primarily to government customers in the United States and Saudi Arabia. The Company is a systems integration and consulting company and has a wide range of offerings, including, but not limited to: custom application/software design, architecture and development, data center design and operations services, command control, computer communication, intelligence (C4I) system consulting, program management and security solutions and services. The Company is headquartered in the state of California, has an office in the state of Virginia, and the Company's majority-owned subsidiary operates in Saudi Arabia.

Effective March 1, 2013, and as more fully described in Note 21, the Company acquired the assets of Lilien LLC ("Lilien"), and 100% of the stock of Lilien Systems, an information technology company, which significantly expanded its operations in the fields described above.

Reverse Merger

Effective July 29, 2011, Softlead Inc. ("Softlead") entered into an Acquisition and Share Exchange Agreement with the Company. Upon the terms and subject to the conditions of the agreement, at the effective date of the merger, the Company was merged with and into Softlead, with Softlead continuing as the surviving corporation.

As of the effective date, Softlead acquired 100% of the issued and outstanding shares of Sysorex Federal, Inc. and its wholly-owned subsidiary, Sysorex Government Services, Inc., and 50.2% of the issued and outstanding shares of Sysorex Arabia LLC, from Sysorex Consulting, Inc. and the Qureishi Family Trust.

As of the effective date of the merger, each share of the Company's common stock was cancelled and converted automatically into the right to receive common shares of Softlead for an aggregate of 14,600,000 common shares of Softlead, which constituted 84.6% of the post-acquisition outstanding shares of Softlead's stock at the end of the merger. Softlead's existing shareholders retained a total of 2,650,518 shares of Softlead's stock, which constituted 15.4% of the post-acquisition outstanding shares of Softlead. Post-acquisition and after share exchange, there was a total of 17,250,518 issued and outstanding shares of Softlead stock, which was recorded as a recapitalization of Softlead.

For accounting purposes, the transaction described above was treated as a recapitalization of Sysorex Federal Inc., the accounting acquirer, because Sysorex Federal's shareholders own the majority of Softlead's outstanding common stock following the transaction and exercise significant influence over the operating and financial policies of the consolidated entity. Softlead was a non-operating company prior to the acquisition. Pursuant to Securities and Exchange Commission rules, the merger or acquisition of a private operating company into a non-operating public company with nominal net assets is considered a capital transaction in substance, rather than a business combination. As a result, the effect of the recapitalization was applied retroactively to the prior year's consolidated financial statements as if the current structure existed since inception of the periods presented. The number of shares issued and outstanding, additional paid-in capital and all references to share quantities of the Company in these notes have been retroactively adjusted to reflect the equivalent number of shares issued by the Company in the reverse merger, while the operating company's historical equity is being carried forward. All costs attributable to the reverse merger were expensed as transaction costs. On the date of the merger, Softlead changed its corporate name to Sysorex Global Holdings Corp.

Currently and as a result of the transactions described in the preceding paragraphs, SGHC conducts its business through:

- Sysorex Federal, Inc., a 100% owned subsidiary of SGHC, and Sysorex Government Services, Inc., a 100% owned subsidiary of Sysorex Federal, Inc.; and
- Sysorex Arabia LLC, a 50.2% owned subsidiary of SGHC.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared using the accounting records of the Company and its wholly-owned subsidiaries, Sysorex Federal, Inc. and Sysorex Government Services, Inc., and its majority-owned subsidiary, Sysorex Arabia LLC. All material inter-company balances and transactions have been eliminated.

The Company owns 50.2% of Sysorex Arabia ("SA"). As of December 31, 2012, SA had minimal cash, approximately $370,000 in contracts receivable, $749,000 in deposits, $68,000 in other assets and intercompany balances and debts as disclosed in the following footnotes, with an accumulated deficit of approximately $1,286,000.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during each of the reporting periods. Actual results could differ from those estimates. The Company's significant estimates are the valuation of stock-based compensation, derivatives, allowance for doubtful accounts and the valuation allowance for the deferred tax asset.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, checking accounts, money market accounts and temporary investments, with maturities of three months or less when purchased. As of December 31, 2012 and 2011 the Company had no cash equivalents.

Accounts Receivable, Contracts receivable and Allowance for Doubtful Accounts

Accounts receivables are stated at the amount the Company expects to collect. The Company recognizes an allowance for doubtful accounts to ensure accounts receivables are not overstated due to uncollectibility. Bad debt reserves are maintained for various customers based on a variety of factors, including the length of time the receivables are past due, significant one-time events and historical experience. An additional reserve for individual accounts is recorded when the Company becomes aware of a customer's inability to meet its financial obligation, such as in the case of bankruptcy filings, or deterioration in the customers' operating results or financial position. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. The Company has recorded an allowance for doubtful accounts of $133,180 and $133,180 as of December 31, 2012 and 2011, respectively. As of December 31, 2012 and 2011 the Company has reclassified $369,804 and $21,788 respectively as long term contracts receivable because the amount is not expected to be collected within the next twelve months.

Property and Equipment

Property and equipment are recorded at cost. The Company depreciates its property and equipment for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Leasehold improvements are amortized over the lesser of the useful life of the asset, or the initial lease term. Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred, and expenditures, which extend the economic life, are capitalized. When assets are retired, or otherwise disposed of, the costs and related accumulated depreciation or amortization are removed from the accounts and any gain or loss on disposal is recognized.

Impairment of Long-Lived Assets

The Company assesses the recoverability of its long-lived assets, including property and equipment and intangible assets, when there are indications that the assets might be impaired. When evaluating assets for potential impairment, the Company compares the carrying value of the asset to its estimated discounted future cash flows. If an asset's carrying value exceeds such estimated cash flows (undiscounted and with interest charges), the Company records an impairment charge for the difference.

Based on its assessments, the Company did not incur any impairment charges for the years ended December 31, 2012 and 2011.

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Income tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will either expire before the Company is able to realize the benefit, or that future deductibility is uncertain.

Non-Controlling Interest

The Company has a 50.2% equity interest in Sysorex Arabia as of December 31, 2012 and 2011. The portion of the Company's deficiency attributable to this third-party non-controlling interest was approximately $1.2 million and $1.1 million as of December 31, 2012 and 2011, respectively.

Foreign Currency Translation

Assets and liabilities related to the Company's foreign operations are calculated using the Saudi Riyal and are translated at end-of-period exchange rates, while the related revenues and expenses are translated at average exchange rates prevailing during the period. Translation adjustments are recorded as a separate component of stockholders' equity.

Transaction gains and losses were immaterial for the years ended December 31, 2012 and 2011.

Comprehensive Income (Loss)

The Company reports comprehensive income (loss) and its components in its consolidated financial statements. Comprehensive loss consists of net loss and foreign currency translation adjustments affecting stockholders' equity that, under US GAAP, are excluded from net loss. The difference between net income as reported and comprehensive income have historically been immaterial.

Revenue Recognition

Revenues for the years ended December 31, 2012 and 2011 are comprised of the following:

	Year Ended December 31,	
	2012	**2011**
Resale of hardware	$ 132	$ 588,491
Resale of software	1,376	4,552
Third party maintenance	4,018	5,481
Professional services contracts – time and materials	828,132	708,826
Professional services contracts – firm fixed price	3,404,131	5,696,199
Total	**$ 4,237,789**	**$ 7,003,549**

Revenue is generally recognized when services have been rendered, provided that persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collection is reasonably assured. To the extent that one or more of these conditions are not met, revenue is deferred until such time as all four criteria are met.

Revenues are derived principally from time and material or firm fixed price long-term and short-term contracts with various United States Government agencies, Saudi Arabian Government agencies, and commercial customers. Revenue on time and material contracts is recognized based on a fixed hourly rate for direct labor hours expended. The fixed rate includes direct labor, indirect expenses, and profits. Materials, or other specified direct costs, are reimbursed as actual costs and may include markup. Anticipated losses are recognized as soon as they become known. These amounts are based on known and estimated factors.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

In general, the Company requires an upfront deposit for significant arrangements. If the Company receives a payment from a customer prior to meeting all of the revenue recognition criteria, the payment is recorded as deferred revenue. The Company's current arrangements with its third-party integrators, value-added resellers and distributors generally do not provide for any rights of return, price-protection or other contingencies.

The Company had no multiple deliverable arrangements during the years ended December 31, 2012 and 2011.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs, which are included in selling, general and administrative expenses, were deemed to be nominal during each of the reporting periods.

Stock-Based Compensation

The Company accounts for options granted to employees by measuring the cost of services received in exchange for the award of equity instruments based upon the fair value of the award on the date of grant. The fair value of that award is then ratably recognized as expense over the period during which the recipient is required to provide services in exchange for that award.

Options and warrants granted to consultants and other non-employees are recorded at fair value as of the grant date and subsequently adjusted to fair value at the end of each reporting period until such options and warrants vest, and the fair value of such instruments, as adjusted, is expensed over the related vesting period.

The Company incurred stock-based compensation charges, net of estimated forfeitures of $223,600 and $395,300 for the years ended December 31, 2012 and 2011, respectively. The following table summarizes the nature of such charges for the years then ended:

	2012	2011
Compensation and related benefits	$ 108,500	$ 202,800
Professional fees	3,900	3,000
Consulting and advisory		189,500
Interest expense	111,200	--
Totals	$ 223,600	$ 395,300

Net Loss Per Share

The Company computes basic and diluted earnings per share by dividing net loss by the weighted average number of common shares outstanding during the period. Basic and diluted net loss per common share were the same since the inclusion of common shares issuable pursuant to the exercise of options and warrants, conversion of convertible notes payable, and shares issued to members of the Board of Directors of the Company for services rendered in the calculation of diluted net loss per common shares would have been anti-dilutive.

The following table summarizes the number of common shares and common share equivalents excluded from the calculation of diluted net loss per common share for the years ended December 31, 2012 and 2011:

	2012	2011
Options	1,463,000	528,500
Warrants	843,356	--
Convertible debt	1,166,667	--
Totals	3,473,023	528,500

Note 2 - Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, deferred revenue, and derivative instruments. The Company determines the estimated fair value of such financial instruments presented in these financial statements using available market information and appropriate methodologies. These financial instruments are stated at their respective historical carrying amounts, which approximate fair value due to their short term nature, except derivative instruments which are marked to market at the end of each reporting period.

Derivative Liabilities

In connection with the issuance of a secured convertible promissory note, the terms of the convertible note included an embedded conversion feature; which provided for the settlement of the convertible promissory note into shares of common stock at a rate which was determined to be variable. The Company determined that the conversion feature was an embedded derivative instrument pursuant to ASC 815 “Derivatives and Hedging”.

The accounting treatment of derivative financial instruments requires that the Company record the conversion option and related warrants at their fair values as of the inception date of the agreements and at fair value as of each subsequent balance sheet date. As a result of entering into the convertible promissory notes, the Company is required to classify all other non-employee warrants as derivative liabilities and record them at their fair values at each balance sheet date. Any change in fair value was recorded as a change in the fair value of derivative liabilities for each reporting period at each balance sheet date. The Company reassesses the classification at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification.

The fair value of an embedded conversion option that is convertible unto a fixed number of shares is recorded using the intrinsic value method and the embedded conversion option that is convertible into at variable amount of shares are deemed to be a “down-round protection” and therefore, do not meet the scope exception for treatment as a derivative under ASC 815. Since, “down-round protection” is not an input into the calculation of the fair value of the conversion option and cannot be considered “indexed to the Company’s own stock” which is a requirement for the scope exception as outlined under ASC 815. The Company determined the fair value of the Binomial Lattice Model and the Intrinsic Value Method to be materially the same. Warrants that have been reclassed to derivative liability that did not contain “down-round protection” were valued using the Black-Scholes model. The Company’s outstanding warrants did not contain any down round protection.

The Black-Scholes option valuation model is used to estimate the fair value of the warrants or options granted. The model includes subjective input assumptions that can materially affect the fair value estimates. The model was developed for use in estimating the fair value of traded options or warrants. The expected volatility is estimated based on the most recent historical period of time equal to the weighted average life of the warrants or options granted.

Reclassification

Certain accounts in the prior year’s financial statements have been reclassified for comparative purposes to conform with the presentation in the current year’s financial statements. These reclassifications have no effect on previously reported earnings.

Subsequent Events

The Company evaluates events and/or transactions occurring after the balance sheet date and before the issue date of the consolidated financial statements to determine if any of those events and/or transactions require adjustment to or disclosure in the consolidated financial statements.

Note 3 - Property and Equipment

Property and equipment at December 31, 2012 and 2011 consists of the following:

	2012	2011
Computer and office equipment	$ 135,631	132,110
Furniture and fixtures	62,973	62,973
Leasehold improvements	134,445	134,445
Software	24,245	24,245
Vehicles	207,280	207,280
Total	564,574	561,053
Less: accumulated depreciation and amortization	(515,336)	(416,132)
Total Property and Equipment - Net	$ 49,238	144,921

Depreciation and amortization expense was $99,204 and $83,198 for the years ended December 31, 2012 and 2011, respectively.

Note 4 - Deposits

The Company has entered into surety bonds with a financial institution in Saudi Arabia which guarantee future performance on certain contracts. Deposits for surety bonds amounted to $749,227 and $762,738 as of December 31, 2012 and 2011, respectively.

Note 5 - Due to Factoring Company

The Company has an agreement with a commercial financing company (the "Factoring Company") under which the Company factors trade accounts receivable without recourse as to credit risk, but with recourse for certain claims by the customer for adjustments in the normal course of business. The Company granted a security interest in those receivables to the Factoring Company and continues to carry them as receivables on the balance sheet. The Company also records the amounts factored as liabilities to the Factoring Company and owed $46,426 and $44,423 under this arrangement as of December 31, 2012 and 2011, respectively. The Company incurred commission charges under this agreement of $19,887 and $22,900 for the years ended December 31, 2012 and 2011, respectively.

Note 6 - Due to Related Parties

Non-interest bearing amounts due on demand to related parties as of December 31, 2012 and 2011 are as follows:

	2012	2011
Qureishi Family Trust, an entity which owns 10.1% of the outstanding common shares of the Company as of December 31, 2012 and 2011	$ 136,977	$ 144,608
Duroob Technology, Inc., an entity whose CEO owns 49.8% of Sysorex Arabia LLC, the Company's 50.2% owned subsidiary	1,680,447	1,112,760
Sysorex Consulting, Inc., an entity which owns 2% of the outstanding common shares of the Company as of December 31, 2012 and 2011	11,717	108,520
Totals	$ 1,829,141	$ 1,365,888

Note 7 - Advance Payable

During the year ended December 31, 2009, the Company received a non-interest cash advance of $1,012,982 from a business partner to fund the operations of the Company. Amounts owed to the business partner under this arrangement were $722,156 and $936,343 as of December 31, 2012 and 2011, respectively, and is payable on demand.

Note 8 - Notes Payable

Notes payable and accrued interest as of December 31, 2012 and 2011 consisted of the following:

	2012	2011
a) Note payable dated July 1, 2008	$ 341,899	$ 421,899
b) Note payable dated June 15, 2010	22,020	30,580
c) Note payable dated July 29, 2011	27,262	27,262
Totals	$ 391,181	$ 479,741

a) Note payable dated July 1, 2008

On July 1, 2008, the Company entered into a note payable for gross proceeds of $515,233. The note has no stated interest rate or repayment terms and matured on July 31, 2012. The maturity of the note was amended and is now due on September 30, 2013, all other terms of the note remain unchanged.

b) Note payable dated June 15, 2010

On June 15, 2010, the Company entered into a note payable for gross proceeds of $28,000. The note accrued interest at the rate of 6% per annum, had no repayment terms and matured on March 31, 2013. Principal and interest was repaid in full upon maturity.

c) Note payable dated July 29, 2011

On July 29, 2011 and in connection with the acquisition of Softlead, the Company became responsible for a note payable in the amount of $27,262. The note had no stated interest rate, repayment terms or maturity date. The note was paid in full on April 3, 2013.

Note 9 - Note Payable to Related Party

On June 15, 2010, the Company entered into a note payable with a director of the Company for $15,000. The note accrues interest at an annual rate of 8% per annum and matures on September 30, 2013. Principal and interest due in connection with this note totaled $18,050 and $16,850 as of December 31, 2012 and 2011, respectively.

On May 29, 2012 the Company entered into a note payable with an officer of the Company for $17,000. This note has no stated interest rate and is payable upon demand. Principal due in connection with this note totaled $17,000 as of December 31, 2012.

Note 10 - Secured Convertible Note Payable

On August 7, 2012, the Company issued a secured convertible promissory note (the “Note”) in the face amount of $200,000 and received proceeds of $180,000. The Note accrues interest at the effective rate of 32%, is secured by Company receivables, matures on February 7, 2013, and may be prepaid without penalty at any time.

The Note is also convertible at any time at the option of the holder into shares of the Company’s common stock at a conversion price equal to 45% of the lowest trading price for the common stock at any time during the ten trading days immediately preceding the date of issuance by the holder of a notice of conversion. Therefore, since this embedded conversion feature provides for the settlement of this convertible promissory note with shares of common stock at a rate which is variable in nature, this embedded conversion feature must be classified and accounted for as a derivative financial instrument.

In connection with the issuance of the Note, the Company also issued warrants for the purchase of 300,000 shares of the Company’s common stock at an exercise price of $0.87 per share through July 29, 2014. Therefore, since the embedded conversion feature of the convertible promissory note must be accounted for as a derivative instrument, these warrants must also be accounted for as derivative instruments. As a result of entering into the convertible promissory note described above, all other non-employee warrants issued by the Company must also be classified and accounted for as derivative financial instruments.

Note 10 - Secured Convertible Note Payable (continued)

Generally accepted accounting principles require that:

a) Derivative financial instruments be recorded at their fair value on the date of issuance and then adjusted to fair value at each subsequent balance sheet date with any change in fair value reported in the statement of operations; and

b) The classification of derivative financial instruments be reassessed as of each balance sheet date and, if appropriate, be reclassified as a result of events during the reporting period then ended.

The fair value of the embedded conversion feature and the warrants, $244,500 and $17,700, respectively, aggregated $262,200. Consequently, upon issuance of the Note, a debt discount of $200,000 was recorded and the difference of $62,200, representing the fair value of the conversion feature and the warrants in excess of the debt discount, was immediately charged to interest expense. The debt discount will be amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the straight-line method which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the consolidated statements of operations.

The fair value of the embedded conversion feature and the warrants was estimated using the Black-Scholes option-pricing model. Key assumptions used to apply this pricing model during the year ended December 31, 2012 were as follows:

Risk-free interest rate	0.3%
Expected life of option grants	0.5 to 2.0 years
Expected volatility of underlying stock	39%

The expected stock price volatility for the Company's stock options was determined by the historical volatilities for industry peers and used an average of those volatilities. Risk free interest rates were obtained from U.S. Treasury rates for the applicable periods.

During the year ended December 31, 2012, the Company repaid $95,000 of the principal balance due and reclassified $116,097 of the derivative liability to additional paid-in capital. This note payable was paid in full during the quarter ended March 31, 2013.

Note 11 - Preferred Stock

The Company is authorized to issue up to 5,000,000 shares of preferred stock with a par value of $0.001 per share with rights, preferences, privileges and restrictions as to be determined by the Company's Board of Directors. There were no shares of preferred stock issued and outstanding as of December 31, 2012 and 2011.

Note 12 - Common Stock

The Company is authorized to issue up to 40,000,000 shares of common stock with a par value of $0.001 per share. Each share of common stock is entitled to one vote on matters submitted to a vote of the common shareholders as prescribed by the By-Laws of the Company.

On April 1, 2011, the Company issued 1,135,781 shares of common stock to an affiliated company with common ownership prior to the reverse merger for the settlement of $1,176,000 of advances payable.

On July 29, 2011 and immediately prior to the reverse merger, Sysorex Federal, Inc. issued 3,805,252 shares of common stock to an affiliated entity with common ownership prior to the reverse merger for the conversion of preferred stock and forgiveness of accrued dividends. The preferred stock was non-cumulative, fully participating, and voting.

On August 2, 2011, the Company issued 216,000 shares of common stock for cash proceeds of $108,000.

On August 4, 2011, the Company issued 30,000 shares of common stock for the exercise of stock options. The gross proceeds received from the exercise were $3,000.

In August 2011, the Company issued 42,000 shares of common stock for consulting and legal services. Accordingly, the Company recorded a charge of $21,000 for the fair value of these issuances.

Note 12 - Common Stock (continued)

On August 4, 2011, the Company issued 350,000 shares of common stock to a consultant for $.01 a share for services they provided. The Company received cash proceeds of $3,500 from the consultant and, accordingly, recorded a charge of $171,500 for the remaining fair value of the shares.

On December 31, 2011, the Company issued 74,000 shares of common stock for cash proceeds of $37,000.

On December 31, 2012, the Company issued 25,000 shares of common stock under the terms of a consulting services agreement. Such shares were valued at $0.156 per share based upon the closing price of the Company's shares over the preceding 10 days and, accordingly, the Company recorded an expense of $3,900 during the year ended December 31, 2012.

Note 13 - Due from a Related Party

Non-interest bearing amounts due on demand from a related party were $665,554 and $639,744 as of December 31, 2012 and 2011, respectively, and consisted primarily of amounts due from Sysorex Consulting, Inc.

As Sysorex Consulting, Inc. is a direct shareholder of and an investor in the Company, the amounts due from Sysorex Consulting, Inc. as of December 31, 2012 and 2011 have been classified in and as a reduction of Stockholders' Deficiency.

Note 14 - Options

During the year ended December 31, 2011, the Company granted 558,500 of stock options to employees and non-employees for services provided. The stock options were fully vested on the date of the grant and have a life ranging from two to five years. The options have exercise prices ranging from $0.10 to $0.70 per share. The Company valued the stock options using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $202,800.

During the year ended December 31, 2012, the Company granted 934,500 of stock options to employees and non-employees for services provided. The stock options were fully vested on the date of the grant and have a life of ten years. The options have an exercise price of $0.156 per share. The Company valued the stock options using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $108,500.

As of December 31, 2012, the fair value of non-vested options totaled $-0-.

The fair value of each employee option grant is estimated on the date of the grant using the Black-Scholes option-pricing model. Key weighted-average assumptions used to apply this pricing model during the years ended December 31, 2011 and 2012 were as follows:

	2012	2011
Risk-free interest rate	0.7% to 1.8%	0.2% to 0.8%
Expected life of option grants	10 years	2 to 5 years
Expected volatility of underlying stock	39.7% to 41.6%	100%

The expected stock price volatility for the Company's stock options was determined by the historical volatilities for industry peers and used an average of those volatilities. The Company attributes the value of stock-based compensation to operations on the straight-line single option method. Risk free interest rates were obtained from U.S. Treasury rates for the applicable periods.

The following table summarizes the changes in options outstanding during the years ended December 31, 2012 and 2011:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding at January 1, 2011	--	--	--
Granted	558,500	(0.55)	--
Exercised	(30,000)	(0.10)	--

Note 14 – Options (continued)

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding at December 31, 2011	528,500	$ 0.60	$ --
Granted	934,500	$ 0.16	$ --
Outstanding at December 31, 2012	1,463,000	$ 0.16	$ 58,520
Exercisable at December 31, 2012	1,463,000	$ 0.16	$ 58,520
Exercisable at December 31, 2011	528,500	$ 0.60	$ --

Number of Options	Range of Exercise Price	Weighted Average Remaining Contractual Life (In Years)	Average Exercise Price	Currently Exercisable
315,000	$0.50	3.4	$0.50	315,000
213,500	$0.70	3.9	$0.70	213,500
934,500	$0.16	10.0	$0.16	934,500
1,463,000				1,463,000

Note 15 - Warrants

During the year ended December 31, 2012, the Company issued warrants for the purchase of 543,356 of shares of common stock to employees and non-employees as compensation for interest free loans they have made to the Company over the past several years. As of December 31, 2012, the balance outstanding related to those loans total $0. The warrants were fully vested upon issuance, have a life of five years, and have an exercise price of $0.156 per share. The Company valued the warrants using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $49,000 which was classified as interest expense.

As previously discussed in Note 11 and in connection with the issuance of a convertible note, on July 31, 2012 the Company issued warrants for the purchase of 300,000 shares of common stock at $0.87 per share. The warrants were fully vested upon issuance and have a life of two years. The Company valued the warrants using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $17,700 which was classified as interest expense.

As of December 31, 2012, all outstanding warrants are exercisable and allow for the purchase of up to 843,356 shares of common stock at a weighted average exercise price of $0.41 per share, have a weighted average remaining contractual life of 3.8 years, and have an aggregate intrinsic value of $23,908.

Note 16 - Income Taxes

The domestic and foreign components of income (loss) before income taxes from continuing operations for the years ended December 31, 2012 and 2011 are as follows:

	2012	2011
Domestic	$ (602,338)	$ (71,592)
Foreign	(182,287)	102,444
Income from Continuing Operations before Provision for Income Taxes	$ (784,625)	$ 30,852

Note 16 - Income Taxes (continued)

The income tax provision (benefit) for the years ended December 31, 2012 and 2011 consists of the following:

	2012	2011
Foreign		
Current	$ --	$ 30,606
Deferred	(36,457)	10,202
U.S. federal		
Current	--	--
Deferred	(100,106)	(198,150)
State and Local		
Current	--	--
Deferred	(81,409)	(16,851)
	(217,972)	(174,193)
Change in valuation allowance	217,972	204,799
Income Tax Provision	$ --	$ 30,606

The reconciliation between the U.S. statutory federal income tax rate and the Company's effective rate for the years ended December 31, 2012 and 2011 is as follows:

	2012	2011
U.S. federal statutory rate	(34.0)%	34.0%
State income taxes, net of federal benefit	(4.2)	4.4
Merger and acquisition costs	0.0	2.0
Derivative liability / Debt discount	13.9	0.0
Meals and entertainment	0.0	0.9
NOL from Softlead	0.0	(149.8)
Fines/penalties	0.0	(1.3)
State rate change	(7.0)	6.6
US-Saudi Arabia income tax rate difference	3.3	(28.3)
Other permanent items	0.2	76.1
Change in valuation allowance	27.8	154.6
Effective Rate	0.0%	99.2%

As of December 31, 2012 and 2011, the Company's deferred tax assets consisted of the effects of temporary differences attributable to the following:

	2012	2011
Deferred Tax Asset		
Net operating loss carryovers	$ 1,805,873	$ 1,610,423
Intangible amortization	202,774	227,684
Charitable contribution carryover	39	39
Non-deductible stock compensation	198,039	151,064
Accrued compensation	43,244	42,787
Derivative Liability	6,575	--
Total Deferred Tax Asset	2,256,544	2,031,997
Less: valuation allowance	(2,249,969)	(2,031,997)
Deferred Tax Asset, Net of Valuation Allowance	$ 6,575	$ --

Note 16 - Income Taxes (continued)

Deferred Tax Liabilities

Derivative liabilities	$ (6,575)	$ --
Total deferred tax liabilities	(6,575)	--
Net Deferred Tax Asset (Liability)	$ --	$ --

As of December 31, 2012 and 2011, the Company had approximately $4.4 million and $4.1 million, respectively, of U.S. federal and state net operating loss ("NOL") carryovers available to offset future taxable income. These net operating losses, which, if not utilized, begin expiring in the year 2019. In accordance with Section 382 of the Internal Revenue Code, deductibility of the Company's net operating loss carryover may be subject to an annual limitation in the event of a change of control, as defined by the regulations. The Company performed a preliminary evaluation as to whether a change of control has taken place and concluded that Sysorex Global Holdings Corp. experienced a change of ownership upon the completion of the reverse merger transaction in July 2011. It is estimated that Softlead's NOLs are subject to an annual limitation of $330,520 for NOLs generated up through the date of the reverse merger in July 2011. As of December 31, 2012 and 2011, the Company had approximately $400,000 and $218,000 respectively of Saudi Arabian net operating loss carryovers available to offset future taxable income. However, only 25% of taxable income in any given year may be offset by the Company's NOL carryovers.

No provision was made for U.S. or foreign taxes on the undistributed earnings of Sysorex Arabia, as such earnings are considered to be permanently reinvested. Such earnings have been, and will continue to be, reinvested, but could become subject to additional tax, if they were remitted as dividends, loaned to the Company, or if the Company should sell its stock in Sysorex Arabia. It is not practicable to determine the amount of additional tax, if any, that might be payable on the undistributed foreign earnings.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In assessing the realization of deferred tax assets, management considers, whether it is "more likely than not", that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible.

ASC 740, "Income Taxes" requires that a valuation allowance be established when it is "more likely than not" that all, or a portion of, deferred tax assets will not be realized. A review of all available positive and negative evidence needs to be considered, including the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. After consideration of all the information available, Management believes that uncertainty exists with respect to future realization of its deferred tax assets and has, therefore, established a full valuation allowance as of December 31, 2012 and 2011.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company is required to file income tax returns in the United States (federal) and in various state jurisdictions. Based on the Company's evaluation, it has been concluded that there are no material uncertain tax positions requiring recognition in the Company's financial statements for the years ended December 31, 2012 and December 31, 2011.

The Company's policy for recording interest and penalties associated with unrecognized tax benefits is to record such interest and penalties as interest expense and as a component of selling, general and administrative expense, respectively. There were no amounts accrued for interest or penalties for the years ended December 31, 2012 and December 31, 2011. Management does not expect any material changes in its unrecognized tax benefits in the next year.

Note 17 - Fair Value

The Company determines the estimated fair value of amounts presented in these consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current exchange between buyer and seller. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. These fair value estimates were based upon pertinent information available as of December 31, 2012 and 2011 and, as of those dates, the carrying value of all amounts approximates fair value.

The Company has categorized its assets and liabilities at fair value based upon the following fair value hierarchy:

- Level 1 - Inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 - Inputs use other inputs that are observable, either directly or indirectly. These inputs include quoted prices for similar assets and liabilities in active markets as well as other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 - Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair measurements requires judgment and considers factors specific to each asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that are classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category presented in the tables below may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in historical company data) inputs.

The following are the major categories of assets were measured at fair value during the years ended December 31, 2012 and 2011, using quoted prices in active markets for identical assets (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3):

	Quoted Prices In Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Embedded conversion feature	$ --	$ --	$ 128,300	$ 128,300
Warrant and option liability	--	--	48,800	48,800
December 31, 2012	$ --	$ --	$ 177,100	$ 177,100

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The Company's Level 3 liabilities consist of derivative liabilities associated with the convertible debt that contains an indeterminable conversion share price and the tainted warrants as the Company cannot determine if it will have sufficient authorized common stock to settle such arrangements.

Assumptions utilized in the development of Level 3 liabilities as of and during the year ended December 31, 2012 are described in Note 10.

Note 17 - Fair Value (continued)

The following table provides a summary of the changes in fair value, including net transfers in and/or out, of all financial assets measured at fair value on a recurring basis using significant unobservable inputs during the year ended December 31, 2012.

	Warrant Liability	Embedded Conversion Feature	Total
Balance - January 1, 2012	$ --	$ --	$ --
Change in fair value of derivative liability	(17,900)	(103)	(18,003)
Included in debt discount	--	200,000	200,000
Included in interest expense	66,700	44,500	111,200
Reclassification of derivative liability to equity	--	(116,097)	(116,097)
Balance - December 31, 2012	$ 48,800	$ 128,300	$ 177,100

Note 18 - Credit Risk and Concentrations

Financial instruments that subject the Company to credit risk consist principally of trade accounts receivable and cash. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. The Company believes that credit risk is limited because the Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk of its customers, establishes an allowance for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowances is limited.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits. Cash is also maintained at a foreign financial institution for its majority-owned subsidiary. The Company has not experienced any losses and believes it is not exposed to any significant credit risk from cash.

During the year ended December 31, 2012, the Company earned revenues from three different customers representing approximately 50%, 20%, and 14% of gross sales. During the year ended December 31, 2011, the Company earned revenues from two different customers representing approximately 44% and 30% of gross sales.

As of December 31, 2012, four customers represented approximately 50%, 20%, 12% and 10% of total accounts receivable. As of December 31, 2011, four customers represented approximately 22%, 22%, 21% and 18% of total gross accounts receivable.

Note 19 - Foreign Operations

The Company's operations are located primarily in the United States and Saudi Arabia. Revenues by geographic area are attributed by country of domicile of our subsidiaries. The financial data by geographic area are as follows:

	United States	Saudi Arabia	Eliminations	Total
2012:				
Revenues by geographic area	$ 3,600,184	$ 637,605	$ --	$ 4,237,789
Operating loss by geographic area	$ (270,141)	$ (185,273)	$ --	$ (455,414)
Net loss by geographic area	$ (602,338)	$ (182,287)	$ --	$ (784,625)
Identifiable assets by geographic area	$ 428,527	$ 1,186,585	$ --	$ 1,615,112
Long lived assets by geographic area	$ 8,517	$ 40,721	$ --	$ 49,238
2011:				
Revenues by geographic area	$ 3,555,319	$ 3,448,230	$ --	$ 7,003,549
Operating income (loss) by geographic area	$ (254,265)	$ 102,444	$ 103,448	$ (48,373)
Net income (loss) by geographic area	$ 240,856	$ 71,838	$ (312,448)	$ 246
Identifiable assets by geographic area	$ 376,420	$ 1,270,779	$ (34,483)	$ 1,612,716
Long lived assets by geographic area	$ 2,627	$ 142,294	$ --	$ 144,921

Note 20 - Commitments and Contingencies

Operating Leases

The Company leases its office space under non-cancelable operating leases that expire through October 2013. The total amount of rent payable under the leases is recognized on a straight-line basis over the term of the leases. As of December 31, 2012 and 2011, deferred rent payable was immaterial. Rental expense under the operating leases for the years ended December 31, 2012 and 2011 was $50,043 and $44,137, respectively.

The minimal annual lease payments through October 2013 is approximately $23,000.

Litigation

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

During the year ended December 31, 2011, a judgment in the amount of $936,330 was levied against Sysorex Arabia LLC in favor of Creative Edge, Inc. in connection with amounts advanced for operations. Of that amount, $214,187 has been repaid, $514,836 will be paid through a surety bond, and the remaining $207,313 has been accrued by Sysorex Arabia as of December 31, 2012. There was no effect upon the statement of operations in connection with this transaction.

During the year ended December 31, 2011, a judgment in the amount of $613,333 was levied against Sysorex Arabia LLC in favor of one of its vendors (Tuwaiq) in connection with a dispute related to a services contract. However, this vendor owed Sysorex Arabia LLC a like amount in connection with the same services contract. In 2012 the balances were offset, the accounts were settled, and the judgment was released.

During the year ended December 31, 2011, a judgment in the amount of $95,983 in favor of one of the Company's vendors was settled. Sysorex had disagreed with the amount of the judgment and had accrued $53,983 on the books for the amounts owed. A settlement payment of $11,000 was made and the related gain of $42,983 was recorded in other income.

During the year ended December 31, 2011, a judgment in the amount of $39,128 in favor of one of the Company's vendors was settled with a payment of $10,585 and the related gain of $28,543 was recorded in other income.

Defined Contribution Pension Plan

The Company sponsors a 401(k) defined contribution retirement plan ("The Plan") covering all of its eligible employees after their completion of six months of service and upon attaining the age of 21. The Plan provides that employees can contribute a percentage of their compensation limited to amounts prescribed by the Internal Revenue Service, adjusted annually. Matching contributions are made at the discretion of management. No employer-matching contributions were made to the Plan for the years ended December 31, 2012 and 2011.

Note 20 - Commitments and Contingencies (continued)

Statutory Reserve

In accordance with local laws, Sysorex Arabia LLC is required to pay 10% of its net income every year to a statutory reserve account until the balance reaches 50% of its stock capital. This statutory reserve is not applicable for distribution. The Company is obligated to deposit an aggregate of $266,667 into that account based upon its stock capital and, as of December 31, 2012 and 2011 the Company has not made any deposits into that account as it is not profitable.

End of Service Indemnity Provision

In accordance with local labor laws, Sysorex Arabia LLC is required to accrue benefits payable to the employees of the Company at the end of their services with the Company. As of December 31, 2012 and 2011, the Company has accrued approximately $41,680 and $171,000, respectively.

Quasi-Reorganization

On June 30, 2009, Sysorex Government Services, Inc., in connection with the Company's expansion into the government services industry, performed a deficit reclassification quasi-reorganization whereby $2,441,960 of the Corporation's accumulated deficit was reduced by a transfer from the Corporation's additional paid in capital. Therefore, the Sysorex Government Services' portion of Retained Earnings on the balance sheet are those Retained Earnings accumulated since July 1, 2009.

Note 21 - Subsequent Events

Business Finance Agreement

On March 15, 2013, Sysorex Government Services, Inc., and Lilien Systems, 100% owned subsidiaries of Sysorex Global Holdings, Inc., entered into a Business Finance Agreement (the "Agreement") as co-borrowers (the "Borrowers") with Bridge Bank, NA (the "Bank") under which the Borrowers obtained a revolving line of credit for up to $5,000,000 through March 15, 2015. Terms of this agreement include compliance with certain debt covenants, interest at the greater of 5.25%, or the Bank's prime rate, plus 2%, and repayment of any outstanding principal balance as of March 15, 2015.

On March 20, 2013, the Borrowers received $4,175,000 under this Agreement to finance the acquisition of Lilien described below.

Acquisition of Lilien LLC

On March 20, 2013, the Company entered into an Asset Purchase and Merger Agreement (the "Agreement") to acquire certain assets and liabilities of Lilien LLC and 100% of the stock of Lilien Systems (collectively referred hereafter as "Lilien") effective as of March 1, 2013. Lilien is an information technology company whose operations complement and significantly expands the Company's current base of business.

The purchase price of this acquisition aggregated $9,000,000 and consisted of cash of $3,000,000, and 6,000,000 shares of the Company's common stock deemed to have a fair value of $6,000,000. The cash consideration of $3,000,000 was obtained by the Company through a borrowing under a credit facility entered into jointly by Sysorex Government Services, Inc. and Lilien Systems concurrently with and for the express purpose of consummating that acquisition. Total costs incurred for the Lilien acquisition were $907,865.

Additionally, under the terms of the Agreement, the Company is liable to the Former members of Lilien LLC for the payment of additional cash consideration on March 20, 2015 to the extent that they receive less than $1.00 per share from the sale of the 6,000,000 shares of the Company's common stock referred to above (the "Guaranteed Amount"), less customary commissions, on or before March 20, 2015 provided the Stockholders are in compliance with the terms and conditions of the lock-up agreement. On that date, the Former Lilien Members shall have an option to put all, but not less than all, of any unsold shares of Sysorex common stock to Sysorex, for the price of $1.00 per share. Notwithstanding the foregoing, in the event that the gross profits for calendar 2013 and 2014 attributable to the Lilien assets are more than 20% below what was forecasted to the Company, the Guaranteed Amount will be proportionately reduced. As of the date of the acquisition the guaranteed amount was de minimis.

Note 21 - Subsequent Events (continued)

Acquisition of Lilien LLC (continued)

The acquisition of Lilien was accounted for by the Company under the purchase method of accounting whereby assets acquired and liabilities assumed by the Company are recorded at their estimated fair values as of the date of acquisition and the results of operations of the acquired company are consolidated with those of the Company from the date of acquisition. The Company deemed the quoted market prices for those shares not to be a reliable measurement method due to the very limited trading activity in such securities.

The purchase price is allocated as follows:

Assets acquired:		
Cash	$	1,112,485
Receivables		4,870,471
Inventory		55,410
Other current assets (Note A)		852,759
Prepaid licenses/contracts (Note B)		9,146,954
Property and equipment		254,638
Trade name/trademarks (Note C)		3,250,000
Customer relationships (Note C)		2,130,000
Intangible assets		5,380,000
Goodwill		4,544,053
		26,216,770
Liabilities assumed:		
Accounts payable		5,094,390
Accrued expenses (Note D)		970,139
Deferred revenue		11,152,241
		17,216,770
Purchase price	$	9,000,000

(A) Other current assets consist primarily of $356,000 of rebates receivable, $107,000 of prepaid expenses, $195,000 of unbilled revenues and $153,000 for a working capital settlement adjustment. The asset purchase agreement included a provision for an adjustment to working capital as of the closing date of the transaction. This is the amount due to Sysorex for that adjustment, however, this amount is subject to continuing negotiation.

(B) Prepaid licenses/contracts are payments made by the Company directly to the manufacturer for the third party maintenance services and are being amortized over the life of the contract.

(C) The trade name/trademarks and customer relationships are identifiable intangible assets that are being amortized over their useful life of 7 years.

(D) Accrued expenses consist primarily of $654,000 of accrued compensation, $50,000 of credit cards payable and $35,000 of sales taxes payable.

The following unaudited pro forma financial information presents the consolidated results of operations of the Company and Lilien for the year ended December 31, 2012 as if the acquisition had occurred on January 1, 2011 instead of March 1, 2013. The pro forma information does not necessarily reflect the results of operations that would have occurred had the entities been a single company during those periods.

		Year Ended December 2012		Year Ended December 2011
Revenues	$	44,808,957	$	42,029,674
Net Loss Attributable to Common Shareholder	$	(2,244,477)	$	(1,386,917)
Weighted Average Number of Common Shares Outstanding		23,962,586		19,879,817
Loss Per Common Share - Basic and Fully Diluted	$	(.09)	$	(.07)

Note 21 - Subsequent Events (continued)

Other

On March 20, 2013, the Company issued 180,000 shares of common stock under the terms of a consulting services agreement in connection with the Lilien acquisition. The Company recorded an expense of $180,000 during the quarter ended March 31, 2013.

On March 20, 2013, the Company issued 15,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $15,000 during the quarter ended March 31, 2013.

On March 31, 2013, the Company issued 887,433 shares of common stock in satisfaction of $1,774,865 owed by Sysorex Arabia LLC to Duroob Technology, Inc. ("Duroob"), a related party, as Duroob's Chief Executive Officer owns a minority interest in Sysorex Arabia, LLC. The fair market value of the shares was $887,433 and as Duroob is a related party the resulting gain of $887,433 has been credited to additional paid in capital. The issuance of these shares was recorded by Sysorex Global Holdings Corp. as an additional investment in its majority-owned subsidiary, Sysorex Arabia LLC. However, by agreement with the other shareholder of Sysorex Arabia LLC, the ownership percentages of Sysorex Arabia LLC remained unchanged.

During the quarter ended March 31, 2013, the Company granted 209,500 of stock options to employees. The stock options vest over 4 years and have a life of ten years. The options have an exercise price of $0.40 per share. The Company valued the stock options using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $38,600.

On March 20, 2013, the Company granted 166,667 warrants to Bridge Bank, NA in connection with the acquisition of Lilien. The warrants were fully vested on the date of the grant and have a life of 7 years. The warrants have an exercise price of $0.45 per share. The Company valued the warrants using the Black-Scholes option valuation model and incurred a stock-based compensation charge of $109,300.

Contingent Consideration

Under the terms of the acquisition of Lilien as more fully described in Note 21, the Company is liable for the payment of additional cash consideration to the extent that the recipients of the 6,000,000 shares of the Company's common stock referred to above receive less than $6,000,000 from the sale of those shares, less customary commissions, on or before March 20, 2015. As of the date of the acquisition the guaranteed amount was de minimis.

Repayment of Secured Convertible Note Payable

As more fully described in Note 10, the secured convertible note payable was paid in full during the quarter ended March 31, 2013.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of
Lilien LLC and Subsidiary

We have audited the accompanying consolidated balance sheets of Lilien LLC and Subsidiary (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lilien LLC and Subsidiary as of December 31, 2012 and 2011, and the results of its operations, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP
New York, NY
August 12, 2013

LILIEN LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 3,523,352	$ 1,470,934
Accounts receivable, net	5,115,527	7,017,826
Other receivables	276,882	337,774
Inventory	55,863	107,409
Prepaid expenses	87,094	103,305
Employee advances	57,978	178,977
Prepaid licenses and maintenance contracts	5,533,049	4,677,873
Total Current Assets	14,649,745	13,894,098
Property and Equipment, Net	271,160	165,811
Prepaid Licenses and Maintenance Contracts, Non-Current	3,246,726	3,492,456
Total Assets	$ 18,167,631	$ 17,552,365
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 6,436,258	$ 5,220,737
Accrued expenses	309,143	314,346
Accrued compensation	687,064	984,457
Accrued sales and use taxes	253,742	130,925
Deferred revenue	6,614,296	5,525,491
Total Current Liabilities	14,300,503	12,175,956
Long Term Liabilities		
Deferred revenue, non-current	3,805,591	3,954,668
Total Liabilities	18,106,094	16,130,624
Commitments and Contingencies		
Members' Equity	61,537	1,421,741
Total Liabilities and Members' Equity	$ 18,167,631	$ 17,552,365

The accompanying notes are an integral part of these consolidated financial statements.

LILIEN LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Revenues, Net	$ 40,571,168	$ 35,026,125
Cost of Revenues	30,411,985	25,933,008
Gross Profit	10,159,183	9,093,117
Operating Expenses		
Compensation and related benefits	8,623,117	7,416,258
Professional and legal fees	45,183	24,336
Consulting expenses	664,396	711,442
Occupancy	323,906	320,407
Other administrative	1,061,131	866,907
Total Operating Expenses	10,717,733	9,339,350
Loss from Operations	(558,550)	(246,233)
Other Income (Expense)		
Interest income	67	1,638
Other expense	(4,014)	--
Interest expense	(375)	(833)
Total Other (Expense) Income	(4,322)	805
Net Loss before Provision for Income Taxes	(562,872)	(245,428)
Provision for Income Taxes	--	--
Net Loss	$ (562,872)	$ (245,428)

The accompanying notes are an integral part of these consolidated financial statements.

LILIEN LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Working Series A		Working Series B		Common		Members'
	Units	Amount	Units	Amount	Units	Amount	Interests
Balance – December 31, 2010	9,911	$ 25,235	-	$ --	582,000	$ 2,412,494	$ 2,437,729
Redemption of units	-	--	-	--	(18,000)	(106,020)	(106,020)
Distribution to members'	-	(11,299)	-	--	-	(663,480)	(674,779)
Stock-based compensation	-	10,239	-	--	-	--	10,239
Net loss	-	(4,238)	-	--	-	(241,190)	(245,428)
Balance - December 31, 2011	9,911	19,937	-	-	564,000	1,401,804	1,421,741
Redemption of units	-	--	-	--	(30,000)	(218,100)	(218,100)
Distribution to members'	-	(16,893)	-	--	-	(646,800)	(663,693)
Issuance of Series B Units	-	--	42,000	--	-	--	--
Stock-based compensation	-	84,461	-	--	-	--	84,461
Net loss	-	(10,257)	-	--	-	(552,615)	(562,872)
Balance – March 31, 2012	9,911	$ 77,248	42,000	$ --	534,000	$ (15,711)	$ 61,537

The accompanying notes are an integral part of these consolidated financial statements.

LILIEN LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities		
Net loss	$ (562,872)	$ (245,428)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	95,618	74,775
Stock-based compensation	84,461	10,239
Changes in net assets and liabilities:		
Accounts receivable	1,902,299	(1,346,417)
Other receivables	60,892	89,921
Inventories	51,546	(92,933)
Prepaid expenses	16,211	(14,426)
Prepaid licenses and maintenance contracts	(609,446)	(2,157,223)
Accounts payable	1,215,521	1,704,068
Accrued compensation	(297,393)	(18,135)
Accrued expenses	(5,203)	68,320
Accrued sales and use taxes	122,817	(50,957)
Deferred revenues	939,727	2,515,762
Total Adjustments	3,577,050	782,994
Net Cash Provided by Operating Activities	3,014,178	537,566
Cash Used in Investing Activities		
Capital equipment purchases	(200,967)	(90,664)
Cash Flows from Financing Activities		
Repayment of advances to employees	121,000	17,729
Cash advances to employees	--	(96,200)
Distribution to members	(663,693)	(674,779)
Redemption of units	(218,100)	(106,020)
Net Cash Used in Financing Activities	(760,793)	(859,270)
Net Increase (Decrease) in Cash and Cash Equivalents	2,052,418	(412,368)
Cash and Cash Equivalents - Beginning of year	1,470,934	1,883,302
Cash and Cash Equivalents - End of year	$ 3,523,352	$ 1,470,934
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for:		
Interest	--	--
Income Taxes	--	--

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 - Organization and Nature of Business

Lilien LLC, a Delaware limited liability company, was formed on April 7, 2006 having a perpetual existence. Lilien LLC's wholly owned subsidiary Lilien Systems ("the Company" "Lilien") was formed on January 1, 1994 in the State of California. The Company provides information technology solutions services to organizations to reach their next level of business advantage. These services include enterprise computing and storage, virtualization, business continuity, networking and information technology business consulting services. The Company is headquartered in California and has offices in Washington State, Oregon and Hawaii.

Effective March 1, 2013 and as more fully described in Note 9, certain assets and liabilities of Lilien LLC, and 100% of the stock of Lilien Systems were acquired by Sysorex Global Holdings Corp.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during each of the reporting periods. Actual results could differ from those estimates. The Company's significant estimates are the valuation of stock-based compensation and allowance for doubtful accounts.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, checking accounts, money market accounts and temporary investments, with maturities of three months or less when purchased.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivables are stated at the amount the Company expects to collect. The Company recognizes an allowance for doubtful accounts to ensure accounts receivables are not overstated due to uncollectibility. Bad debt reserves are maintained for various customers based on a variety of factors, including the length of time the receivables are past due, significant one-time events and historical experience. An additional reserve for individual accounts is recorded when the Company becomes aware of a customer's inability to meet its financial obligation, such as in the case of bankruptcy filings, or deterioration in the customers' operating results or financial position. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. The Company's allowance for doubtful accounts as of December 31, 2012 and 2011 or its provision for doubtful accounts for the years then ended was not material.

Advances to Employees

From time to time advances have been given to employees towards their compensation by the Company. These advances are repayable on demand by the Company. The Company considers establishing an allowance for uncollectible amounts to reflect the amount of loss that can be reasonably estimated by management which is included as part of the compensation in the consolidate statements of operations. Determination of the estimated amount of uncollectible loans includes consideration of the amount of credit extended, the employment status and the length of time each receivable has been outstanding, as it relates to each individual employee. As of December 31, 2012 and 2011 the Company's has not established an allowance for any potential non-collection.

Note 2 - Summary of Significant Accounting Policies (continued)

Inventory

Inventory consisting primarily of finished goods is stated at the lower of cost or market utilizing the first-in, first-out method. The Company continually analyzes its slow-moving, excess and obsolete inventories. Based on historical and projected sales volumes and anticipated selling prices, the Company establishes reserves. If the Company does not meet its sales expectations, these reserves are increased. Products that are determined to be obsolete are written down to net realizable value. As of December 31, 2012 and 2011, the Company deemed any such allowance nominal.

Property and Equipment

Property and equipment are recorded at cost. The Company depreciates its property and equipment for financial reporting purposes using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Leasehold improvements are amortized over the lesser of the useful life of the asset, or the initial lease term. Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred, and expenditures, which extend the economic life, are capitalized. When assets are retired, or otherwise disposed of, the costs and related accumulated depreciation or amortization are removed from the accounts and any gain or loss on disposal is recognized.

Impairment of Long-Lived Assets

The Company assesses the recoverability of its long-lived assets, including property and equipment and intangible assets, when there are indications that the assets might be impaired. When evaluating assets for potential impairment, the Company compares the carrying value of the asset to its estimated undiscounted future cash flows. If an asset's carrying value exceeds such estimated cash flows (discounted and with interest charges), the Company records an impairment charge for the difference. Based on its assessments, the Company did not incur any impairment charges for the years ended December 31, 2012 and 2011.

Income Taxes

Lilien LLC is organized as a limited liability company and, accordingly, is a "pass through" entity for federal and state income tax purposes whereby the income of Lilien LLC is taxed at the member level. Lilien Systems Inc., a wholly owned subsidiary of Lilien LLC, is organized as a "C-corporation" for federal and state income tax purposes. Accordingly, the provisions for income taxes and all deferred tax balances in these financial statements are attributable exclusively to Lilien Systems.

Lilien Systems accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Income tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all, or a portion of deferred tax assets will not be realized.

Lilien Systems operates on a break-even basis and there are no current or historical net operating losses or differences between the book and tax basis of assets, or liabilities. Consequently, no provisions for income taxes were recorded for the years ended December 31, 2012 and 2011. Furthermore, there were no deferred tax balances as of December 31, 2012 and 2011.

The Company accounts for uncertain tax positions in accordance with ASC 740, which prescribes a recognition threshold and measurement process for financial statements recognition and measurement of a tax position taken, or expected to be taken, in a return. Management has evaluated and concluded that there were no material uncertain tax positions requiring recognition in the Company's financial statements as of December 31, 2012 and 2011. The Company does not expect any significant changes in the unrecognized tax benefits within twelve months of the reporting date.

Interest costs and penalties related to income taxes are classified within operating expenses in the Company's consolidated financial statements. For the years ended December 31, 2012 and 2011, the Company did not recognize interest or penalties related to income taxes.

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Company files U.S. federal, California, Oregon, and Hawaii separate returns for Lilien LLC and its subsidiary, Lilien Systems. The U.S. returns are subject to examination by tax authorities beginning with the year ended December 31, 2009.

Revenue Recognition

Revenues for the year ended December 31, 2012 and 2011 are comprised of the following:

	Year Ended December 31,	
	2012	**2011**
Resale of hardware	$ 24,267,013	$ 19,593,746
Resale of software	9,034,343	4,436,779
Third party maintenance	3,334,135	7,317,610
Professional services contracts – time and materials	551,763	488,109
Professional services contracts – firm fixed price	3,383,914	3,189,881
Total	**$ 40,571,168**	**$ 35,026,125**

Lilien, as a reseller of third-party manufactured products, maintenance, and services, recognizes the revenue on sales of products (software and hardware) and maintenance agreements once four criteria are met: (1) persuasive evidence of an arrangement exists, (2) the price is fixed and determinable, (3) delivery (software and hardware) or fulfillment (maintenance) has occurred, and (4) there is reasonable assurance of collection of the sales proceeds. Revenues from the sales of hardware products, software products, licenses, and maintenance agreements are recognized on a gross basis in accordance with applicable standards with the selling price to the customer recorded as sales and the acquisition cost of the product recorded as cost of sales.

Lilien records revenues from sales of third-party products in accordance with Accounting Standards Codification (“ASC”) Topic 605-45 Principal Agent Consideration” (ASC 605-45”). Furthermore, in accordance with ASC 605-45, Lilien evaluates sales on a case-by-case basis to determine whether the transaction should be recorded gross or net, including but not limited to assessing whether or not Lilien: 1) acts as principal in the transaction, 2) takes title to the products, and 3) has risks and rewards of ownership, such as the risk of loss for collection, delivery, or returns. The Company did not record any revenues on a net basis for the years ended December 31, 2012 and 2011.

Lilien enters into sales transactions whereby customer orders contain multiple deliverable, and reports its multiple deliverable arrangements under ASC 605-25 “Revenue Arrangements with Multiple Deliverables” (“ASC-605-25”). These multiple deliverable arrangements primarily consist of the following deliverables: third-party computer hardware, third-party software, third-party hardware and software maintenance (a.k.a. support), and third-party services. From time to time the personnel of Lilien were contracted to perform installation and services for the customer. In situations where Lilien bundles all or a portion of the separate elements, Vendor Specific Objective Evidence (“VSOE”) is determined based on prices when sold separately. For the years ended December 31, 2012 and 2011 revenues recognized as a result of customer contracts requiring the delivery of multiple elements was $25,835,031 and $21,743,176 respectively.

Product delivery to customers occur in a variety of ways, including (i) as physical product shipped from the Company’s warehouse, (ii) via drop-shipment by the vendor, or (iii) via electronic delivery for software licenses. The Company leverages drop-ship arrangements with many of its vendors and suppliers to deliver products to customers without having to physically hold the inventory at its warehouse, thereby increasing efficiency and reducing costs. Furthermore, in such drop-ship arrangements, the Company negotiates price with the customer, pays the supplier directly for the product shipped and bears credit risk of collecting payment from its customers. The Company serves as the principal with the customer and, therefore, recognizes the sale and cost of sale of the product upon receiving notification from the supplier that the product has shipped.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Maintenance agreements allow customers to obtain technical support directly from the manufacturer and to upgrade, at no additional cost, to the latest technology if new software updates are introduced during the period that the maintenance agreement is in effect. Revenue derived from maintenance contracts primarily consists of the sale of third-party maintenance contracts by Lilien, whereby Lilien acts as the principal and the primary obligor in the transaction. Typically, Lilien sells third-party maintenance contracts for a separate fee with initial contractual periods ranging from one to three years with renewal for additional periods thereafter. Lilien generally bills maintenance fees in advance. Lilien recognizes maintenance revenue ratably over the term of the maintenance agreement. In situations where Lilien bundles all or a portion of the maintenance fee with products, VSOE for maintenance is determined based on prices when sold separately.

Lilien recognizes revenue for sales of Lilien-performed services ratably over the time period over which the service will be provided. Billings for such services that are made in advance of the related revenue recognized are recorded as deferred revenue and recognized as revenue ratably over the billing coverage period. For service engagements that are on a time and materials basis, revenues are recognized based upon hours incurred as services are performed and amounts are earned. Sales are recorded net of discounts, rebates, and returns. Vendor rebates and price protection are recorded when earned as a reduction to cost of sales or merchandise inventory, as applicable. Vendor product price discounts are recorded when earned as a reduction to cost of sales. Vendor product sales volume and growth incentive rebates based on total Company quarterly sales are recorded when earned as other income.

Cooperative reimbursements from vendors, which are earned and available, are recorded in the period the related advertising expenditure is incurred. Cooperative reimbursements are recorded as a reduction of cost of sales in accordance with ASC Topic 605-50 "Accounting by a Customer (including reseller) for Certain Consideration Received from a Vendor." Provisions for returns are estimated based on historical sales returns and credit memo analysis which are adjusted to actual on a periodic basis. The Company receives Marketing Development Funds (MDF) from vendors based on quarterly sales performance to promote the marketing of vendor products and services. The Company must file claims with vendors for these cooperative reimbursements by providing invoices and receipts for marketing expenses. Reimbursements are recorded as a reduction of marketing expenses and other applicable selling, general and administrative expenses in the period in which the expenses were incurred.

Equity-Based Compensation

The Company reports stock-based compensation under ASC 718 "Stock Compensation" ("ASC 718"). ASC 718 addresses all forms of share-based payment ("SBP") awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights. Under ASC 718, SBP awards result in a cost that is measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest.

The Company incurred a stock-based compensation charge net of estimated forfeitures for the years ended December 31, 2012 and 2011 of 84,461 and 10,239, respectively. These charges have been included as a component of compensation in the consolidated statements of operations.

Allocation of Income (Loss) and Distributions

Net income or losses of the Company are allocated to the members in proportion to the number of units and days each unit is held. Profits are allocated to all members in accordance with their percentage interests. Members are entitled to cash distributions, at the discretion of the Company in accordance with their percentage interests as defined in the operating agreement.

Losses are allocated until all common members and working members' capital accounts have been reduced to zero at which point no further allocation shall be made to the member or members with zero capital account balances. Thereafter allocations of net losses shall continue in proportion to the percentage interests of those members with positive capital accounts until the next member's capital account balance is reduced to zero, and continuing in the same manner until the capital accounts of all working members and common members have been reduced to zero.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred as part of cost of revenues. These costs were deemed to be nominal during each of the reporting periods.

Note 2 - Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs, which are included in selling, general and administrative expenses, were deemed to be nominal during each of the reporting periods.

Subsequent Events

The Company has evaluated subsequent events to determine if events or transactions occurring through the date the consolidated financial statements were available to be issued, require adjustment to or disclosure in the consolidated financial statements.

Note 3 - Property and Equipment

Property and equipment at December 31, 2012 and 2011 consists of the following:

	2012	2011
Computer and office equipment	$ 659,328	$ 720,760
Furniture and fixtures	113,382	105,885
Leasehold improvements	15,985	15,985
Software	188,304	85,380
Total	976,999	928,010
Less: accumulated depreciation	(705,839)	(762,199)
Total Property and Equipment - Net	$ 271,160	$ 165,811

Depreciation and amortization expense was $95,618 and $74,775 for the years ended December 31, 2012 and 2011, respectively.

Note 4 - Prepaid Licenses and Maintenance Contracts

Prepaid licenses and maintenance contracts represent payments made by Lilien directly to the manufacturer. Lilien acts as the principal and the primary obligor in the transaction and amortizes the capitalized costs ratably over the term of the contract to cost of revenues, generally one to five years.

Note 5 – Deferred Revenue

Deferred revenue as of December 31, 2012 and 2011 consisted of the following:

	Dec 31, 2012	Dec 31, 2011
Deferred Revenue, current		
Lilien third party maintenance agreements	$ 6,614,296	$ 5,525,491
Deferred Revenue, non-current		
Lilien third party maintenance agreements	3,805,591	3,954,668
Total Deferred Revenue	**$ 10,419,887**	**$ 9,480,159**

The fair value of the deferred revenue approximates the services to be rendered.

Note 6 – Revolving Line of Credit

The Company has available a 975,000 revolving line of credit facility available through a commercial financing company. Amounts outstanding under this facility would accrue interest at a floating rate equal to the Prime Rate (3.25 % at December 31, 2012 and 2011) plus 1 %. The bank charges include a commitment renewal fee of 0.25% of the credit facility. In addition the Company is required to maintain certain covenants as defined in the agreement.

The Company has not utilized the financing line and has no outstanding obligations in connection with this facility as of December 31, 2012 and 2011.

Note 7 - Members' Equity

The equity structure of the Company consists of Common Units and Working Units and is governed by the terms of the operating agreement. During the years ended December 31, 2012 and 2011, the Company has reported distributions of 646,800 and 663,480, respectively, to its members for their interest percentage, as defined in the operating agreement.

Common Units

The Company is authorized to issue up to 600,000 Common Units in exchange for capital contributions in the form of cash or property. Each Common Unit has the right to one vote on all matters and to proportionately participate in all allocations of profits and losses as well as distributions of capital of the Company in accordance with the terms of the Operating Agreement dated July 1, 2006.

On October 20, 2011, the Company redeemed 18,000 Common Units at 5.89 per unit for a total of 106,020.

On June 12, 2012, the Company redeemed 30,000 Common Units at 7.27 per unit for a total of 218,100.

As of December 31, 2012 and 2011, the Company has issued and outstanding 534,000 and 564,000 common units, respectively.

Working Units

The Company is authorized to issue up to 175,000 Working Units to employees without the requirement of capital contributions as an equity-based incentive for their efforts on behalf of the Company, subject to approval by and any vesting schedule deemed appropriate by the Board of Directors.

Each Working Unit has the right to one vote on all matters and to proportionately participate in all allocations of profits and losses as well as distributions of capital of the Company in accordance with the terms of the Operating Agreement dated July 1, 2006. However, Working Units are only entitled to participate in the appreciation of the value of the Company from their date of issuance. Holders of unvested Working Units are entitled to all rights associated with vested Working Units with respect to voting, access to information, and participation in the affairs of the Company.

The working units vest as follows upon issuance, all working units are unvested units; on the 12 month anniversary after the issuance of the units, 25% of the issued units will vest and quarterly thereafter, an additional 6.25% of the issued units will vest. Upon the occurrence of a termination event to a working member, any unvested units are immediately and automatically forfeited, without payment of consideration or repurchase price. The working units are redeemable at the option of the Company and accordingly, have been classified as equity.

On January 1, 2012, the Company issued 42,000 Working Units Series B when the Company was valued at 5.89 per unit.

As of December 31, 2012, Working Units in the amounts of 9,911 and 42,000 are entitled to participate in the appreciation of the value of the Company from the thresholds of 5.62 and 5.89 per unit, respectively, corresponding with the per unit values of the Company upon their dates of issuance. Accordingly, for the years ended December 31, 2012 and 2011, the Company recorded a charge to stock based compensation of 84,461 and 10,239 for the fair value of the appreciation value, respectively. As of December 31, 2012 and 2011, the calculated fair value of the redemption amount would be approximately 96,540 and 12,079 respectively.

Note 8 - Credit Risk and Concentrations

Financial instruments that subject the Company to credit risk consist principally of trade accounts receivable and cash and cash equivalents. The Company performs certain credit evaluation procedures and does not require collateral for financial instruments subject to credit risk. The Company believes that credit risk is limited because the Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk of its customers, establishes an allowance for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowances is limited.

The Company maintains cash deposits with financial institutions, which, from time to time, may exceed federally insured limits.

During the year ended December 31, 2012, the Company earned revenues from two different customers representing approximately 10%, and 8% of gross sales. During the year ended December 31, 2011, the Company earned revenues from two different customers representing approximately 11% and 11% of gross sales.

Note 8 - Credit Risk and Concentrations (continued)

As of December 31, 2012, two customers represented approximately 10% and 9% of total accounts receivable. As of December 31, 2011, three customers represented approximately 39%, 8% and 6% of total gross accounts receivable.

Note 9 - Commitments and Contingencies

Operating Leases

The Company leases facilities located in California, Washington State, Oregon and Hawaii for its office space under non-cancelable operating leases that expire at various times through August 2015. The total amount of rent expense under the leases is recognized on a straight-line basis over the term of the leases. As of December 31, 2012 and 2011, deferred rent payable was nominal. Rental expense under the operating leases for the years ended December 31, 2012 and 2011 was 323,906 and 320,407, respectively.

Future minimum lease payments under the above operating leases lease commitments at December 31, 2012 are as follows:

For the Years Ending December 31,		Amount
2013	$	322,700
2014		330,900
2015		339,300
Total	$	992,900

Litigation

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. There can be no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Defined Contribution Pension Plan

The Company sponsors a 401(k) defined contribution retirement plan ("The Plan") covering all of its eligible employees after their completion of three months of service and upon attaining the age of 21. The Plan provides that employees can contribute a percentage of their compensation limited to amounts prescribed by the Internal Revenue Service, adjusted annually. Matching contributions are made at the discretion of management. No employer-matching contributions were made to the Plan for the years ended December 31, 2012 and 2011.

Employment Agreement

In connection with the sale of the Company effective March 1, 2013 the Company has entered into employment agreements with certain key employees of the Company. The agreements provides for minimum annual salaries, bonus at the discretion of the Company, and indemnification. The employment agreements carry certain restrictive covenants not to compete which expire on March 1, 2014.

Note 10 - Subsequent Events

Business Finance Agreement

On March 15, 2013, Lilien Systems and Sysorex Government Services, Inc., a 100% owned subsidiary of Sysorex Global Holdings, Inc., entered into a Business Finance Agreement (the "Agreement") as co-borrowers (the "Borrowers") with Bridge Bank, NA (the "Bank") under which the Borrowers obtained a revolving line of credit for up to $5,000,000 through March 15, 2015. Terms of this agreement include compliance with certain debt covenants, interest at the greater of 5.25%, or the Bank's prime rate, plus 2%, and repayment of any outstanding principal balance as of March 15, 2015.

On March 20, 2013, the Borrowers received $4,175,000 under this Agreement to finance the acquisition of Lilien described below.

Acquisition of Lilien LLC

On March 20, 2013, the Company entered into an Asset Purchase and Merger Agreement (the "Agreement") whereby Sysorex Global Holdings Corp. acquired certain assets and liabilities of Lilien LLC and 100% of the stock of Lilien Systems effective as of March 1, 2013. In connection with this Agreement, the Company received consideration consisting of $3,000,000 in cash and $6,000,000 shares of common stock of Sysorex Global Holdings Corp with a fair value of $6,000,000. The cash consideration of $3,000,000 was obtained by the Company through a borrowing under a credit facility entered into jointly by Sysorex Government Services, Inc. and Lilien Systems concurrently with and for the express purpose of consummating that acquisition. Total costs incurred for the Lilien acquisition were $907,865.

Additionally, under the terms of the Agreement, the Company contingently guaranteed (the "Guaranty") to the Former members of Lilien LLC the net sales price of $1.00 per share for a two year period following the closing, provided the Stockholders are in compliance with the terms and conditions of the lock-up agreement. At the end of the two year Guaranty period the Former Lilien Members shall have an option to put all, but not less than all, of their unsold Sysorex shares to Sysorex, for the price of $1.00 per unsold share. Notwithstanding the foregoing, in the event the gross profit for calendar year 2013 and 2014 attributable to the Lilien assets is more than 20% below what was forecasted to the Company the Guaranty will be proportionately reduced. As of the date of the acquisition the guaranteed amount was de minimis.

SYSOREX GLOBAL HOLDINGS CORP.
INTRODUCTION TO PRO FORMA CONDENSED
COMBINED FINANCIAL STATEMENTS
(Unaudited)

On March 20, 2013, the Company entered into an Asset Purchase and Merger Agreement (the "Agreement") to acquire substantially all of the assets and liabilities of Lilien LLC and 100% of the stock of Lilien Systems (collectively referred hereafter as "Lilien") effective as of March 1, 2013. The following unaudited pro forma financial information presents the consolidated results of operations of the Company and Lilien for the year ended December 31, 2012 and the Statement of Operations for the Six Months Ended June 30, 2013 as if the acquisition had occurred on January 1, 2012 instead of March 1, 2013. The pro forma information does not necessarily reflect the results of operations that would have occurred had the entities been a single company during those periods.

The unaudited pro forma information is presented for illustration purposes only in accordance with the assumptions set forth below and in the notes to the pro forma combined condensed financial statements.

SYSOREX GLOBAL HOLDINGS CORP. AND LILIEN
PRO FORMA CONDENSED COMBINED BALANCE SHEET
DECEMBER 31, 2012

	Sysorex 2012 Bal Sheet	Lilien 2012 Bal Sheet	Note #1	Note #2	Note #3	Note #4	Note #5	Consolidated Total
ASSETS								
Current Assets								
Cash	$ 8,301	3,523,352		1,175,000	(450,131)	(219,188)		$ 4,037,334
Accounts Receivable	386,720	5,115,527						5,502,247
Inventory		55,863						55,863
Prepaid Licenses & Main Contracts		5,533,049						5,533,049
Other Current Assets	31,762	421,954						453,716
Total Current Assets	**426,783**	**14,649,745**	**-**	**1,175,000**	**(450,131)**	**(219,188)**	**-**	**15,582,209**
Furniture, Fixtures, & Equipment	49,238	271,160						320,398
Other Assets	1,139,091							1,139,091
Prepaid Licenses & Main Contracts Non Curr		3,246,726						3,246,726
Acquisition Intangibles			5,380,000				(768,571)	4,611,429
Goodwill			4,544,053					4,544,053
Total Assets	**$ 1,615,112**	**18,167,631**	**9,924,053**	**1,175,000**	**(450,131)**	**(219,188)**	**(768,571)**	**$ 29,443,906**
LIABILITIES								
Accounts Payable	1,075,312	6,436,258						7,511,570
Accrued Expenses	1,581,964	1,249,949						2,831,913
Other Liabilities	3,289,386				(215,131)			3,074,255
Deferred Revenue	236,291	6,614,296						6,850,587
Revolving Line of Credit			3,000,000	1,175,000				4,175,000
Total Liabilities	**6,182,953**	**14,300,503**	**3,000,000**	**1,175,000**	**(215,131)**	**-**	**-**	**24,443,325**
Deferred Revenue, non-current		3,805,591						3,805,591
STOCKHOLDERS' EQUITY								
Stockholders' Equity (Deficiency)	(4,567,841)	61,537	6,924,053	-	(235,000)	(219,188)	(768,571)	1,194,990
Total Liabilities and Stockholder's Equity	**$ 1,615,112**	**18,167,631**	**9,924,053**	**1,175,000**	**(450,131)**	**(219,188)**	**(768,571)**	**$ 29,443,906**

Notes:

1) Acquisition of Lilien
2) Additional borrowings concurrent with Lilien acquisition for acquisition related disbursements and working capital purposes
3) Payment of accrued expenses
4) Interest expense on Bridge Bank credit facility for the period from 1/1/12 - 12/31/12
5) Amortization of intangible asset for the period 1/1/12 - 12/31/12

Sysorex Global Holdings Corp. and Lilien
Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2012

	Sysorex	Lilien	Interest (Note 1)	Issue Shares (Note 2)	Amort (Note 3)	Pro Forma
Revenues	$ 4,237,789	$ 40,571,168				$ 44,808,957
Cost of revenues	2,344,592	30,411,985				32,756,577
Gross profit	1,893,197	10,159,183				12,052,380
SG&A	2,348,611	10,717,733			768,571	13,834,915
Income (loss) from operations	(455,414)	(558,550)				(1,782,535)
Other income (expense)	(329,211)	(4,322)	(219,188)			(552,721)
Income (loss) before taxes	(784,625)	(562,872)				(2,335,256)
Provision for income taxes	0	0				0
Net income	(784,625)	(562,872)				(2,335,256)
Net income (loss) attributable to non-controlling interests	(90,779)	0				(90,779)
Net income (loss) attributable to shareholders of SGH	(693,846)	(562,872)				(2,244,477)
Dividends	0	0				0
Net income (loss) attributable to common shareholders	$ (693,846)	$ (562,872)				$ (2,244,477)
Weighted average shares o/s - Basic and diluted	17,962,586			6,000,000		23,962,586
Net income (loss) per share - Basic and diluted	(0.04)					(0.09)

Notes:

1) $4,175,000 line of credit outstanding for the entire year and interest at 5.25%.
2) Issuance of 6,000,000 shares of Sysorex common shares
3) Amortization of intangibles of $5,380,000 (per acquisition method accounting) over seven years

Sysorex Global Holdings Corp. and Lilien
Pro Forma Condensed Combined Statement of Operations
For the Six Months Ended June 30, 2013

	Sysorex Global Consolidated	Lilien Jan 1 - Feb 28, 2013	Interest (Note 1)	Issue Shares (Note 2)	Amort (Note 3)	Acquisition Expenses (Note 4)	Pro Forma
Revenues	$ 20,150,494	$ 5,161,001					$ 25,311,495
Cost of revenues	15,695,637	3,884,003					19,579,640
Gross profit	4,454,857	1,276,998					5,731,855
SG&A	5,847,241	1,925,497			128,095	(907,865)	6,992,968
Income (loss) from operations	(1,392,384)	(648,499)					(1,261,113)
Other income (expense)	(577,188)	5	(48,405)				(625,588)
Income (loss) before taxes	(1,969,572)	(648,494)					(1,886,701)
Provision for income taxes	0	0					0
Net income	(1,969,572)	(648,494)					(1,886,701)
Net income (loss) attributable to non-controlling interests	(75,449)	0					(75,449)
Net income (loss) attributable to shareholders of SGHC	(1,894,123)	(648,494)					(1,811,252)
Dividends	0	0					0
Net income (loss) attributable to common shareholders	$ (1,894,123)	$ (648,494)					$ (1,811,252)
Weighted average shares o/s - Basic and diluted	21,958,907			2,669,668			24,628,575
Net income (loss) per share - Basic and diluted	(0.09)						(0.07)

Notes:

1) $4,175,000 line of credit outstanding for the entire year and interest at 5.25%.
2) Issuance of additional shares due to Lilien Acquisition on a weighted average basis
3) Amortization of intangibles of $5,280,000 (per acquisition method accounting) over seven years
4) Expenses directly associated with Lilien acquisition and actual expenses in the 6 months ended June 30, 2013; removed for proforma

OUTSIDE BACK COVER OF PROSPECTUS

We have not authorized any dealer, salesperson or any other person to give any information or to represent anything other than those contained in this prospectus in connection with the offer contained herein, and, if given or made, you should not rely upon such information or representations as having been authorized by Sysorex Global Holdings, Corp. This prospectus does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to those to which it relates in any state to any person to whom it is not lawful to make such offer in such state. The delivery of this prospectus at any time does not imply that the information herein is correct as of any time after the date of this prospectus.

DEALER PROSPECTUS DELIVERY EQUIREMENT

Until _____, 2014 [90 days from the date of this prospectus], all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

SYSOREX GLOBAL HOLDINGS CORP.

4,000,000 Shares

Common Stock

PROSPECTUS

_____ ___, 2013

WELLINGTON SHIELDS & CO.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. ***OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.***

The following table sets forth the costs and expenses payable by us in connection with the issuance and distribution of the securities being registered. None of the following expenses are payable by the selling stockholders. All of the amounts shown are estimates, except for the SEC registration fee.

SEC registration fee	$	3,069.05
FINRA Registration Fee	$	4,074.20
Legal fees and expenses	$	150,000.00
Accounting fees and expenses	$	25,000.00
Miscellaneous	$	17,856.75
TOTAL	$	200,000

ITEM 14. ***INDEMNIFICATION OF DIRECTORS AND OFFICERS.***

The Nevada Revised Statutes provide that we may indemnify our officers and directors against losses or liabilities which arise in their corporate capacity. The effect of these provisions could be to dissuade lawsuits against our officers and directors.

The Nevada Revised Statutes Section 78.7502 provides that:

1.) A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) Is not liable pursuant to NRS 78.138; or (b) Acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person is liable pursuant to NRS 78.138 or did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, or that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

2.) A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) Is not liable pursuant to NRS 78.138; or (b) Acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

3). To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter therein, the corporation shall indemnify him against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

The Nevada Revised Statutes Section 78.751 provides that:

1). Any discretionary indemnification pursuant to NRS 78.7502, unless ordered by a court or advanced pursuant to Section 78.751 subsection 2; may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made: (a) By the stockholders; (b) By the board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or

proceeding; (c) If a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or (d) If a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

2). The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

3). The indemnification pursuant to NRS 78.7502 and advancement of expenses authorized in or ordered by a court pursuant to this section: (a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court pursuant to NRS 78.7502 or for the advancement of expenses made pursuant to subsection 2, may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action, and, (b) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

Our Corporate By-Laws at Article X, provide that the Corporation has accepted a provision indemnifying to the full extent permitted by the law, thereby eliminating or limiting the personal liability of directors, officers, employees or corporate agents for damages for breach of fiduciary duty as a director or officer, but such provision must not eliminate or limit the liability of a director or officer for (a) Acts or omissions involving willful misconduct, gross negligence, fraud, or knowing violation of law; or (b) the payments of distributions in violation of Nevada Revised Statute 78.300.

INSOFAR AS INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933 MAY BE PERMITTED TO OUR DIRECTORS, OFFICERS AND CONTROLLING PERSONS PURSUANT TO THE FORGOING PROVISIONS OR OTHERWISE, WE HAVE BEEN ADVISED THAT, IN THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION, SUCH INDEMNIFICATION IS AGAINST PUBLIC POLICY AS EXPRESSED IN THAT ACT AND IS, THEREFORE, UNENFORCEABLE.

ITEM 15. ***RECENT SALES OF UNREGISTERED SECURITIES.***

Sales by Sysorex Global Holdings Corp.

Between March 2011 and August 2011 the Corporation issued 2,350,000 shares of restricted common stock to two accredited investors for services rendered. The shares were issued pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933 and Rule 506 of Regulation D promulgated thereunder. The shares were valued at $0.01 per share for an aggregate of $23,500. The shares were restricted and non-transferable.

On July 28, 2011 the Corporation issued 14,600,000 shares of restricted common stock in connection with the Company's merger with Sysorex Federal Inc. and Sysorex Government Services Inc. pursuant to Rule 506 under the Securities Act of 1933. The shares were valued at $0.01 per share for an aggregate of $146,000. The shares were restricted and non-transferable and the recipients of the shares made certain investment representations to the Company in the merger agreement.

In July, 2011, the Corporation entered into an agreement with its public relations firm, which gave the public relations firm the right to purchase 300,000 shares of the Corporation's common stock at $0.50 per share. The options expire on June 30, 2016.

In August 2011 the Corporation issued 216,000 shares of restricted common stock pursuant to a private placement to three investors pursuant to Rule 506 under the Securities Act of 1933. The shares were valued at $0.50 per share for an aggregate of $108,000. The shares were restricted and non-transferable.

In August, 2011, the Corporation issued 36,000 shares of restricted common stock to the former CEO and Chairman of the Corporation in exchange for $18,000 of services rendered to the Corporation.

In August, 2011, the Corporation issued 6,000 shares of restricted common stock to three consultants for services rendered to the Corporation during the prior year.

On August 4, 2011, the Corporation issued 30,000 shares of restricted common stock for the exercise of stock options. The gross proceeds received from the exercise were $3,000.

In December 2011, the Corporation issued 74,000 shares of restricted common stock pursuant to a private placement to two investors pursuant to Rule 506 under the Securities Act of 1933. The shares were valued at $0.50 per share for an aggregate of $37,000. The shares were restricted and non-transferable.

On July 31, 2012, the Corporation issued warrants to purchase 300,000 shares of common stock to Hanover Holdings I, LLC in connection with a bridge loan.

On December 31, 2012, the Corporation issued 25,000 shares to two individuals for services rendered during the previous year.

On March 20, 2013, the Corporation issued 6,000,000 shares of restricted common stock to the former members of Lilien, LLC pursuant to a Merger Agreement. The Corporation also issued warrants to purchase 166,667 shares of common stock to Bridge Bank, N.A. in consideration of the Corporation's financing of Lilien LLC.

On March 20, 2013, the Corporation issued 180,000 shares of common stock under the terms of a consulting services agreement in connection with the Lilien acquisition. The Company recorded an expense of $180,000 during the quarter ended March 31, 2013.

On March 20, 2013, the Corporation issued 15,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $15,000 during the quarter ended March 31, 2013.

On March 31, 2013, the Corporation issued 887,433 shares of common stock in satisfaction of $1,774,865 owed by Sysorex Arabia LLC to Duroob Technology, Inc. ("Duroob"), a related party as Duroob's Chief Executive Officer owns a minority interest in Sysorex Arabia, LLC. The issuance of these shares was recorded by Sysorex Global Holdings Corp. as an additional investment in its majority-owned subsidiary, Sysorex Arabia LLC. However, by agreement with the other shareholder of Sysorex Arabia LLC, the ownership percentages of Sysorex Arabia LLC remained unchanged.

On April 8, 2013, the Corporation issued 31,746 shares for services rendered during the current year.

On May 2, 2013, the Corporation issued 60,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $60,000 during the quarter ended June 30, 2013.

On June 30, 2013, the Corporation issued 15,000 shares of common stock under the terms of a consulting services agreement. The Company recorded an expense of $15,000 during the quarter ended June 30, 2013.

On July 8, 2013, the Corporation issued 31,746 shares for services rendered during the current year.

As of September 6, 2013, the Corporation issued 2,761,997 shares of common stock to the former shareholders of Shoom, Inc. pursuant to a merger agreement.

In September 2013, the Company issued 120,865 shares for the cashless exercise of 300,000 common stock warrants.

The shares were issued in transactions that were exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering and where noted pursuant to Regulation D under the Securities Act of 1933. The Company relied on the representations made in the various subscription agreements, stock purchase agreements or other agreements signed by the stockholders. No commissions were paid and no underwriter or placement agent was involved in this transactions.

ITEM 16. Exhibits and Financial Statement Schedules.

(a) Exhibit No.	*Description*
**1.1	Form of Underwriting Agreement.
2.1	Asset Purchase and Merger Agreement, effective March 1, 2013, by and among Sysorex Global Holdings Corp., Lilien, LLC and Lilien Systems. (1)
*2.2	Schedules and Exhibits to Exhibit 2.1 (2)
2.3	Asset Purchase and Merger Agreement dated March 20, 2013 by and between Lilien Systems and Sysorex Acquisition Corporation (1).
*2.4	Agreement and Plan of Merger between Sysorex Global Holdings Corp. and Shoom, Inc.
*2.5	Acquisition and Share Exchange Agreement dated as of June 27, 2011 by and between Sysorex Consulting, Inc. and Softlead, Inc.
3.1	Articles of Incorporation (1).
3.2	Bylaws (1).
4.1	Specimen Stock Certificate of the Corporation (1).
4.2	Business Financing Agreement dated March 15, 2013 by and among the Sysorex Government Services, Inc., Lilien Systems and Bridge Bank, N.A. (1).
4.3	Warrant to purchase common stock dated March 20, 2013 held by Bridge Bank N.A. (1).
4.4	Warrant to purchase common stock dated July 31, 2012 held by Hanover Holdings I, LLC (1).
*4.5	Warrant to purchase common stock dated August 29, 2013
*4.6	Amendment to Business Financing Agreement, Waiver of Default and Consent dated as of August 29, 2013 between the Sysorex Global Holdings Corp. and Bridge Bank, N.A.
**4.7	Form of Underwriter's Warrant
**5.1	Opinion of Davidoff Hutcher & Citron LLP
10.1	Guaranty of Corporation to Bridge Bank, N.A. dated March 15, 2013 (1).
10.2	Guarantor Security Agreement dated March 15, 2013 to Bridge Bank, N.A. (1).
10.3	Registration Rights Agreement dated March 20, 2013 by and between the Corporation and Bridge Bank, N.A. (1).
10.4	Form of Guaranty Agreement dated March 20, 2013 between the Corporation and each of the former members of Lilien, LLC (1).
10.5	Form of Employment Agreement effective March 20, 2013 between the Corporation and each of Geoffrey Lilien, Dhruv Gulati and Bret Osborn (1)
.*10.6	Registration Rights Agreement dated August 29, 2013 by and between the Corporation and Bridge Bank, N.A.
*10.7	Employment Agreement dated July 1, 2010, by and between the Corporation and Nadir Ali, as amended.
*10.8	Equity Exchange Agreement dated as of March 31, 2013 by and between the Corporation and Duroob Technology.
21	List of Subsidiaries of the Corporation
*23.1	Consent of Marcum LLP regarding Sysorex Global Holdings Corp.
*23.2	Consent of Marcum LLP regarding Lilien LLC and Subsidiaries
*23.3	Consent of Davidoff Hutcher & Citron LLP
*24.1	Powers of Attorney (included in the signature page to this Registration Statement)

* Filed on this Date.

** To be filed by amendment.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 (No. 333-190574) filed on July 12, 2013.

(2) The schedules to Exhibit 2.1 have not been filed with this registrations statement as they contain due diligence information which the Registrant does not believe is material to an investment decision and which is otherwise described in the Registration Statement including the audited financial statements of Lilien LLC and Lilien Systems.

ITEM 17. ***UNDERTAKINGS.***

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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

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

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

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

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 (§ 230.424 of this chapter);

(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.

(6) (i) 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.

(ii) 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.

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

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriter to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California on the 9th day of October, 2013.

SYSOREX GLOBAL HOLDINGS CORP.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of SYSOREX GLOBAL HOLDINGS CORP., hereby severally constitute and appoint NADIR ALI and WENDY LOUNDERMON, and each of them (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for us and in our stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and all documents relating thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing necessary or advisable to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

WITNESS our hands and common seal on the dates set forth below.

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

Signature	Title	Date
/s/ Nadir Ali Nadir Ali	CEO (Principal Executive Officer) and Director	October 9, 2013
/s/ Wendy F. Loundermon Wendy F. Loundermon	Chief Financial Officer (Principal Financial and Accounting Officer)	October 9, 2013
/s/ Salam Qureishi Salam Qureishi	Chairman of the Board and Director	October 9, 2013
/s/ Len Oppenheim Len Oppenheim	Director	October 9, 2013
/s/ Geoffrey Lilien Geoffrey Lilien	Director	October 9, 2013
/s/ Bret Osborn Bret Osborn	Director	October 9, 2013
/s/ Dhruv Gulati Dhruv Gulati	Director	October 9, 2013

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description
2.2	Schedules and Exhibits to Exhibit 2.1 (1)
2.4	Agreement and Plan of Merger between Sysorex Global Holdings Corp. and Shoom, Inc.
2.5	Acquisition and Share Exchange Agreement dated as of June 27, 2011 by and between Sysorex Consulting, Inc. and Softlead, Inc.
4.5	Warrant to purchase common stock dated August 29, 2013
4.6	Amendment to Business Financing Agreement, waiver holding Bridge Bank, N.A. of Default and Consent dated as of August 29, 2013 between the Sysorex Global Holding Corp. and Bridge Bank, N.A.
10.6	Registration Rights Agreement dated August 29, 2013 by and between the Corporation and Bridge Bank, N.A.
10.7	Employment Agreement dated July 1, 2010 by and between the Corporation and Nadir Ali, as amended.
10.8	Equity Exchange Agreement dated as of March 31, 2013 by and between the Corporation and Duroob Technology.
21	List of Subsidiaries of the Corporation
23.1	Consent of Marcum LLP regarding Sysorex Global Holdings Corp.
23.2	Consent of Marcum LLP regarding Lilien LLC and Subsidiaries
23.3	Consent of Davidoff Hutcher & Citron LLP (included in Exhibit 5.1)
24.1	Powers of Attorney (included in the Signature Page to this Registration Statement)

(1) The schedules to Exhibit 2.1 have not been filed with this registrations statement as they contain due diligence information which the Registrant does not believe is material to an investment decision and which is otherwise described in the Registration Statement including the audited financial statements of Lilien LLC and Lilien Systems.

EXHIBIT 2.2

List of Schedules and Exhibits to Exhibit 2.1

The schedules to the Asset Purchase and Merger Agreement effective March 1, 2013, by and among Sysorex Global Holdings Corp., Lilien, LLC and Lilien Systems have not been filed with this Registration Statement. The Registrant agrees to file supplementally a copy of any omitted schedule with the Commission upon request.

Lilien Disclosure Schedules

Schedule 2.01(b)	Excluded Assets
Schedule 2.02(A)(b)	Excluded Liabilities
Schedule 3.02	No Violations
Schedule 3.04	Consents and Approvals
Schedule 3.05	Brokers and Finders
Schedule 3.07	Organization and Qualification
Schedule 3.08	Subsidiaries
Schedule 3.09(f)	Accounts Payable
Schedule 3.10	Absence of Certain Changes
Schedule 3.10(e)	Absence of Certain Changes
Schedule 3.11(a)	Title to Properties
Schedule 3.11(d)	Pending Tax Proceedings
Schedule 3.11(e)	Insurance Policies
Schedule 3.12	Indebtedness
Schedule 3.13	Absence of Undisclosed Liabilities
Schedule 3.14(a)	Tax Matters - Filing of Tax Returns and Payment of Taxes
Schedule 3.14(b)	Tax Matters - Audit History, Extensions, Etc.
Schedule 3.14(c)	Tax Matters - Membership in Affiliated Groups, Etc.
Schedule 3.15	Litigation and Claims
Schedule 3.16	Safety; Zoning; Real Estate; and Environmental Matters
Schedule 3.16(d)	Safety; Zoning; Real Estate; and Environmental Matters
Schedule 3.16(e)	Safety; Zoning; Real Estate; and Environmental Matters
Schedule 3.17	Material Contracts
Schedule 3.18	Tangible Property
Schedule 3.19	Employees
Schedule 3.19(c)	Benefit Plans
Schedule 3.20	Potential Conflicts of Interest
Schedule 3.21	Patents, Trademarks, Business Name
Schedule 3.22	Insurance
Schedule 3.23	Compliance with Other Instruments, Laws, Etc.
Schedule 7.01	Employment Agreements
Schedule 8.08	Personnel
Schedule 8.11	General Release
Schedule 9.14	Sysorex Options

Sysorex Disclosure Schedules

Schedule 4.04(b)	Capitalization
Schedule 4.04(c)	Capitalization
Schedule 4.05	Subsidiaries
Schedule 4.07	No Violations
Schedule 4.08	Litigation
Schedule 4.11	Conduct of Business
Schedule 4.13	Consents
Schedule 4.14	Absence of Undisclosed Liabilities

Exhibits

Exhibit 2.01(B)(a)	Form of Agreement of Merger
Exhibit 2.02(A)(c)(ii)	Form of Lock-Up/Leak-Out Agreement
Exhibit 2.02(B)	Form of Guaranty
Exhibit 2.04(a)	Form of Bill of Sale and Assumption Agreement
Exhibit 7.01	Form of Employment Agreement
Exhibit 8.10	Form of Restrictive Covenants Agreement
Exhibit 8.11	Form of General Release

EXHIBIT 2.01(B)(a)

FORM OF

AGREEMENT OF MERGER

This Agreement of Merger is entered into between Sysorex Acquisition Corporation, a California corporation (herein "Disappearing Corporation") and Lilien Systems, a California corporation (herein "Surviving Corporation").

1. Disappearing Corporation shall be merged into Surviving Corporation.

2. The 100 shares of common stock of Disappearing Corporation outstanding immediately prior to the merger, all of which are held by Sysorex Global Holdings Corp., a Nevada corporation, the parent of Disappearing Corporation ("Parent") shall be converted into an equal number of shares of the Surviving Corporation.

3. The 3,950,000 shares of common stock of Surviving Corporation outstanding immediately prior to the merger, all of which are held by Lilien LLC, a Delaware limited liability company ("Shareholder") shall be cancelled in consideration for the issuance to the Shareholder of 6,000,000 shares of common stock of Parent.

4. Disappearing Corporation shall from time to time, as and when requested by Surviving Corporation, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out this merger.

5. The effect of the merger and the effective date of the merger shall be March __, 2013.

IN WITNESS WHEREOF the parties have executed this Agreement

Surviving Corporation: Lilien Systems, a California corporation	**Disappearing Corporation:** Sysorex Acquisition Corporation, a California corporation
By: _____ Geoffrey Lilien, President	By: _____ Nadir Ali, President
By: _____ Geoffrey Lilien, Secretary	By: _____ Wendy Loundermon, Secretary

OFFICER'S CERTIFICATE OF APPROVAL OF MERGER

Geoffrey Lilien certifies that:

1. He is the President and the Secretary of Lilien Systems, a California corporation (the "Corporation").

2 . The principal terms of the Agreement of Merger to which this Certificate of Merger is attached (the "Merger Agreement") were duly approved by the Board of Directors and by the shareholders of the Corporation by a vote that equaled or exceeded the vote required.

3. There is only one class of shares outstanding and the number of shares outstanding entitled to vote on the merger is 3,950,000. A vote of more than 50% of the outstanding shares was required to approve the merger and the principal terms of the Merger Agreement.

4 . The shareholder approval was by the holders of one hundred percent (100%) of the outstanding shares of the Corporation.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

By: _____
Geoffrey Lilien, President

By: _____
Geoffrey Lilien, Secretary

OFFICER'S CERTIFICATE OF APPROVAL OF MERGER

Nadir Ali and Wendy Loundermon certify that:

1 . Nadir Ali is the President and Wendy Loundermon is the Secretary of Sysorex Acquisition Corporation, a California corporation (the "Corporation").

2 . The principal terms of the Agreement of Merger to which this Certificate of Merger is attached (the "Merger Agreement") were duly approved by the Board of Directors and by the shareholders of the Corporation by a vote that equaled or exceeded the vote required.

3. There is only one class of shares outstanding and the number of shares outstanding entitled to vote on the merger is 100. A vote of more than fifty percent (50%) of the outstanding shares was required to approve the merger and the principal terms of the Merger Agreement.

4 . The shareholder approval was by the holders of one hundred percent (100%) of the outstanding shares of the Corporation.

5 . Common stock of Sysorex Global Holdings Corp., a Nevada corporation, the parent of the Corporation (the "Parent") is to be issued in the merger and the no vote of the shareholders of Parent was required in connection with the issuance by Parent of such common stock.

I further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

By: _____
Nadir Ali, President

By: _____
Wendy Loundermon, Secretary

EXHIBIT 2.02(A)(c)(ii)

FORM OF

LOCK-UP/LEAK-OUT AND REGISTRATION RIGHTS AGREEMENT

This **LOCK-UP/LEAK-OUT AND REGISTRATION RIGHTS AGREEMENT** (this "Agreement") dated as of this ___ day of March, 2013, by and among Sysorex Global Holdings Corp., a Nevada corporation (together with its successors and assigns, "Sysorex"); and _____, a former member of Lilien, LLC ("Former Lilien Member").

W I T N E S S E T H:

WHEREAS, Sysorex has agreed to acquire from Lilien, LLC, a Delaware limited liability company ("Lilien"), substantially all of the assets and liabilities of Lilien, including, 100% ownership of Lilien Systems, a California corporation ("Lilien Systems") through a merger of Sysorex's wholly-owned subsidiary Sysorex Acquisition Corporation, a California corporation with and into Lilien Systems (the "Merger"), pursuant to an Asset Purchase and Merger Agreement effective March 1, 2013 and entered into on March 1, 2013 by and between Lilien and Sysorex (the "Purchase Agreement");

WHEREAS, Lilien will receive 6,000,000 shares of Common Stock of Sysorex (the "Shares") as consideration for the Merger, of which _____ Shares are to be granted to the Former Lilien Member pursuant to the Purchase Agreement; and

WHEREAS, pursuant to Section 2.02(A)(c)(ii) of the Purchase Agreement the Former Lilien Member has agreed not to sell, transfer or otherwise dispose of the Shares, except as set forth in this Agreement and Sysorex has agreed to register all of the Shares as set forth in the Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants appearing in this Agreement, the parties hereto hereby agree as follows:

SECTION 1. Lock-Up and Leak-Out Provisions

(a) The sale of the Shares shall be according to the following schedule:

(i) Beginning on the closing date of the transactions contemplated by the Purchase Agreement (the "Closing Date") and for six (6) months thereafter, the Former Lilien Member may not sell any Shares (the "Initial Lock-up Period");

(ii) From the expiration of the Initial Lock-up Period until the date the Registration Statement (as defined below) is declared effective (the "Effective Date"), the Former Lilien Member shall be permitted to sell as many Shares as permitted under Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act"); and

(iii) For a period of six (6) months from the Effective Date, the Former Lilien Member may not sell any Shares (the "IPO Lock-Up"). Notwithstanding any of the foregoing, the Former Lilien Member may sell up to $1,000,000 of his Shares as part of a secondary offering by Sysorex, subject to an underwriter's limitations on the manner of sale.

(b) All sales of Shares pursuant to Section 1(a) shall be by means of "in-the-market" transactions. "In the market" shall mean a sale made in the over-the-counter market, any subsequent primary trading market, or customary trading channels.

(c) Any sales of Shares by the Former Lilien Member in violation of this Agreement shall constitute an event of default under the Agreement, and the Guaranty provisions of Section 2.02 (B) of the Purchase Agreement (the "Price Protection") with respect to those specific Shares only shall be null and void, but the Price Protection shall remain in effect for any other Shares.

(d) The Former Lilien Member further agrees that he will forward to Sysorex all monthly brokerage statements reflecting any sale of Shares within twenty (20) calendar days after the end of each month. In the event such statements are not then available, the Former Lilien Member shall forward to Sysorex copies of all confirmation tickets for the prior month's sales.

(e) Shares shall not at any time be used to cover "short" sales of Sysorex common stock.

SECTION 2. Registration Rights

(a) Sysorex, at its cost and expense, will use its best efforts to (A) prepare and file with the United States Securities and Exchange Commission (the "SEC") a registration statement with respect to the Shares issued to the Former Lilien Member hereunder (the "Registration Statement"), (B) cause the Registration Statement to become effective (the date on which it is declared effective, the "Effective Date") as soon as reasonably possible thereafter, and (C) maintain the effectiveness of the Registration Statement on a continuous basis pursuant to Rule 415 under the Securities Act until the earlier of (i) the disposition of all of the remaining Shares by the Former Lilien Member, or (ii) the date when all Shares held by the Former Lilien Member can be sold without restriction under Rule 144 under the Securities Act ("Rule 144"). Without limiting the generality of the foregoing, Sysorex shall:

(i) Prepare and file with the SEC such amendments and supplements to the Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Registration Statement.

(ii) Furnish to the Former Lilien Member such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as he may reasonably request in order to facilitate the disposition of Shares owned by him.

(iii) Notify the Former Lilien Member at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing or causing the suspension of the effectiveness of the Registration Statement or sales of such Shares thereunder.

(iv) Cause all such Shares registered pursuant to the Registration Statement to be listed on each securities exchange on which similar securities issued by Sysorex are then listed, which shall be effective on or before the effective date of the Registration Statement.

(v) Provide a transfer agent and registrar for all Shares registered pursuant hereto and a CUSIP number for all such Shares, in each case not later than the effective date of such registration.

(b) Sysorex shall bear all expenses reasonably incurred in connection with the registration and qualification of the Shares. The Former Lilien Member shall solely be responsible for sales commissions which shall not count toward the Sysorex guaranty of the Former Lilien Member's pro rata share of $6,000,000 of net proceeds as set forth in Section 2.02(B) of the Purchase Agreement and in the Guaranty Agreement dated the date hereof. The Former Lilien Member shall cooperate with Sysorex in the preparation, filing and process of securing the effectiveness of the Registration Statement and shall furnish to Sysorex such information relating to the Former Lilien Member and such further and supplemental information as may be necessary or as may be reasonably requested by Sysorex for use in the Registration Statement and any amendments or supplements thereto. Sysorex will advise the Former Lilien Member of the effectiveness of the Registration Statement, of the issuance of any stop order with respect to the effectiveness thereof, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threat of any proceeding for any such purpose. In the event that, either before or after the effectiveness of the Registration Statement, the Former Lilien Member shall distribute Shares to his family members, he shall so advise Sysorex and provide such information as shall be necessary to permit an amendment to the Registration Statement to provide information with respect to such family members, as selling security holders. Promptly following receipt of such information, Sysorex shall file an appropriate amendment to the Registration Statement reflecting the information so provided.

(c) With a view to making available to the Former Lilien Member the benefits of Rule 144(b)(1)(i) promulgated under the Securities Act and any other rule or regulation of the Commission that may at any time permit the Former Lilien Member to sell the Shares to the public without registration, Sysorex shall use its best efforts to:

(i) file a registration statement with the SEC to register its Common Stock under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") by April 30, 2013;

(ii) make and keep public information available, as those terms are understood and defined in Rule 144, at all times so long as Sysorex remains subject to the periodic reporting requirements under Sections 13 or 15(d) of the Exchange Act;

(iii) file with the SEC in a timely manner all reports and other documents required of Sysorex under the Securities Act and the Exchange Act; and

(iv) furnish to the Former Lilien Member, so long as the Former Lilien Member own any Shares, forthwith upon request (1) a written statement by Sysorex that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (2) a copy of the most recent annual or quarterly report of Sysorex and such other reports and documents so filed by Sysorex and (3) such other information as may be reasonably requested in availing the Former Lilien Member of any rule or regulation of the SEC that permits the selling of any such securities without registration.

(d) To the extent permitted by applicable Law, Sysorex will indemnify the Former Lilien Member, and each person controlling Lilien or under common control of the Former Lilien Member, within the meaning of Section 15 of the Securities Act, with respect to any registration effected pursuant this Section 2, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) made in such registration, qualification or compliance, or based on any 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 any violation by Sysorex of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to Sysorex or the rules and regulations of any applicable stock exchange or quotation system where Sysorex's equity securities are listed and relating to action or inaction required of Sysorex in connection with any such registration, qualification or compliance, and will reimburse the Former Lilien Member for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action.

(e) To the extent permitted by applicable Law, the Former Lilien Member will indemnify Sysorex against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact made by the Former Lilien Member contained in the Registration Statement, or any prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated by the Former Lilien Member therein or necessary to make the statements by the Former Lilien Member therein not misleading, and will reimburse Sysorex for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action.

(f) Each party entitled to indemnification under this Section 2(f) (the 'Section 2(f) Indemnified Party") shall give notice to the party required to provide indemnification (the "Section 2(f) Indemnifying Party") promptly after such Section 2(f) Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Section 2(f) Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Section 2(f) Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Section 2(f) Indemnified Party (whose approval shall not unreasonably be withheld, conditioned or delayed) and the Section 2(f) Indemnified Party may participate in such defense at such party's expense (unless the Section 2(f) Indemnified Party shall have reasonably concluded that there may exist a material conflict of interest between the Section 2(f) Indemnifying Party and the Section 2(f) Indemnified Party in such action, in which case the fees and expenses of counsel shall be at the expense of the Section 2(f) Indemnifying Party), and provided, further, that the failure of any Section 2(f) Indemnified Party to give notice as provided herein shall not relieve the Section 2(f) Indemnifying Party of its obligations hereunder except to the extent that the Section 2(f) Indemnifying Party is materially prejudiced thereby. No Section 2(f) Indemnifying Party in the defense of any such claim or litigation shall, except with the consent of each Section 2(f) Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed), consent to entry of any judgment or enter into any settlement that does not release such Section 2(f) Indemnified Party from all liability in respect to such claim or litigation. Each Section 2(f) Indemnified Party shall furnish such information regarding itself or the claim in question and such other support as any Section 2(f) Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(g) If the indemnification provided for in this Section 2(g) is held by a court of competent jurisdiction to be unavailable to a Section 2(f) Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then the Section 2(f) Indemnifying Party, in lieu of indemnifying such Section 2(f) Indemnified Party hereunder, shall contribute to the amount paid or payable to such Section 2(f) Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Section 2(f) Indemnifying Party on the one hand and of the Section 2(f) Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Section 2(f) Indemnifying Party and of the Section 2(f) Indemnified Party shall be determined by reference to, among other things, whether the untrue (or alleged untrue) statement of a material fact or the omission (or alleged omission) to state a material fact relates to information supplied by the Section 2(f) Indemnifying Party or by the Section 2(f) Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(h) For not more than thirty (30) consecutive days or for a total of not more than ninety (90) days in any twelve (12) month period, Sysorex may delay the disclosure of material non-public information concerning Sysorex, by suspending the use of any prospectus, offering circular or other document (including any related registration statement, notification or the like) prepared in connection with any registration to be effected pursuant this Section 2(h) containing such information, if, upon advice of counsel, such action is reasonably necessary to avoid a violation of any federal or state securities Laws and cause a potential material liability to Parent (an "Allowed Delay"); provided, that Sysorex shall promptly (1) notify the Former Lilien Member in writing of the existence of material non-public information giving rise to an Allowed Delay, (2) advise the Former Lilien Member in writing to cease all sales under the Registration Statement until the end of the Allowed Delay and (3) use commercially reasonable efforts to terminate an Allowed Delay as promptly as practicable.

SECTION 3. If Sysorex merges or consolidates with any other entity, or if Sysorex sells all or substantially all of its assets, then, at the request and option of a representative of the Former Lilien Member, at the option of each Former Lilien Member, either Sysorex will purchase the remaining Shares held by such Former Lilien Member pursuant to this Agreement at a purchase price equal to $1.00 per share or the Former Lilien Member will receive his or her respective Shares or any proceeds or stock to which they would be entitled as Sysorex stockholders and the Guaranty shall terminate.

SECTION 4. The parties acknowledge that their breach or impending violation of any of the provisions of this Agreement may cause irreparable damage to the other party for which remedies at law would be inadequate. Each party therefore agrees that the other party shall be entitled to a decree or order by any court of competent jurisdiction enjoining such impending or actual violation of any of such provisions. Such decree or order, to the extent appropriate, shall specifically enforce the full performance of any such provision by the breaching or potentially breaching party, and each of the parties hereby consents to the jurisdiction of any such court of competent jurisdiction, state or federal, sitting in the State of California. This remedy shall be in addition to all other remedies available to the parties at law or equity. If any portion of this Section 4 is adjudicated to be invalid or unenforceable, this Section 4 shall be deemed amended to delete therefrom the portion so adjudicated, such deletion to apply only with respect to the operation of this Section 4 in the jurisdiction in which such adjudication is made.

SECTION 5. Subject to Section 8 hereunder, this Agreement shall insure to the benefit of and be binding upon Sysorex, its successors and assigns, and upon the Former Lilien Member, his heirs, executors, administrators, legatees and legal representatives.

SECTION 6. Should any part of this Agreement, for any reason whatsoever, be declared invalid, illegal, or incapable of being enforced in whole or in part, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any portion which may for any reason be declared invalid.

SECTION 7. This Agreement shall be construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed in such State without application of the principles of conflicts of laws of such State.

SECTION 8. This Agreement and all rights hereunder are personal to the parties and shall not be assignable, and any purported assignments in violation thereof shall be null and void.

SECTION 9. (a) All notices, requests, consents, and demands by the parties hereunder shall be delivered by hand, recognized national overnight courier or by deposit in the United States Mail, postage prepaid, by registered or certified mail, return receipt requested, addressed to the party to be notified at the address set forth below:

(i) If to the Former Lilien Member to:

_____
_____
_____

With a copy (which shall not constitute notice) to:

Dudnick Detwiler Rivin & Stikker LLP
351 California Street, 15th Floor
San Francisco, CA 94104
Attention: Jeffrey B. Detwiler, Esq.
Facsimile: (415) 982-1401

(ii) If to Sysorex to:

Sysorex Global Holdings Corp.
3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Attention: Nadir Ali, CEO
Facsimile: (650) 649-1940

With a copy (which shall not constitute notice) to:

Davidoff Hutcher & Citron LLP
605 Third Avenue, 34th Floor
New York, NY 10158
Attention: Elliot H. Lutzker, Esq.
Telecopier No.: (212) 286-1884

(b) Notices given by mail shall be deemed effective on the earlier of the date shown on the proof of receipt of such mail or, unless the recipient proves that the notice was received later or not received, three (3) days after date of mailing thereof. Other notices shall be deemed given on the date of receipt. Any party hereto may change the address specified herein by written notice to the other parties hereto.

SECTION 10. The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this Agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and said terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this Agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.

[SIGNATURE PAGE TO FOLLOW]

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

FORMER LILIEN MEMBER

_____

[NAME]

SYSOREX GLOBAL HOLDINGS CORP.

By: _____

NADIR ALI, CEO

EXHIBIT 2.02(B)

FORM OF

GUARANTY AGREEMENT

GUARANTY AGREEMENT (the "Guaranty") dated as of March __, 2013 (the "Closing Date") by and among Sysorex Global Holdings Corp., a Nevada corporation, having an address at 3375 Scott Blvd., Suite 440, Santa Clara, California 94054 (together with its successors and assigns, "Sysorex") and _____, ("Former Lilien Member").

W I T N E S S E T H:

WHEREAS, Sysorex has agreed to purchase substantially all of the assets and liabilities of Lilien, LLC, a Delaware limited liability company, including the capital stock of its wholly-owned subsidiary, Lilien Systems (together, "Lilien"), pursuant to an Asset Purchase and Merger Agreement effective and entered into on March 1, 2013 (the "Purchase Agreement") by and between Lilien and Sysorex. All capitalized terms not defined herein shall have the same meaning as set forth in the Purchase Agreement;

WHEREAS, Lilien has agreed to exchange all of the capital stock of Lilien Systems in consideration of the issuance of an aggregate of 6,000,000 shares of Common Stock of Sysorex (the "Sysorex Distributed Shares") to be distributed to the Former Lilien Member and other members of Lilien pursuant to the Purchase Agreement;

WHEREAS, pursuant to Section 2.02(A)(c)(i) of the Purchase Agreement, Sysorex will transfer to the Former Lilien Member _____ of the Sysorex Distributed Shares (the "Guaranteed Shares");

WHEREAS, pursuant to 2.02(A)(c)(ii) of the Purchase Agreement, the Former Lilien Member has entered into a Lock-Up/Leak-Out Agreement (the "Lock-Up/Leak-Out") under which the Former Lilien Member has agreed to not sell, transfer or otherwise dispose of the Guaranteed Shares except as specified in the Lock-Up/Leak-Out; and

WHEREAS, pursuant to Section 2.02(B) of the Purchase Agreement, Sysorex has guaranteed the amount of the Guaranteed Proceeds (as defined in Section 2.02(B)(i)) from the sale of the Guaranteed Shares when sold pursuant to the terms and conditions of the Lock-Up/Leak-Out and in accordance with the terms and conditions of this Guaranty and subject to the Claw-back, described below.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants appearing in this Guaranty, the parties hereto hereby agree as follows:

Section 1.

(a) If all of the Guaranteed Shares are sold pursuant to the Lock-Up/Leak-Out and the terms and conditions of this Guaranty by the end of the Guaranty Period (defined in Section 2.02(B)(ii)) then Sysorex shall pay to the Former Lilien Member the difference between $1.00 per Guaranteed Share and the cumulative price for which Former Lilien Member sells all of the Guaranteed Shares, less customary commissions ("Guaranteed Proceeds").

Section 2.

(a) A Shortfall in the Guaranteed Proceeds shall be calculated at: the earlier of (A) (24) months from the Closing Date, or (B) the sale of all of the Guaranteed Shares (the "Guaranty Period"). For purposes of this Guaranty, a "Shortfall" is defined as the difference between the Guaranteed Proceeds and the actual cumulative proceeds the Former Lilien Member receives from the sale of all of the Guaranteed Shares. At the end of the Guaranty Period, if the Former Lilien Member is unable to sell any Shares, such Former Lilien Member shall have an option for a ten (10)-day period commencing at the end of the Guaranty Period, to put all, but not less than all, of such Former Lilien Member's unsold Guaranteed Shares to Sysorex, for the purchase price of $1.00 per unsold Guaranteed Share. Payment by Sysorex shall be due in full within 120 days from the receipt of the put Guaranteed Shares. To the extent any Guaranteed Shares are not sold by the Former Lilien Member prior to the end of the Guaranty Period and have not been put to Sysorex for repurchase as discussed above, the Guaranty shall not apply to such unsold Guaranteed Shares.

(b) Notwithstanding the foregoing Guaranty by Sysorex, in the event the gross profit for the calendar years ending December 31, 2013 and 2014, attributed to the Business Assets (as defined in the Purchase Agreement) are more than twenty (20%) percent below the Forecast attached hereto as Exhibit A, the Guaranty shall be proportionately reduced (the "Claw-Back"). By way of example, in the event the gross profit attributed to the Business Assets for the fiscal year ended either December 31, 2013 or 2014, is 50% less than the projected amount set forth in Exhibit A, the Guaranty shall be reduced to $0.50 per Guaranteed Share (in the aggregate, $3,000,000 for all of the Sysorex Distributed Shares subject to this Guaranty or similar guaranties).

(c) Former Lilien Member shall prepare and deliver to Sysorex within one month after the end of the expiration of the Guaranty Period a cumulative statement, supported by documentation reflecting all sales of Guaranteed Shares by him, if not previously provided, and stating the amount, if any, to be paid by Sysorex to him pursuant to the terms of this Guaranty, subject to the Claw-Back.

(d) In the event that Former Lilien Member offers, sells, transfers or otherwise disposes of the Guaranteed Shares in violation of the Lock-Up/Leak-Out, without the prior written consent of Sysorex, the Guaranty shall not apply to the proceeds received from such sale and the Guaranty for that Former Lilien Member (not joint and several with other former Lilien Members) shall from that time be null and void.

Section 3. Subject to Section 6 hereunder, this Agreement shall inure to the benefit of and be binding upon Sysorex, its successors and assigns, and upon the Former Lilien Members, their heirs, executors, administrators, legatees and representatives.

Section 4. Should any part of this Guaranty, for any reason whatsoever, be declared invalid, illegal, or incapable of being enforced in whole or in part, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this Guaranty had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Guaranty without including therein any portion which may for any reason be declared invalid.

Section 5. This Guaranty shall be construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed in such State without application of the principles of conflicts of laws of such State.

Section 6. This Guaranty and all rights hereunder are personal to the parties and shall not be assignable, and any purported assignment in violation thereof shall be null and void.

Section 7.

(a) All notices, requests, consents, and demands by the parties hereunder shall be delivered by hand, recognized national overnight courier or by deposit in the United States Mail postage prepaid, by registered or certified mail, return receipt requested, addressed to the party to be notified at the address set forth below:

If to the Former Lilien Member to:

_____
_____
_____

With a copy to:

Dudnick Detwiler Rivin & Stikker LLP
351 California Street, 15th Floor
San Francisco, CA 94104
Attention: Jeffrey B. Detwiler
Facsimile: (415) 982-1401

If to Sysorex to:

Sysorex Global Holdings Corp.
3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Attention: Nadir Ali, CEO
Facsimile: 650-649-1940

With a copy to:

Davidoff Hutcher & Citron LLP
605 Third Avenue
New York, NY 10158
Attention: Elliot H. Lutzker, Esq.
Facsimile. (212) 286-1884

(b) Notices given by mail shall be deemed effective on the earlier of the date shown on the proof of receipt of such mail or, unless the recipient proves that the notice was received later or not received, three (3) days after the date of mailing thereof. Other notices shall be deemed given on the date of receipt. Any party hereto may change the address specified herein by written notice to the other parties hereto.

Section 8. In the event that Sysorex fails to make a payment for a Shortfall in the Guaranteed Proceeds in accordance with Section 2 hereof within thirty (30) days after such payment is due, Sysorex shall be in default under this Guaranty with respect to such payment ("Default Payment"). Upon such default by Sysorex, the Former Lilien Members shall be entitled to recover the aggregate Shortfall entirely in cash and may declare a default under the Purchase Agreement and pursue all remedies to which they are entitled to the extent necessary to relieve such default. This Guaranty shall otherwise remain in full force and effect. The failure of any party to insist upon the strict performance of any of the terms, conditions and provisions of this Guaranty shall not be construed as a waiver or relinquishment of future compliance therewith, and said terms, conditions and provisions shall remain in full force and effect. No waiver of any term or any condition of this Guaranty on the part of any party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty as of the day and year first written above.

SYSOREX GLOBAL HOLDINGS CORP.

By: _____
Nadir Ali, CEO

FORMER LILIEN MEMBER

_____
[NAME]

EXHIBIT 2.04(a)

FORM OF

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

This BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Bill of Sale"), dated as of March ____, 2013, is by and between Lilien, LLC, a Delaware limited liability company (the "Seller") and Sysorex Global Holdings Corp., a Nevada corporation (the "Buyer"). All capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the APAMA (as defined below).

WITNESSETH

WHEREAS, the Buyer and Seller are parties to an Asset Purchase and Merger Agreement dated as of March 1, 2013 (the "APAMA"), which provides for, among other things, the sale, assignment, transfer and delivery by the Seller to the Buyer of the Seller's rights, title and interest in certain assets of Seller ("Seller's Assets").

WHEREAS, the Seller desires to sell, assign, transfer and deliver all right, title and interest in the Seller's Assets as described in the APAMA.

NOW, THEREFORE, in consideration of the premises contained in, and the execution and delivery of, the APAMA and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Purchase and Sale of Assets. The Seller does hereby irrevocably sell, assign, transfer and deliver to Buyer, its successors and assigns, and Buyer hereby accepts all of the Seller's right, title and interest in and to all of the Seller's Assets (other than the Excluded Assets) including, but not limited to, the Accounts Receivables referenced in Exhibit A attached hereto to the extent such Accounts Receivables remain Accounts Receivables as of the date of this Bill of Sale.

2 . Assumption of Liabilities. The Buyer hereby assumes as of the date hereof, and agrees to pay, perform, satisfy and discharge when due, as appropriate, all of the Seller's Liabilities.

3 . Retention of Excluded Liabilities. Other than as set forth in Section 2 above, the Buyer is not assuming and the Buyer shall not assume or otherwise be obligated to pay, perform, satisfy or discharge any Excluded Liability or any other liability or obligation of the Seller or its affiliates.

4 . Scope of Bill of Sale. Except as specifically stated in this Bill of Sale, nothing contained in this Bill of Sale shall in any way replace or in any way modify or otherwise affect the provisions of the APAMA, including any of rights or obligations of the Buyer and/or the Seller under the APAMA.

5 . Further Assurances. The Seller hereby covenants and agrees that, at any time and from time to time after the delivery of this Bill of Sale, at the Buyer's request and expense, the Seller, its successors and assigns will, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, any and all such further acts, conveyances, transfers, assignments, powers of attorney and assurances as the Buyer reasonably may require to more effectively carry into effect the intent and purposes of this Bill of Sale. The Buyer hereby covenants and agrees that, at any time and from time to time after the delivery of this Agreement, at the Seller's request and expense, the Buyer, its successors and assigns will, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, any and all such further acts, assumptions, powers of attorney and assurances as the Seller reasonably may require to more effectively carry into effect the intent and purposes of this Agreement.

6. Contracts and Other Obligations Requiring Consent to Assignment. Notwithstanding anything to the contrary contained in this Bill of Sale, neither this Bill of Sale nor any document or instrument delivered pursuant hereto shall constitute an assignment of any contract, agreement, license, lease, commitment, sales order or purchase order or any claim or right or any benefit arising thereunder or resulting therefrom if an attempted assignment thereof without the consent of any other person or entity would constitute a breach thereof or in any way adversely affect the rights to be assigned. Until such consent is obtained, or if an attempted assignment thereunder would be ineffective or would affect rights thereunder so that the Buyer would not in fact receive all such rights, the parties will cooperate with each other to provide for the Buyer the benefits of, and to permit the Buyer to assume all liabilities under, any such claim, contract, agreement, license, lease, commitment, sales order or purchase order, including enforcement at the request and expense of the Buyer for the benefit of the Buyer of any and all rights against a third party thereto arising out of the breach or cancellation thereof by such third party; and any transfer or assignment to the Buyer of any property or property rights or any contract or agreement which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. The parties shall each use their commercially reasonable efforts to obtain any required consents to assignments, including, but not limited to: (i) any consents required in connection with the Material Contracts referenced in Schedule 3.17 to the APAMA and listed on Exhibit B attached hereto; and (ii) within ninety (90) days of the Closing Date, any consents required in connection with the Leased Properties referenced in Schedule 3.11(c) to the APAMA and listed on Exhibit C attached hereto. In addition, each party shall use commercially reasonable efforts to deliver the post closing deliverables stated on Exhibit D attached hereto.

7. Waiver of Breach for Post Closing Items. Notwithstanding any provision of the APAMA or this Bill of Sale, neither party shall be in breach of any covenants or warranties of the APAMA or this Bill of Sale, for failure to deliver any consents, documents or items listed in Exhibit B, Exhibit C or Exhibit D of this Bill of Sale by the Closing Date. In addition, Seller shall not be in breach of any such warranty or covenant for failure to deliver such notices required by Section 6.08 of the APAMA, so long as such notices are delivered in accordance with the provisions of Exhibit D.

8. Modification; Assignment. This Bill of Sale may not be amended or terminated except by a written instrument duly signed by each of the parties hereto. This Bill of Sale shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.

9 . Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts or choice of law rules.

10. Counterparts. This Bill of Sale may be executed in two counterparts, each of which shall be deemed an original, but all of which shall be considered one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Bill of Sale, Assignment and Assumption Agreement has been signed by or on behalf of each of the parties as of the date first written above.

SELLER
LILIEN, LLC

By: _____
Geoffrey Lilien, Manager

BUYER

SYSOREX GLOBAL HOLDINGS CORP.

By: _____
Nadir Ali, CEO

EXHIBIT A

[SEE FOLLOWING PAGES]

EXHIBIT B

Customer Contracts.

1. Consulting Services Agreement dated February 8, 2010 between Seller and JDS Uniphase Corporation
2. Master Independent Contractor Agreement dated as of July 17, 2007 by and between Seller and E. & J. Gallo Winery
    - Project Work Order #6 dated October 25, 2012 between Seller and E. & J. Gallo Winery and related purchase orders
    - Project Work Order #5 dated March 3, 2011 between Seller and E. & J. Gallo Winery and related purchase orders
3. IT Master Services Agreement dated July 30, 2012 between Gilead Sciences, Inc. and Seller
4. Master Agreement signed by Seller on November 8, 2010 between World Vision, Inc. and Seller
5. System Purchase Agreement dated May 21, 2012 between Seller and City of Bellevue and related addenda
6. Short Form Contract signed by Seller on August 30, 2010 between Seller and San Francisco Community College District
7. Contract Agreement No. 313980 dated July 31, 2009 between State Compensation Insurance Fund and Seller
8. Credit Agreement between Seller and Riot Games and related Statement of Work
9. Professional Services, Software and Hardware Agreement dated October 29, 2012 between the City of Oakland and Seller
10. Professional Services Agreement dated as of November 1, 2010 by and between Trustees of the Estate of Bernice Pauahi Bishop d/b/a Kamehameha Schools and Seller
11. Master Services Agreement dated November 10, 2011 between Health Net, Inc. and Seller

- Statement of Work No. 2 dated December 16, 2011
- Statement of Work No. 3 dated January 4, 2012

12. Agreement for Purchase of Products dated as of March 15, 2011 between Health Net, Inc. and Seller and amendments thereto

13. General Services Agreement dated May 1, 2011 between Hawaiian Electric Company, Inc. and Seller

14. General Services Contract dated June 1, 2012 between Hawaiian Electric Company, Inc. and Seller

15. Professional Services Master Agreement dated July 1, 2010 between Bio-Rad Laboratories, Inc. and Seller, as amended by that First Amendment to Professional Services Master Agreement dated August 1, 2011 between Bio-Rad Laboratories, Inc. and Seller

16. Professional Services, Software and Hardware Agreement dated as of _____ ___,. 2013 between the City of Oakland and Seller

17. Professional Services, Software and Hardware Agreement dated as of December 6, 2012 between the City of Kirkland and Seller

18. System Purchase Agreement dated as of May 21, 2012 by and between the City of Bellevue and Seller

Supplier Agreements

19. Sales Agent Agreement dated as of October 4, 2011 by and between Dell Management, L.P. and Seller

20. Master Price Agreement (WSCA Indirect Value Added Reseller Agreement) dated as of March 15, 2012 by and between EMC Corporation and Seller

21. Reseller Agreement dated as of March 6, 2012 by and between eVault, Inc. and Seller

22. Certified Partner Reseller Agreement dated as of May 28, 2009 by and between EVault, A Seagate Company (f/k/a i365, Inc.) and Seller and related addenda

23. Reseller Authorization Agreement dated as of October 4, 2007 by and between Network Appliance, Inc. and Seller and Amendment Nos. 1 and 2 thereto

24. Oracle Partner Network Full Use Distribution Agreement dated as of June 28, 2011 between Oracle Amercias, Inc. and Seller/Lilien Corp. and related attachment

25. Services Distribution Agreement dated as of May 16, 2011 by and between Hewlett-Packard Company and Seller

26. Hewlett-Packard Company U.S. Business Development Partner Agreement dated as of November 19, 2003 by and between Hewlett-Packard Company and Lilien Corp. (through course of dealing HP has apparently acquiesced to the assignment of this agreement to Seller) and related addendum

27. Channel Partner Agreement dated as of March 14, 2007 by and between CommVault Systems, Inc. and Lilien Corp.

28. CommVault Support Agreement dated as of March 27, 2009 by and between Kaiser Foundation Hospital and Seller as amended by that certain Amendment effective March 27, 2013

29. Professional Services Subcontractor Agreement dated as of December 3, 2006 by and between VMware and Lilien Corp.

30. General Program Reseller Agreement dated as of June 14, 2010 by and between VMware and Seller

31. Solution Provider/VAR/ Reseller Partner Agreement – North America dated as of September 4, 2012 by and between Red Hat and Seller

32. Symantec Partner Program Agreement dated as of _____ ___, _____ by and between Symantec and Seller

33. Indirect Channel Partner Agreement dated as of September 14, 2012 by and between Cisco and Seller

34. Reseller Agreement dated as of May 3, 2011 by and between F5 and Seller

35. Microsoft Partner Network Agreement dated as of May 27, 2011 by and between Microsoft Corporation and Seller

36. US Partner Agreement dated as of January 28, 2005 by and between Lilien Corp. and Avnet

37. IBM PartnerWorld Agreement dated as of February 9, 2011 by and between International Business Machines, Inc. and Seller

EXHIBIT C

1. Commercial Lease Agreement dated October 17, 2012 by and between Christopher, Greg and Thomas Curtin and Seller (Carlsbad, California)

2. Lease Agreement dated as of May 18, 2004 by and between Hospice of Marin Foundation and Lilien Corp., and Addenda #1 and #2 thereto, as Amended by Amendment #1 thereto pursuant to which tenant switched from Lilien Corp. to Seller (Larkspur, California)

3. Office Lease dated as of October 16, 2012 by and between Bellevue Lincoln Plaza LLC and Seller (Bellevue, Washington)

4. Office Lease Agreement dated as of August 31, 2012 by and between PS Business Parks, L.P. and Seller (Beaverton, Oregon)

5. Lease dated as of December 5, 2007 by and between Davies Pacific, LLC and Seller as amended by that certain First Amendment of Lease dated November 26, 2008 and **(prior notice and assumption by assignee required)**

EXHIBIT D

1. The "Exhibit A" bonus schedules to each of the Employment Agreements referenced in Schedule 7.01 of the APAMA;

2. The parties hereby agree that the delivery of facsimiles of the Sysorex Shares by Buyer to Seller at the Closing Date, with original certificates being delivered by Buyer to Seller by mail within two business days following the Closing Date, shall satisfy the requirements of 2.04(d) of the APAMA.

3. The Seller shall deliver executed, un-notarized copies of the General Releases to Buyer on the Closing Date with executed, notarized copies to be delivered by Seller to Buyer within five (5) business days following the Closing Date.

4. The Seller shall make all reasonable efforts to deliver the notices referenced in Section 6.08 of the APAMA within a commercially reasonable period following the Closing Date.

5. Seller shall deliver certificates of good standing for the Seller from Hawaii, California, Oregon and Washington within five (5) business days following the Closing Date.

EXHIBIT 7.01

FORM OF

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") effective March ___, 2013 (the "Effective Date") by and between Lilien Systems, a California corporation ("Lilien"), and _____ (the"Executive") (collectively, the "Parties").

WHEREAS, Lilien desires to employ Executive and to enter into an agreement embodying the terms of such employment; and

WHEREAS, Executive desires to become employed with Lilien on the terms and conditions set forth herein and enter into such agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the Parties agree as follows:

1. Effectiveness; Term of Employment.

a. Effectiveness. This Agreement shall constitute a binding agreement between the parties as of the date hereof.

b. Term of Employment. The term of this Agreement shall commence on the Effective Date and shall continue until the second year anniversary date hereafter unless terminated pursuant to Paragraph 7 below (the "Term").

2. Position.

a. During the Term, Executive shall serve as: _____ of Lilien, a wholly-owned subsidiary of Sysorex Global Holdings Corp. (the "Company") and as a member of the Initial Board (as defined in Section 7(b)(iii)). In general, Executive shall have and perform such duties as those for which Executive was responsible prior to the acquisition of Lilien by the Company on the date hereof. Executive shall have the authority_____. However, HR, accounting and finance will be the responsibility of the Company's CFO. Executive will have and perform other duties as shall be determined from time to time by the Company's Board of Directors consistent with Executive's position.

b. During the Term, Executive will devote his full business time and efforts (excluding periods of vacation and sick days) to the performance of Executive's duties hereunder, and will not engage in any other business, profession or occupation which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board, which consent shall not unreasonably be withheld. Executive may: (i) engage in personal investment activities (including for Executive's immediate family); (ii) serve on the boards of nonprofit organizations and business entities; and/or (iii) be involved in other organizations, in each case provided that any of such activities do not materially interfere with Executive's performance of his duties for Lilien or create a conflict of interest with that of Lilien. Specifically, Executive and his immediate family shall be prohibited from having an ownership interest in or be employed by any other company besides Lilien or the Company or which has a joint venture or equivalent relationship with any company which competes directly with Lilien.

c. For the purposes of this Agreement, control or participation in any competing business shall be deemed to include (but shall not be limited to) ownership in excess of three percent (3%) of the aggregate capital stock of such competing business.

d . Subject to such travel as the performance of Executive's duties may reasonably be requested by the Company's Board, Executive shall perform the duties required of him by this Agreement in his office located in Larkspur, California.

3. Compensation.

a . Base Salary. Executive's Gross Base Salary, is hereinafter referred to as "Base Salary." During the term, Lilien shall pay to Executive an annual Base Salary at the rate of $_____, paid in accordance with Lilien's regular payroll practices, but not less frequently than monthly. Executive's Base Salary will be subject to all appropriate legally required tax deductions.

b . Bonus. In addition to Base Salary, Executive shall be entitled to incentives based on a compensation plan to be agreed to between Lilien and the Executive, as the same may be amended, modified or supplemented from time to time ("Incentives"). During the Term, the determination of whether to authorize additional bonuses and the timing and amount of such bonuses, shall be made by the Board in its discretion.

4. Benefits and Insurance.

a . Executive Benefits. During the Term, Executive shall be entitled to participate in Lilien's and/or the Company's employee and/or executive benefit plans (other than any annual incentive or other compensation or severance plans or programs, which benefits are set forth in this Agreement) as in effect from time to time (collectively "Executive Benefits"), on the same basis as those benefits are generally made available to other senior Lilien executives. Such Executive Benefits shall include, but not be limited to, health, dental, defined contribution plan, executive automobiles, disability and life insurance benefits. Lilien reserves the right to change or cancel any Executive Benefits at its sole discretion, except as specifically set forth in this Agreement.

b . Directors and Officers Liability Insurance. During the Term, and for a reasonable period (not less than one year) thereafter, the Company shall maintain Directors and Officers liability insurance coverage for Executive in a total coverage amount determined by the Board to be reasonable, provided that, if Executive's employment is terminated for "Cause" or Executive resigns his employment without "Good Reason," each term as defined herein, the Company may, at its discretion, elect not to maintain Directors and Officers liability insurance coverage for Executive after Executive's termination date.

5 . Business Expenses. During the Term, Lilien shall reimburse Executive for, or pay on behalf of Executive, all reasonable and customary business expenses, including, but not limited to, travel expenses incurred by Executive in the performance of Executive's duties hereunder**.**

6. Vacations. During the Term, Executive shall be entitled to _____ paid days of vacation annually and such other time off as is provided under the Lilien employee manual. Up to _____ days of paid vacation may be accrued and used in the following years.

7 . Termination. The Executive's employment hereunder shall continue from the effective date of this Agreement through the end of the Term, unless terminated earlier by Lilien or by Executive pursuant to this Paragraph 7. Lilien and Executive agree to enter into good faith negotiations for any successor agreement or extension of the Term no later than 6 months prior to the expiration of the Term, unless Lilien provides notice to Executive of its intention not to extend the Agreement with Executive. No later than 6 months prior to the expiration of the Term, Lilien shall submit written notice to Executive indicating Lilien's intent to initiate negotiations for a successor Agreement, extend the Term, or not to extend the Agreement with Executive. Executive shall respond to Lilien, in writing, no later than 20 days after receipt of Lilien's request.

a. Termination By the Company For Cause; Resignation By Executive Without Good Reason

(i) The Term and Executive's employment hereunder may be terminated by Lilien for Cause (as defined herein). Additionally, Executive's employment shall terminate automatically upon Executive's resignation without Good Reason (as hereinafter defined).

(ii) For purposes of this Agreement, "Cause" shall mean: (A) Executive's indictment for, or plea of nolo contendere to a felony under the laws of the United States or any state thereof or a misdemeanor involving moral turpitude; (B) Executive's material fraud in connection with Executive's duties hereunder which is materially injurious to the financial condition or business reputation of Lilien; provided, that no such termination shall be effective as a termination for "Cause" unless Executive has been given written notice by the Board of its intention to terminate Executive's employment for Cause, stating the grounds for such purported termination and Executive has had an opportunity to address such allegations with the Board; or (C) in the event the gross profit for the calendar years ending December 31, 2013 and 2014 attributable to Lilien are more than twenty-five (25%) percent below the Gross Profit Projections for Lilien (Exhibit A) provided by, and agreed to, by Executive.

(iii) If Executive's employment is terminated by Lilien for Cause or if Executive resigns without Good Reason (as hereinafter defined), Executive shall be entitled only to receive:

(A) Executive's Base Salary earned through the date of Executive's termination;

(B) reimbursement for any business expenses properly incurred by Executive in accordance with Lilien policy prior to the date of Executive's termination;

(C) such Executive Benefits, if any, pursuant to Paragraph 4 herein as to which Executive may be entitled as of the effective date of termination under the employee benefit plans of Lilien;

The amounts described in clauses 7(a)(iii)(A) through (C) are referred to herein as the "Accrued Rights".

b . Termination by Lilien Without Cause; Resignation by Executive for Good Reason; Termination Due to Change in Control.

(i) The Term and Executive's employment hereunder may be terminated by Lilien without Cause, or by Executive's resignation for Good Reason (as defined below), or due to a Change in Control (as defined below).

(ii) For purposes of this Agreement, "Good Reason" shall mean only: (A) the failure of Lilien to pay or cause to be paid, or to provide or cause to be provided, any part of Executive's compensation, benefits or perquisites when due hereunder that is not applicable to all other senior executives, or failure to provide a work atmosphere free from hostilities; (B) any diminution in Executive's title, position, authority responsibilities from those described herein, except in connection with Lilien's successorship plan or planning as duly authorized by the Board; (C) relocation of the Company's offices by more than fifty (50) miles from its current offices; or (D) failure of any successor company that acquires assets or stock of Lilien to assume the Agreement and the obligations hereunder, except in connection with Lilien's successorship plan or planning as duly authorized by the Board; provided that the events described in clauses (A) through (D) of this Paragraph 7(b)(ii) shall constitute Good Reason only if Lilien fails to cure such event to Executive's reasonable satisfaction within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason. Executive's determination that Good Reason exists shall be subject to review, at Lilien's election, through arbitration in accordance with Paragraph 13 herein.

(iii) The Term and Executive's employment hereunder may be terminated by Executive upon a Change in Control (as defined below) of Lilien. For purposes of this Agreement, "Change in Control" shall occur in the event that, during any period of three (3) consecutive months commencing after the date of this Agreement, a majority of the Board is not comprised of any combination of (A) Board members as of the date of the Agreement (collectively, the "Initial Board"); (B) individuals recommended by a majority of the Initial Board to succeed members of the Initial Board; and (C) individuals added to the Initial Board by decision of a majority of the Initial Board. "Change in Control" shall also occur in the event Executive is removed or otherwise loses his seat on the Board against his wishes.

(iv) If the Term and Executive's employment is terminated by Lilien without Cause or, if Executive resigns for Good Reason, or due to a Change in Control (each term as defined above), Executive shall be entitled only to receive, in addition to all Accrued Rights:

(A) the amount equal to one year of Executive's Base Salary, payable in monthly installments equal to Executive's monthly Base Salary for the twelve (12) months beginning with Lilien's payroll date following Executive's date of termination.

(B) all non-vested shares of Company stock or other non-vested option or equity grants to Executive shall vest on the date of termination;

(C) such Executive Benefits, if any, pursuant to Paragraph 4 herein as to which Executive may be entitled for a period of one year immediately following Executive's date of termination;

(D) payment of premiums by Lilien for health, disability, long term care and life insurance coverage equivalent to that provided to Executive pursuant to Lilien's benefit plans through the end of the Term. Executive may elect continuation of health coverage under COBRA, as eligible;

(E) Directors and Officers liability insurance coverage in a total coverage amount determined by the Board to be reasonable for a period of one year after Executive's termination date.

c. Termination Due to Death.

(i) The Term and Executive's employment hereunder shall terminate upon Executive's death. Upon termination of the Term and Executive's employment hereunder for Executive's death, Executive's spouse or estate (as the case may be) shall be entitled only to receive the Accrued Rights.

d. Termination Due to Disability.

(i) The term "Disability" shall mean if Executive becomes physically or mentally incapacitated and is therefore unable to perform the essential functions of Executive's position as President for a consecutive period of three (3) months during the Term.

(ii) Upon termination of the Term and Executive's employment hereunder for Executive's Disability, Executive shall be entitled only to receive:

(A) the Accrued Rights;

(B) for the first six months of Executive's Disability, the sum of Executive's then-current Base Salary and Target Annual Incentive, each prorated for such six month period;

(C) for the remaining Term (which period shall commence on the first day after the period set forth in 7(d)(ii)(B) above), the sum of Executive's then-current Base Salary and Incentives (assuming performance at 100% of targets and achievement of all MBO objectives), less all amounts Executive received pursuant to applicable disability insurance policies covering Executive for such period (including but not limited to all disability insurance policies provided to Executive by the Company);

e . **Notice of Termination.** Any purported termination of the Term and Executive's employment by Lilien or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated, provided that the procedures set forth in Paragraph 7(a)(ii) and 7(b)(ii) herein must be complied with in respect of any termination by Lilien for "Cause" or resignation by Executive for "Good Reason."

8. Confidential Information.

a . Executive will not at any time (whether during or after Executive's employment with Lilien) retain or use for the benefit, purposes or account of Executive or any other Person or disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside of Lilien (other than its professional advisers who are bound by confidentiality obligations or as otherwise required in connection with the proper performance of his duties on behalf of Lilien), any non-public, proprietary or confidential information -- including without limitation trade secrets, know-how, research and development, strategies, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, profits, pricing, costs, products, services, vendors, customers, clients, partners, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions -- concerning the past, current or future business, activities and operations of Lilien and/or any third party that has disclosed or provided any of same to Lilien on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

b . "Confidential Information" shall not include any information that is: (a) generally known to the industry or the public other than as a result of Executive's breach of this covenant or any breach of other confidentiality obligations by third parties; (b) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (c) required by law or legal process to be disclosed; provided that Executive shall give prompt written notice to Lilien of such requirement, disclose no more information than is so required, and reasonably cooperate with any attempts by Lilien to obtain a protective order or similar treatment at Lilien's sole expense.

c . Except as required by law, Executive will not disclose to anyone, other than Executive's immediate family and legal and other professional advisors, or as he may be compelled by law or legal process, the contents of this Agreement; provided that Executive may disclose to any prospective future employer the provisions of Paragraph 8 of this Agreement provided they agree to maintain the confidentiality of such terms, and may disclose the contents of this Agreement in order to enforce its terms.

d. Upon termination of Executive's employment with Lilien for any reason, Executive shall cease and not thereafter commence use of any Confidential Information owned or used by Lilien, and upon notification from the Company shall destroy, delete, or return to Lilien, at Lilien's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or is otherwise the property of Lilien, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information.

The provisions of this Paragraph 8 shall survive the termination of Executive's employment with Lilien for any reason.

9. Intellectual Property.

a. If Executive creates, invents, designs, develops, contributes to or improves any United States or foreign works of authorship, design, program, software, source code, inventions, materials, documents, inventions, trade secrets, processes, patent applications, patents, know-how, copyrightable subject matter, and/or other intellectual property or work product of any kind (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials), either alone or with third parties, at any time during the Term and within the scope of Executive's employment and/or with the use of any Lilien resources ("Lilien Works"), Executive shall promptly and fully disclose same to Lilien, hereby irrevocably relinquishes for the benefit of Lilien and its assigns any rights Executive may have to Lilien Works, and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to Lilien to the extent ownership of any such rights does not vest originally in Lilien, without further consideration.

b . During or after the Term, Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at Lilien's expense (but without further remuneration) to assist Lilien in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of Lilien's rights in Lilien Works.

c . The provisions of this Paragraph 9 shall survive the termination of Executive's employment for any reason.

10. Specific Performance. Executive acknowledges and agrees that Lilien's remedies at law for a breach or threatened breach of any of the provisions of Paragraphs 8 or 9, would be inadequate and Lilien would suffer irreparable damages as a result of such breach. In recognition of this fact, Executive agrees that, in the event of such a breach, in addition to any remedies at law, Lilien, without posting any bond, and without the necessity of proof of actual damages, shall be entitled to obtain injunctive relief restraining any threatened or further breach, or any other equitable remedy which may then be available.

11. Indemnification.

a. Lilien shall defend, indemnify and hold harmless Executive to the fullest extent of the law from and against any and all loss, liability, damage or expense (including reasonable attorney's fees and expenses incurred in connection with the investigation, defense or negotiation of a settlement thereof or otherwise) (collectively, "Losses") arising from any claim or threatened claim by any third party with respect to, or in any way related to, Lilien, this Agreement or Executive's services hereunder (collectively "Claim"). Executive shall give Lilien prompt notice of any such Claim known to him, and Lilien, in its sole discretion, then may take such action as it deems advisable to defend the Claim on behalf of the Executive. (The failure by Executive to give such a prompt notice shall not affect the right to indemnification except to the extent Lilien is materially prejudiced thereby.) Lilien shall have the sole and exclusive right to use counsel of its own choosing, shall control the defense of any such Claim in all respects, and shall have the sole and exclusive right to negotiate and settle any such Claim on behalf of Executive. Notwithstanding the foregoing, Executive shall have the right to employ his own legal counsel in defense of any Claim, with the reasonable fees and expenses of such counsel to be paid by Lilien, provided that Lilien determines that there exists a conflict of interest by reason of having common counsel in any such Claim. Executive shall cooperate fully with Lilien and its counsel in all respects in connection with the defense of any Claim and in any attempt made to settle the matter. Such indemnification shall be deemed to apply solely to (a) the amount of the judgment, if any, against Executive, (b) any sums paid by Executive in settlement, and (c) the expenses (including reasonable attorneys' fees and expenses) incurred by Executive in connection with its defense. Notwithstanding anything to the contrary contained herein, Executive shall not be entitled to indemnification for Losses under this Paragraph 13 for any claim or allegation made by Lilien against Executive arising out of Executive's breach of this Agreement; or if it is adjudicated by a court of competent jurisdiction that any Losses were the direct result of the gross negligence or willful misconduct by Executive and, if so proven, Executive shall reimburse Lilien for the costs of defense incurred by Lilien.

b. Notwithstanding anything elsewhere to the contrary, this Paragraph 11 shall survive the termination of this Agreement and shall survive any termination of Executive's employment.

12. No Mitigation; No Set Off. In the event of any termination of employment hereunder, Executive shall be under no obligation to seek other employment and there shall be no offset against any amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that Executive may obtain.

13. Arbitration. Any dispute between the parties arising out of this Agreement, including but not limited to any dispute regarding any aspect of this Agreement, its formation, validity, interpretation, effect, performance or breach, or the Executive's employment ("Arbitrable Dispute") shall be determined in accordance with the existing arbitration agreement between Executive and Lilien.

14. Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. The provisions of this Paragraph 14 shall survive the termination of this Agreement and shall survive any termination of Executive's employment. Notwithstanding anything herein to the contrary, if at the time of an Executive's termination of employment the Executive is a "specified employee" of a publicly traded company as defined in Code Section 409A (and any related regulations or other pronouncements thereunder) and the deferral of any payments otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Code Section 409A, then the Company shall defer such payments (without any reduction in such payments ultimately paid or provided to the Executive) until the date that is six months following the Executive's termination of employment (or the earliest date as is permitted under Code Section 409A).

15. Miscellaneous.

a . Governing Law. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to the conflict of laws provisions thereof. The parties hereto do hereby consent and submit to the venue and jurisdiction of the state and federal courts sitting in Santa Clara County, California, as the sole and exclusive forum for the enforcement of an award pursuant to arbitration or, if no arbitration agreement between the parties is in place or such agreement is deemed unenforceable, for the enforcement of this Agreement.

b . Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive by Lilien. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c . No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. Severability In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect. This Agreement may be assigned by Lilien solely to a person or entity which is an affiliate or a successor in interest to substantially all of the business operations of Lilien. Upon such assignment, the rights and obligations of Lilien hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Successors; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees of the Parties. Lilien shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Lilien to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Lilien would be required to perform it if no such succession had taken place. As used in this Agreement, "Lilien" shall mean Lilien and any successor to its business and/or assets, which assumes and agrees to perform this Agreement by operation of law, or otherwise. If Executive should die while any accrued amount would still be payable to him hereunder had he continued to live, the accrued amounts, with the exception of any life, disability or health insurance premiums, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee, or if there is no such designee, to his estate.

g . **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to Lilien:	LILIEN SYSTEMS 3375 Scott Blvd., Suite 440 Santa Clara, CA 94054 Fax: 703-886-7219 Attention: Nadir Ali, CEO
with a copy to:	DAVIDOFF HUTCHER & CITRON LLP 605 Third Avenue, 34th Floor New York, New York 10158 Fax: (212) 286-1884 Attention: Elliot H. Lutzker, Esq.
If to the Executive, to:	_____ _____ _____ _____
With a copy to:	_____ _____ _____ _____

h . **Executive Representations**. Executive hereby represents to Lilien that the execution and delivery of this Agreement by Executive and Lilien and the performance by Executive of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound. Executive further represents that he has been advised by, or has consulted with his own independent counsel with respect to the negotiation of, and his decision to enter into, this Agreement and acknowledges that he understands the meaning and effect of each and every term and provision contained herein.

i . **Prior Agreements** This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and Lilien regarding the terms and conditions of Executive's employment with Lilien.

j . **Withholding Taxes**. Lilien shall withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

k . **Counterparts**. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[SIGNATURE PAGE TO FOLLOW]

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

EXECUTIVE:

_____ Dated: March ___, 2013

[ ]

LILIEN SYSTEMS

_____ Dated: March ___, 2013

By: Nadir Ali
Title: CEO

EXHIBIT 8.10

FORM OF
RESTRICTIVE
COVENANTS AGREEMENT

This Restrictive Covenants Agreement (this "Agreement") is entered into as of March __, 2013, by and among SYSOREX GLOBAL HOLDINGS CORP., a Nevada corporation ("Purchaser"), LILIEN LLC, a Delaware limited liability company ("Seller"), and _____ (the "Former Member"), in connection with the closing under that certain Asset Purchase and Merger Agreement (the "Purchase Agreement") dated as of March 1, 2013, by and between the Purchaser and Seller. Purchaser and Seller shall also collectively be referred to as the "Protected Parties", or individually as a "Protected Party". Capitalized terms used herein without definition have the respective meanings set forth in the Purchase Agreement.

RECITALS

WHEREAS, pursuant to the Purchase Agreement, Purchaser will purchase substantially all of the assets of Seller (the "Asset Purchase");

WHEREAS, Former Member, as a member of Seller, holds specialized knowledge of the Business (as hereinafter defined), including, *inter alia*, knowledge of business relationships, lines of business, markets, key personnel, profitability, and other confidential information; substantial marketing, business and financial expertise and extensive experience in a wide range of activities that constitute the Business;

WHEREAS, as a material inducement to Purchaser to consummate the Asset Purchase, Former Member has agreed to enter into this Agreement; and

WHEREAS, Former Member acknowledges and agrees that (i) the Protected Parties would be irreparably harmed and impaired if Former Member were to engage, directly or indirectly, in any activity competing with the Business, make any disclosure in violation of this Agreement or any unauthorized use of, any confidential information concerning the Business and (ii) the Protected Parties are entitled to protection from such use of the specialized knowledge of Former Member.

NOW THEREFORE, In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

AGREEMENT

1. Defined Terms.

(a) "Business" means the business of the Seller as conducted on the date of this Agreement, including of an information technology company that, together with its wholly-owned subsidiary Lilien Systems, provides enterprise information technology solutions and integration services to customers, including with respect to servers, data storage and management, networking, virtualization and analytics.

(b) "Confidential Information" means any confidential, proprietary or non-public information relating to (a) this Agreement, the Purchase Agreement, the Asset Purchase or (b) the Business, including any proprietary information, technical data, trade secrets or know-how, including, but not limited to, pending projects and proposals, customers, inventions, technology, engineering, hardware configuration information, marketing strategies and financial information disclosed to Employer by Protected Parties either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. Notwithstanding the foregoing, "Confidential Information" shall not include any information which (i) is or becomes generally available to the public through no wrongful act on the part of the Former Member, (ii) was or is disclosed to the Former Member by a source other than the Protected Parties, (iii) is independently developed by the Former Member without use or reference to Confidential Information or (iv) is required to be disclosed pursuant to subpoena, judicial order, regulation or applicable law.

(c) "Covenant Period" means the period commencing on the Closing Date and continuing through the first anniversary thereof.

(d) "Person" or "person" (regardless of whether capitalized) means any natural person, entity, or association, including without limitation any corporation, partnership, limited liability company, government (or agency or subdivision thereof), trust, joint venture, or proprietorship.

(e) "Restricted Area" means California, Oregon, Washington and Hawaii.

2. Covenant Not to Compete and Not to Solicit.

(a) For and in consideration of the benefits derived directly and indirectly from this Agreement, Former Member covenants and agrees with the Protected Parties that for the Covenant Period, he shall not directly or indirectly, whether pursuant to a management agreement or for his own financial account, own, manage, operate or control, or participate in the ownership, management, operation or control of, or be an Former Member of or a consultant to, any business that conducts or engages in the Business in the Restricted Area (other than for Protected Parties). For the Covenant Period, Former Member shall not: (i) assist any other Person to enter the Business anywhere within the Restricted Area; (ii) serve as a consultant to or an employee of any Person who directly competes with Protected Parties; (iii) directly or indirectly cause, solicit, induce or encourage any employees of the Protected Parties to leave such employment; (iv) employ or otherwise engage any such individual unless such employee of the Protected Parties was terminated from his employment by the Protected Parties, resigned from such employment as a result of a material reduction in duties or compensation or a relocation by more than 50 miles or has not been employed by the Protected Parties for at least six (6) months; or (v) directly or indirectly cause, induce or encourage any material actual client, customer, supplier, or licensor of the Protected Parties (including any existing customer of Protected Parties and any Person that becomes a client or customer of the Protected Parties after the Closing) or any other Person who has a material business relationship with the Protected Parties, to terminate or modify any such actual relationship in a manner adverse to the Protected Parties.

(b) For the purposes of this Agreement, control or participation in any competing business shall be deemed to include (but shall not be limited to) ownership in excess of three percent (3%) of the aggregate capital stock of such competing business.

(c) The parties agree that the duration, scope (including services or product type) and area for which this covenant is to be effective is reasonable. If, at any time of the enforcement of any of the provisions of this Agreement, a court determines that the duration, scope of restricted activities or area restrictions stated herein are not enforceable under applicable law, the parties agree that the maximum duration, scope or area (as applicable) permitted by applicable law shall be substituted for the duration, scope or area (as applicable) stated herein and the court shall be authorized to revise the restrictions contained herein to cover such maximum duration, scope or area (as applicable). Such holding shall not affect or impair the validity, enforceability or legality of such provision in any other jurisdiction or under any other circumstances. Neither such holding, nor such reformation or severance, shall affect or impair the legality, validity or enforceability of any other provision of this Agreement.

3. Covenant Not to Disclose Confidential Information.

(a) Former Member agrees to hold in strictest confidence, and not to use, except for the benefit of the Protected Parties, or to disclose to any person, firm or corporation without written authorization of the of the Protected Parties, any Confidential Information of the Protected Parties. The protection of confidential business information and trade secrets is vital to the interests and success of the Protected Parties.

(b) In addition, Former Member understands that the posting on the Internet of Confidential Information, trade secrets or proprietary information is forbidden, including, without limitation, Internet websites and blogs.

(c) Former Member also understands that he may have been, or in the future may be, provided with access to secured areas of information that are password-protected. Such passwords themselves are confidential and are not to be shared with anyone in or outside of the Protected Parties other than authorized representative(s). Any attempt to use the password(s) or the information available within such secured areas other than in connection with any employment by the Purchaser (as with any and all Confidential Information), will constitute a violation of this Agreement as well as a violation of applicable laws protecting the Former Member from such violations.

(d) In addition, Former Member recognizes that the Former Member has received and in the future may receive from third parties, including clients, affiliated or related companies of the Protected Parties, their confidential information, including Confidential Information, subject to a duty on the Former Member's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Former Member agrees to hold all such Confidential Information, in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out his or her work for the Protected Parties consistent with any Protected Parties' agreement with such third party.

(e) If the Former Member is requested or compelled to divulge Confidential Information under operation of law, government regulation(s) or investigation, subpoena or court order, Former Member agrees to, prior to any disclosure, notify the Protected Parties of such potential disclosure and cooperate fully with the Protected Parties with regard to such proceedings prior to divulging the information requested, including cooperating with the Protected Parties' counsel or counsel provided to Former Member at the Protected Parties' cost. The Protected Parties agree and acknowledge that disclosure of Confidential Information under such circumstances shall not constitute a breach of this Agreement.

4. Equitable Relief. Former Member acknowledges and agrees that any breach or threatened breach of this Agreement would result in irreparable and immediate injury to the Protected Parties, that money damages alone will be an inadequate remedy for such breach or threatened breach, and that, therefore, in addition to any other remedy to which a party may be entitled at law or in equity, the rights and obligations of the parties under this Agreement shall be enforceable by a decree of specific performance issued, and appropriate injunctive relief may be applied for and granted in connection therewith, without the necessity of posting a bond or other security or proving actual damages and without regard to the adequacy of any remedy at law.

5 . Severability. Without limiting the generality of Section , if any provision of this Agreement is held to be illegal, invalid or incapable of being enforced, in whole or in part, in any jurisdiction under any circumstances for any reason under present or future laws effective during the Covenant Period: (a) such provision shall be reformed to the minimum extent necessary to cause such provision to be valid, enforceable and legal while preserving the intent of the parties as expressed in, and the benefits to such parties provided by, such provision; or (b) if such provision cannot be so reformed, such provision shall be severed from this Agreement and an equitable adjustment shall be made to this Agreement (including addition of necessary further provisions to this Agreement) so as to give effect to the intent as so expressed and the benefits so provided.

6. Other Obligations Continue. Former Member agrees and acknowledges that his or her obligations set forth in this Agreement are in addition to, and not in lieu of, any obligations he or she has to the Protected Parties pursuant to any other agreement between Former Member and the Protected Parties or their respective affiliates, at common law or otherwise. The termination of this Agreement will not release Former Member from liability for any breach occurring prior to such termination.

7. Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if: (i) delivered personally; (ii) mailed, using certified or registered mail with postage prepaid; or (iii) sent by next-day or overnight mail or delivery using an internationally recognized overnight courier service, as follows:

If to Former Member:	_____ _____ _____ _____
If to Purchaser:	Sysorex Global Holdings Corp. 3375 Scott Blvd., Suite 440 Santa Clara, CA 95054 Attention: Nadir Ali, CEO Email:ali@sysorex.com With a copy, which shall not constitute notice, to: Davidoff Hutcher & Citron LLP 605 Third Avenue - 34th Floor New York, New York 10158 Attention: Elliot H. Lutzker, Esq. Email:ehl@dhclegal.com
If to Seller:	Lilien LLC 17 E. Sir Francis Drake Blvd, Suite 110 Larkspur, CA 94939 Attention: Geoffrey Lilien Email: Geoffrey@lilien.com And with a copy, which shall not constitute notice, to: Dudnick Detwiler Rivin & Stikker LLP 351 California Street, 15th Floor San Francisco, CA 94104 Fax: (415) 982-1401 Email: detwiler@ddrs.com

All such notices, requests, demands, waivers and other communications shall be deemed to have been received: (A) if by personal delivery, on the day of such delivery; (B) if by certified or registered mail, on the third (3rd) business day after the mailing thereof; or (C) if by next-day or overnight mail or delivery, on the day delivered.

8 . Binding Effect, Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Former Member understands and agrees that this Agreement is his personal agreement and cannot be assigned by him. Any purported assignment of this Agreement or any rights, interests or obligations hereunder in violation of the preceding sentence will be void and of no force or effect.

9 . Amendment, Waiver. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought; provided, however, that if a Protected Party is the party against whom enforcement of any amendment, modification, discharge or waiver is sought, such amendment, modification, discharge or waiver will only be valid and binding if duly approved by the applicable Protected Party. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. The waiver by any party of a breach of or a default under any of the provisions of this Agreement or a failure to or delay in exercising any right or privilege hereunder, shall not be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The rights and remedies herein provided are cumulative and none is exclusive of any other, or of any rights or remedies that a party may otherwise have at law or in equity.

10. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all contemporaneous oral agreements and all prior oral and written quotations, communications, agreements, understandings of the parties, and written or oral representations of any party with respect to the subject matter of this Agreement.

11. Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

12. Counterparts. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each party and delivered to the other party, regardless of whether both of the parties have executed the same counterpart. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

13. No Third Party Beneficiaries. Nothing herein is intended or shall be construed to give any Person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

14. Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW RULE THAT WOULD CAUSE THE APPLICATION OR THE LAWS OF ANY JURISDICTION OTHER THAN THE INTERNAL LAWS OF THE STATE OF CALIFORNIA TO THE RIGHTS AND DUTIES OF THE PARTIES.

15. Consent to Jurisdiction.

(a) THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED WITHIN THE STATE OF CALIFORNIA OVER ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS, AND EACH PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH DISPUTE OR ANY ACTION RELATED THERETO MAY BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH DISPUTE BROUGHT IN SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE. EACH OF THE PARTIES HERETO AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW.

(b) EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY OF THE CALIFORNIA COURTS. EACH OF THE PARTIES IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH PROCEEDING IN ANY OF THE CALIFORNIA COURTS.

(c) EACH OF THE PARTIES HERETO HEREBY CONSENTS TO PROCESS BEING SERVED BY ANY PARTY TO THIS AGREEMENT IN ANY ACTION BY DELIVERY OF A COPY THEREOF IN ACCORDANCE WITH THE PROVISIONS OF SECTION 7 AND THIS SECTION 15.

16. Waiver of Jury Trial.

(a) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(b) EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF THE FOREGOING WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 16.

17. No Waiver. No party shall by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default in or breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising on the part of any party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

18. Negotiations. The parties are sophisticated and have been represented by attorneys throughout the transactions contemplated hereby who have jointly participated in the negotiation and drafting of this Agreement. As a consequence, the parties do not intend that the presumptions of laws or rules relating to the interpretation of contracts against the drafter of any particular clause should be applied to this Agreement, and therefore waive their effects. Both parties have read, understand and voluntarily accept all of the terms set forth in this Agreement.

[SIGNATURE PAGE FOLLOWS]

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

FORMER MEMBER

_____

Name:

PURCHASER

Sysorex Global Holdings Corp.

By: _____

Name: Nadir Ali
Title: CEO

SELLER

Lilien LLC

By: _____

Name: Geoffrey Lilien
Title: CEO

EXHIBIT 8.11

FORM OF
GENERAL RELEASE

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW THAT:

_____(the "RELEASOR"), a member of Lilien, LLC, a Delaware limited liability company, having an address at 17 E. Sir Francis Drake Blvd, Suite 110, Larkspur, CA 94939 ("Lilien"), on behalf of himself and his past, present and future administrators, successors assigns, and/or affiliated entities and/or individuals, for good and valuable consideration received from Sysorex Global Holdings Corp., a Nevada corporation, having an address at 3375 Scott Blvd., Suite 440, Santa Clara, California 94054 ("Sysorex"), as more specifically defined in that certain Asset Purchase and Merger Agreement by and between Sysorex and Lilien effective March 1, 2013, the receipt and sufficiency of which is hereby acknowledged, hereby releases and discharges Sysorex and all of its shareholders, officers, directors, employees, agents, subsidiaries, parent companies, and any and all of their affiliates (collectively, the "RELEASEES"), from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, admiralty, or equity, which against the RELEASEES, the RELEASOR ever had, now has or hereafter can, shall or may, have for, upon, or by reason of any matter cause or thing whatsoever from the beginning of the world to the date of this release, exclusive of any and all agreements entered into between RELEASOR and Lilien and/or Sysorex on the date hereof and which continue after the date hereof.

This RELEASE may not be changed orally but only by a writing signed by all the parties.

IN WITNESS WHEREOF, the RELEASOR has caused this GENERAL RELEASE to be executed on the _____ day of March 2013.

_____
Name:

STATE OF)
) ss.:
COUNTY OF)

On the __ day of March, 2013, before me personally came_____, to me known, who, being by me duly sworn, did depose and say that deponent is the RELEASOR described in the foregoing GENERAL RELEASE.

_____
Notary Public

Exhibit 2.4

AGREEMENT AND PLAN OF MERGER

By and among

SYSOREX GLOBAL HOLDINGS CORP.,
a Nevada Corporation,

SYSOREX MERGER SUB, INC.,
a California Corporation,

SHOOM, INC.,
a California Corporation,

and

THE SHAREHOLDER REPRESENTATIVE

Effective Date August 31, 2013

		PAGE
Section 1.	Merger Transaction	1
Section 2.	Other Agreements	6
Section 3.	Representations and Warranties of Shoom and the Shoom Stockholders	8
Section 4.	Representations and Warranties of the MergerSub and Sysorex	23
Section 5.	Survival of Representations and Warranties; Indemnification	28
Section 6.	Covenants of the Shoom	31
Section 7.	Covenants of the MergerSub and Sysorex	33
Section 8.	Conditions Precedent to the Obligations of the MergerSub and Sysorex	34
Section 9.	Conditions Precedent to Shoom's Obligations	36
Section 10.	Conditions Precedent to Obligations of the Shoom Stockholders, Shoom, the MergerSub and Sysorex	37
Section 11.	Deliveries	37
Section 12.	Subsequent Events	38
Section 13.	Miscellaneous	39
Section 14.	Definitions	43

Exhibits	**Description**
Exhibit 1(i)	Form of Indemnity Escrow Agreement
Exhibit 2(a)	Form of Lock Up Agreement
Exhibit 2(b)	Form of Incentive Stock Option Agreement
Exhibit 2(d)	Form of Employment Agreement
Exhibit 3	Shoom Schedule of Exceptions
Exhibit 11(b)	Certified Documents of MergerSub/Sysorex delivered to Shoom

Schedules	**Description**
Schedule A	List of Shoom Employees to Receive Stock Options
Schedule 3(b)	Subsidiaries
Schedule 3(t)	Real Property Owned or Leased; Personal Property Leased
Schedule 3(u)(i)	Material Contracts
Schedule 3(u)(ii)	Contracts Requiring Consent to Assign
Schedule 3(v)	Proprietary Rights
Schedule 3(z)	Employee Handbook
Schedule 3(z)(i)	Pension and Profit Sharing Plans
Schedule 3(z)(ii)	Welfare Plans
Schedule 3(aa)	Insurance Policies
Schedule 3(bb)	Rights of Third Parties
Schedule 3(ee)	Vendor Notices
Schedule 3(hh)	Governmental Licenses

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of August 31, 2013 (the "Signing Date") by and among SYSOREX GLOBAL HOLDINGS CORP., a Nevada corporation ("Sysorex"), SYSOREX MERGER SUB, INC., a newly formed California corporation ("MergerSub"), SHOOM, INC., a California corporation ("Shoom"), and William Freschi (the "Shareholder Representative").

W I T N E S S E T H:

WHEREAS, Sysorex is in the business of providing information technology and telecommunications solutions and services to commercial and government customers in the United States, Middle East and India;

WHEREAS, Shoom is in the business of providing cloud based enterprise solutions and services;

WHEREAS, the Board of Directors of Sysorex (the "Sysorex Board") and the Board of Directors of Shoom (the "Shoom Board") have each determined that the Merger (defined below) is consistent with and in furtherance of their respective long-term business strategy and fair to, and in the best interests of the parties hereto and their respective stockholders;

WHEREAS, the Sysorex Board (on its own behalf and as the sole stockholder of MergerSub) and the Shoom Board have each adopted resolutions approving this Agreement and the Merger of MergerSub with and into Shoom (the "Merger"), resulting in the cancellation of all of the stock of MergerSub and with Shoom continuing as the surviving entity in the Merger in accordance with the California Corporations Code ("CCC") and, in each such case, upon the terms and conditions set forth in this Agreement;

WHEREAS, all of the issued and outstanding shares of no par value Common Stock of Shoom (the "Shoom Shares") shall be exchanged for the Merger Consideration (as defined herein); and

WHEREAS, for U.S. federal income tax purposes, it is intended that the Merger and the transactions contemplated herein shall constitute a reorganization within the meaning of Section 368(a)(I)(A) and (a)(2)(E) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement shall constitute a "plan of reorganization" within the meaning of Section 368(b) of the Code.

NOW THEREFORE, in consideration of the mutual covenants of the parties as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

Section 1. Merger Transaction.

(a) The Merger. Upon the terms and subject to the conditions of this Agreement, the Merger shall be consummated in accordance with the CCC. At the Effective Time (defined below), upon the terms and subject to the conditions of this Agreement, MergerSub shall be merged with and into Shoom in accordance with the CCC and the separate existence of MergerSub shall thereupon cease and Shoom, as the surviving corporation in the Merger (the "Surviving Corporation"), shall continue its corporate existence under the laws of California as a wholly-owned subsidiary of Sysorex.

(b) Closing; Effective.

(i) The Closing of the Merger (the "Closing") shall take place as soon as practicable after satisfaction or waiver of the conditions set forth in Sections 8, 9 and 10,at the offices of Sysorex, 3375 Scott Blvd. Suite 440, Santa Clara, CA 95054, or at such other location as may be agreed to by the parties, or on such other date and time as may be agreed to by the parties (the "Closing Date").

(ii) Subject to the provisions of this Agreement, at the Closing, the parties shall file with the Secretary of State of California an Agreement of Merger (the "Certificate of Merger") in accordance with the CCC executed in accordance with the relevant provisions of the CCC and shall make all other filings or recordings required under such law in order to complete the Merger. The Merger shall be completed at such time as the Certificate of Merger is duly filed with the Secretary of State of California (the "Effective Time").

(c) Succession. At the Effective Time, Shoom shall succeed to all of the rights, privileges, debts, liabilities, powers, properties and contract rights of the MergerSub in the manner of and as more fully set forth in the CCC.

(d) Merger Consideration. The consideration for the Merger (the "Merger Consideration"), will be as follows:

(i) Issuance of Sysorex Shares. Sysorex shall issue 2,762,005 shares of common stock, par value $0.001 per share, to the Persons who are shareholders of Shoom as of the Effective Time (the "Shoom Stockholders") (the shares of Sysorex common stock being issued to the Shoom Stockholders pursuant to this Agreement are the "Consideration Shares"; the shares common stock of Sysorex in general are the "Sysorex Shares"), pro rata in accordance with the number of Shoom shares held by them as of the Effective Time. No fractional shares will be issued and the number of Consideration Shares issued to each Shoom Stockholder shall be rounded to the nearest whole share.

(ii) Payment of Cash Consideration. Sysorex will pay cash to the Shoom Stockholders (the "Cash Consideration"), pro rata, in accordance with the number of Shoom shares held by each of them as of the Effective Time. The Cash Consideration shall be two million five hundred thousand dollars ($2,500,000), subject to adjustment as follows: (i) if the Net Worth of Shoom as of the end of the last business day immediately preceding the Closing Date is greater than $6,038,020 which was the Net Worth of Shoom as of July 31, 2013 (the "Baseline Date"), then the Cash Consideration shall be $2,500,000 plus such excess, or (ii) if the Net Worth of Shoom as of the end of the last business day immediately preceding the Closing Date is less than the Net Worth of Shoom as of the Baseline Date, then the Cash Consideration shall be $2,500,000 minus such shortfall. Notwithstanding the above, no adjustment to the Cash Consideration shall be made, either upward or downward, and the Cash Consideration shall remain $2,500,000, if the Net Worth of Shoom as of the end of the last business day immediately preceding the Effective Time differs from the Net Worth of Shoom as of the Baseline Date by $100,000 or less. For purposes of this Agreement "Net Worth" means (i) total Assets as determined in accordance with GAAP, minus (ii) total Liabilities determined in accordance with GAAP and shall include an accrual for the Profit Sharing Plan of Shoom through the Effective Time.

(iii) Dissenting Shares. Notwithstanding the provisions of paragraphs (i) and (ii) above, if there are Dissenting Shares (as defined in Section 1(f) below), Merger Consideration shall not be distributed to holders of such Dissenting Shares and the total Merger Consideration shall be reduced to account for Dissenting Shares, such that the Shoom Stockholders who do not hold Dissenting Shares receive the same Merger Consideration as they would have received had there been no Dissenting Shares.

(e) Tender of Payment for Certificates.

(i) Exchange of Shoom Certificates; Conversion of Merger Sub Shares. In consideration of the Merger Consideration, the Shoom Stockholders shall surrender at or after the Effective Time certificates with powers endorsed in blank (the "Certificates") for the Shoom Shares or, in the case of Shoom Stockholders who have lost such Certificates, an affidavit of loss reasonably acceptable to the Surviving Corporation. Until surrendered as contemplated by this Section 1(e), each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive its pro rata portion of the Merger Consideration as contemplated by Section 1(d) hereof. Each Shoom Stockholder's right to receive Merger Consideration shall be conditioned on such Shoom Stockholder executing such documents, making such representations and warranties, and giving such releases, as are provided for elsewhere in this Agreement. At the Effective Time, each share of Merger Sub common stock that is issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one share of common stock of the Surviving Corporation.

(ii) Options, Warrants and Treasury Stock. All outstanding options, warrants and other securities owned and held in treasury by Shoom, shall be surrendered at or prior to the Effective Time and retired by Shoom. All securities of Shoom other than Shoom Shares shall be cancelled without payment of any consideration therefor and shall cease to exist.

(iii) Transfer Books; No Further Ownership Rights in the Stock. At the Effective Time, the transfer books of Shoom shall be closed, and thereafter there shall be no further registration of transfers of Shoom Shares on the records of Shoom by the Shoom Stockholders. From and after the Effective Time the holders of Certificates evidencing ownership of Shoom Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shoom Shares, except as otherwise provided for herein or by applicable law.

(f) Dissenting Shares.

(i) Notwithstanding any provision of this Agreement to the contrary, any shares of Shoom capital stock held by a holder who has demanded and perfected dissenters' rights for such shares in accordance with the CCC and who, as of the Effective Time, has not effectively withdrawn or lost such dissenters' rights ("Dissenting Shares") shall not be converted into or represent a right to receive Merger Consideration, but the holder thereof shall only be entitled to such rights as are granted by the CCC.

(ii) Notwithstanding the provisions of subsection (i) above, if any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's dissenters' rights, then, as of the later of (a) the Effective Time or (b) the occurrence of such event, such holder's shares shall automatically be converted into and represent only the right to receive Merger Consideration, without interest thereon, upon surrender to the Company of the certificate representing such shares (or an affidavit of loss) in accordance with the terms and conditions of this Agreement.

(g) Directors and Officers. Nadir Ali and Wendy Loundermon, the directors of MergerSub immediately prior to the Effective Time, shall be the directors of the Surviving Corporation, each to hold office in accordance with the articles of incorporation and by-laws of the Surviving Corporation. The officers of Shoom immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the by-laws of the Surviving Corporation. Wendy Loundermon shall have complete control of the accounting, finance and human resources departments of the Surviving Corporation.

(i) Other Effects of Merger. At and after the Closing Date, title to all property owned by each of Shoom and the MergerSub shall vest in the Surviving Corporation without reversion or impairment, and the Surviving Corporation shall automatically have all of the liabilities of each of Shoom and the MergerSub. The Merger shall have all further effects as specified in the applicable provisions of the CCC.

(ii) Taking of Necessary Action; Further Action. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the MergerSub and Shoom, the officers and directors of the Surviving Corporation are fully authorized in the name of the Surviving Corporation to take, and will take, all such lawful and necessary action.

(iii) Certificate of Incorporation; By-laws.

(1) At the Closing Date, the Articles of Incorporation of Shoom, as in effect immediately prior to the Closing Date, shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended, as provided by law.

(2) At the Closing Date, the By-laws of Shoom, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter amended.

(i v) Intent. The parties intend that, for federal income tax purposes, the Merger qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368 (a)(2)(E) of the Code, and that this Agreement constitutes a plan of reorganization within the meaning of Section 368(b) of the Code. Each party shall treat the Merger consistently with the foregoing, including filing the information and maintaining the records required by Treasury Regulations Section 1.368-3, and shall not take any position inconsistent therewith. No party shall take any action that would cause the Merger not to qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code.

(h) Post-Closing Cash Consideration Adjustment.

(i) At least two Business Days prior to the anticipated Closing Date, Shoom shall deliver to Sysorex a schedule of Shoom's estimate of its Net Worth as of 11:59 p.m., California time on the day immediately prior to the Closing Date (without taking into account the transactions contemplated by this Agreement) ("Estimated Net Worth").

(ii) Shoom's Estimated Net Worth shall become final and binding on Shoom and Sysorex (the "Final Net Worth") unless Sysorex gives written notice ("Notice of Disagreement") to Shoom of its disagreement with respect to the calculation of Estimated Net Worth within thirty (30) days after the delivery to Sysorex of audited 2012 financial statements and reviewed financial statements for the six months ended June 30, 2013 for Shoom, specifying with reasonable detail each item of disagreement and the reasons for such disagreement, and providing its calculation of Net Worth. Shoom and Sysorex shall negotiate in good faith to resolve in writing all of the differences with respect to each matter specified in the Notice of Disagreement, in which case any such resolution shall be final and binding on the parties (in such instance, also the "Final Net Worth"). If Shoom and Sysorex have not resolved in writing all of the differences with respect to any such matter, then each unresolved matter (the "Disputed Adjustment Matter") shall be submitted to and reviewed by a mutually agreed to independent certified public accountant (the "Neutral Accountant"). The Neutral Accountant shall consider only the Disputed Adjustment Matters, shall determine Net Worth in a manner consistent with the manner in which the Net Worth of Shoom was determined as of the Baseline Date, and shall act promptly to resolve in writing all Disputed Adjustment Matters, and its decisions with respect to the Disputed Adjustment Matters shall be final and binding on each of Shoom and Sysorex; provided, however, that no such resolution of the Disputed Adjustment Matters shall require payment of an amount greater than the highest amount based upon Shoom's Estimated Net Worth or less than the lowest amount based upon Sysorex's Notice of Disagreement, and such decision will also be the Final Net Worth. The Neutral Accountant shall promptly notify Shoom and Sysorex of its resolution of the Disputed Adjustment Matter. Sysorex shall be responsible for and shall pay the fees and expenses incurred in connection with the Neutral Accountant. However, in the event the Neutral Accountant determines that the Disputed Adjustment Matter reflects in excess of ten (10%) percent less Final Net Worth, Shoom shall reimburse Sysorex in full for the costs of the Neutral Accountant. Once the Final Net Worth has been determined in accordance with the provisions of this Section 1(h), such calculation shall be final and binding for all purposes of this Agreement.

(i) Delivery of Consideration Shares and Cash Into Escrow. Notwithstanding the provisions of Section 1(d)(i) and 1(d)(ii) above, at Closing, Sysorex shall deposit in escrow (the "Indemnity Escrow Account") with Davidoff Hutcher & Citron LLP as escrow agent (the "Indemnity Escrow Agent"), an aggregate of 500,000 of the Consideration Shares (the "Escrow Shares") and five hundred thousand dollars ($500,000) of the Cash Consideration (the "Escrow Cash" and, together with the Escrow Shares, the "Escrow Collateral"). The Escrow Collateral shall be held in escrow by the Indemnity Escrow Agent pursuant to, and released from the Indemnity Escrow Account, in accordance with, the provisions hereinafter set forth and the escrow agreement to be entered into at the Closing by and among Sysorex, the Shareholder Representative and the Indemnity Escrow Agent, substantially in the form attached hereto as Exhibit 1(i) (the "Indemnity Escrow Agreement"). The Escrow Collateral is to be held by the Indemnity Escrow Agent as partial security against the payment and performance of Shoom's and the Shoom Stockholders' obligations with respect to the indemnification provisions of Section 5(b). All of the Escrow Shares shall be released from the Indemnity Escrow Account to the Shoom Stockholders, on a pro-rata basis, on the date one (1) year after the Closing Date in the event there are no Claims (defined in Section 5(b) hereof) for indemnification submitted by any Person (other than Shoom) within one year following the Closing Date. If the aggregate amount of Claims during the one-year period is less than the value of the Escrow Shares (determined pursuant to the provisions of the last paragraph of Section 5(c)), then Escrow Shares having a value (determined pursuant to the provisions of the last paragraph of Section 5(c)) exceeding the amount of such Claims shall be delivered to the Shoom Stockholders on a pro-rata basis on the date one (1) year after the Closing Date (seven (7) years for the tax obligations of Shoom). If there are any claims during the first year after the Closing Date, then the Escrow Shares shall be applied first to the value of such claims, and if the value of the claims exceeds the value of the Escrow Shares, then the Escrow Cash shall be applied. After one (1) year after the Closing Date the escrow Cash shall apply only to claims related to the tax liabilities of Shoom, and shall be released to the Shoom Stockholders, on a pro-rata basis, on each of the seven (7) anniversary dates of the Closing Date in seven equal installments, with interest accrued through each release date. In the event that the aggregate Claims by Sysorex exceed the Escrow Cash and the value of the Escrow Shares (determined pursuant to the provisions of the last paragraph of Section 5(c)), the Shoom Stockholders shall remain liable, severally but not jointly, and on a pro-rata basis, to Sysorex for such excess payment, subject to the limitations imposed in Section 5(c) below. Any Escrow Collateral not released to the Shoom Stockholders shall be forfeited by the Shoom Stockholders and released and transferred to Sysorex in accordance with and subject to the terms and conditions of this Agreement and the Indemnity Escrow Agreement.

Section 2. Other Agreements.

(a) Lock-Up of Consideration Shares.

(i) The resale of Consideration Shares shall be pursuant to the terms of the Lock-Up Agreements, in the form of Exhibit 2(a) attached hereto (the "Lock-Up") in compliance with the terms and conditions of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act") and according to the following terms and conditions:

Provided that all executive officers and directors of Sysorex have agreed to the same restriction, as a condition to receipt of the Consideration Shares, Shoom Stockholders holding at least a majority of the underlying shares of Shoom will be required to agree that all of the Consideration Shares received by such Shoom Stockholders shall not be eligible for sale until six months (the "Lock-up Period") after the effective date of the Registration Statement on Form S-1, for an underwritten public offering (the "Secondary"). Sysorex will prepare and file the Registration Statement at its expense, to register for resale all Consideration Shares held by the Shoom Stockholders (the "Registration Statement"), as promptly as practicable following the effective date of the Secondary Registration Statement. Sysorex shall use commercially reasonable efforts to cause such Registration Statement to become effective as promptly as practicable after filing and to keep such Registration Statement effective for at least eighteen (18) months after the Effective Date of the Secondary Registration Statement. After the Lock-up Period, there shall be no restrictions or limitations imposed by Sysorex on the selling of shares by the Shoom Stockholders, or their assigns. Sysorex may elect to waive this restriction from time to time based upon the then current market conditions and the desires of the Shoom Stockholders; provided, however, that Sysorex may not waive this restriction for any other holder of Sysorex Shares unless Sysorex also waives this restriction with regard to the Shoom Stockholders, on a pro-rata basis with such other holders of Sysorex Shares.

(ii) Sysorex may permit and assist Shoom Stockholders in making sales of shares during the Lock-Up Period if they so desire, if and when opportunities are available as set forth in the Lock-Up Agreement.

(iii) The limitations set forth in the Lock-Up shall apply to the Shoom Stockholders individually, and not as a group. Any sales of Consideration Shares in violation of the Lock-Up by any Shoom Stockholder shall constitute an event of default under the Lock-Up only as to such individual Shoom Stockholder and all proceeds in excess of the Merger Consideration from the sale of all Consideration Shares by such Shoom Stockholder prior to expiration of the Lock-Up shall be paid to Sysorex.

(iv) Subject to the provisions of paragraph 2(a)(i) above, Sysorex reserves the right to waive the Lock-Up limitations and/or resale limitations set forth in the Lock-Up Agreement, in whole or in part.

(b) Stock Options. After Closing, all employees of Shoom as of the Effective Time shall be eligible to receive options to purchase shares of Common Stock of Sysorex under the Sysorex 2011 Employee Stock Incentive Plan. Promptly after the Effective Time, Sysorex shall issue incentive stock options to purchase an aggregate of 200,000 Sysorex Shares to such employees, in the respective amounts set forth opposite their names on Schedule A attached hereto, pursuant to Sysorex's 2011 Employee Stock Incentive Plan (the "Sysorex Options"), in the form of option attached hereto as Exhibit 2(b). The Sysorex Options will be exercisable for ten (10) years at a price equal to the fair market value of the Sysorex Shares as of the date the Sysorex Options are issued, and will be 25% vested on the Closing Date, with the remainder vesting in three equal installments on the first, second, and third anniversaries of the Closing Date. If an employee of Shoom listed on Schedule A does not accept employment with the Surviving Corporation prior to the Effective Time (but not thereafter), the number of Sysorex Shares that were to have been covered by such employee's option shall be added to the Sysorex Shares covered by options to be issued to employees of Shoom listed on Schedule A who do accept employment with the Surviving Corporation, on a pro-rata basis.

(c) Shareholder Approval. Shoom shall immediately after the date hereof take all action necessary in accordance with the CCC and its articles of incorporation and bylaws to convene a special meeting of Shoom's shareholders to consider the approval of this Agreement and the Merger (the "Shoom Stockholders Meeting") or to secure the written consent of its shareholders with respect thereto within no more than thirty (30) days of the date of this Agreement. Shoom shall use commercially reasonable efforts to secure the vote or consent of its shareholders required to effect the Merger.

(d) William Freschi (CEO/CFO) and Dan Cole (President/COO), Michael Lynch (Executive VP/GM), and Sharon Ryoji (Senior VP, Customer Services) shall each enter into an employment agreement with the Surviving Corporation in the form attached hereto as Exhibit 2(d).

Section 3. Representations and Warranties of Shoom and the Shoom Stockholders. Except as set forth in the Shoom Schedule of Exceptions attached to this Agreement as Exhibit 3, Shoom and each of the Shoom Stockholders, severally and not jointly, warrants and represents to the MergerSub and Sysorex that, to their best knowledge, the each of the following statements is true and correct (as used herein, "Shoom's best knowledge" or "to the best knowledge of Shoom" shall mean information actually known by Shoom Stockholders without due inquiry, and as to Shoom officers shall mean information actually known or imputed knowledge as to which it was his fiduciary duty to inform himself):

(a) Ownership of Shares. As of the Signing Date, Shoom has 14,555,309 Shoom Shares issued and outstanding and there are 69 Shoom Stockholders. Shoom does not have stock or securities of any other class issued, authorized, or outstanding. The Shoom Stockholders are the owners, beneficially and of record, of Shoom Shares, which constitute one hundred percent (100%) of the issued and outstanding shares of capital stock of Shoom. Shoom Shares are the sole voting stock of Shoom and is duly authorized, validly issued, fully paid and non-assessable. Shoom Shares have not been pledged, mortgaged or otherwise encumbered in any way and there is no lien, mortgage, charge, claim, liability, security interest or encumbrance of any nature against Shoom Shares. There are no options, warrants, rights of subscription or conversion, calls, commitments, agreements, arrangements, understandings, plans, contracts, proxies, voting trusts, voting agreements or instruments of any kind or character, oral or written, to which Shoom or the Shoom Stockholders, are a party, or by which Shoom or the Shoom Stockholders, are bound, relating to the issuance, voting or sale of Shoom Shares or any authorized but unissued shares of capital stock of Shoom or of any securities representing the right to purchase or otherwise receive any such shares of capital stock. Shoom has not entered into or granted any Stockholders agreements, preemptive rights or other agreements, arrangements, groups, commitments or understandings, oral or written, that have not been disclosed to the MergerSub and Sysorex, relating to the voting, issuance, merger or disposition of shares of Shoom or the conduct or management of the Shoom Board.

(b) Capacity; Organization; Standing; Capitalization. Shoom has full capacity to enter into and perform under this Agreement and all other agreements and instruments to be entered into in connection with the Merger contemplated hereby, and to consummate such Merger, and no other consent or joinder of any other persons or corporations is required to consummate such Merger (subject only to the requisite approval of the Merger and this Agreement by the shareholders of Shoom). Shoom has no subsidiaries, other than those listed on Schedule 3(b) attached hereto, (the "Subsidiaries"). Other than the Shoom Stockholders, neither the Shoom Stockholders nor Shoom have any interest in any entity other than Shoom engaged, directly or indirectly, in businesses competitive with those of Shoom or Sysorex. This Agreement has been, and each of the other agreements and instruments executed hereunder (the "Other Agreements") will at the Closing, be duly executed and delivered by Shoom. This Agreement constitutes, and each of the Other Agreements will constitute, the legal, valid and binding obligation of Shoom enforceable in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally or by general equitable principles ("Enforceability Limitations").

(c) Conflicts. Neither the execution and delivery of this Agreement or any of the other agreements to which Shoom is a party, nor the consummation or performance of the Merger will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of any Legal Requirement or any Order to which or Shoom is subject; or

(ii) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by Shoom

(iii) except for any such contravention, conflict or violation which would not reasonably be expected to make illegal or materially delay or impair the consummation of the Merger, or;

(iv) (i) conflict with or result in a violation or breach of (ii) constitute (with or without notice or passage of time) a default under (iii) result in or give any person the right of termination, cancellation, acceleration or modification in or with respect to (iv) result in or give to any person any additional rights under or (v) result in the creation or imposition of an Encumbrance upon the assets of Shoom under, any Applicable Contract or other arrangement to which Shoom or any of the Shoom Stockholders, is a party or is bound.

(d) No Finder's Fee. Shoom has not, and the Shoom Stockholders have not, created any obligation for any finder's, investment banker's or broker's fee in connection with the Merger.

(e) Purchase Entirely for Own Account. As a condition to receipt of the Consideration Shares, each Shoom Stockholder will be required to represent that he Consideration Shares proposed to be acquired by such Shoom Stockholder hereunder will be acquired for investment for his own account, and not with a view to the resale or distribution of any part thereof, and the Shoom Stockholder has no present intention of selling or otherwise distributing the Consideration Shares, except in compliance with applicable securities laws, and in accordance with the terms and conditions of the form of Lock-Up Agreement attached hereto as Exhibit 2(a).

(f) Available Information. As a condition to receipt of the Consideration Shares, each Shoom Stockholder who is not an accredited investor will be required to represent that such Shoom Stockholder, or its advisor, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in Sysorex and the MergerSub and in the transactions contemplated herein.

(g) Non-Registration. As a condition to receipt of the Consideration Shares, each Shoom Stockholder will be required to represent that such Shoom Stockholder understands that the Consideration Shares have not been registered under the Securities Act and if issued in accordance with the provisions of this Agreement, will be issued by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Shoom Stockholder's representations as expressed herein.

(h) Restricted Securities. As a condition to receipt of the Consideration Shares, each Shoom Stockholder will be required to represent that such Shoom Stockholder understands that the Consideration Shares are characterized as "restricted securities" under the Securities Act inasmuch as this Agreement contemplates that, if acquired by the Shoom Stockholder pursuant hereto, the Consideration Shares would be acquired in a Merger not involving any public offering; that if the Consideration Shares was issued to the Shoom Stockholder in accordance with the provisions of this Agreement, such Consideration Shares may not be resold without registration under the Securities Act or the existence of an exemption therefrom; in this connection, that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. All of such representations, however, will be qualified by the obligation of Sysorex to register the Consideration Shares after the Effective Time, as provided in this Agreement.

(i) Legends. It is understood that the Consideration Shares will bear one or all of the following legends:

(i) "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO SHOOM THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT."

(ii) Any legend required by the "blue sky" laws of any state to the extent such laws are applicable to the securities represented by the certificate so legended.

(j) Schedule 13D; Section 16(b). As a condition to receipt of the Consideration Shares, each Shoom Stockholder will be required to acknowledge that if the number of Sysorex Shares acquired by such Shoom Stockholder, when aggregated with all other shares of Common Stock of Sysorex owned by such Shoom Stockholder at such time would result in Shoom Stockholder beneficially owning (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules thereunder) in excess of 4.99% of the then issued and outstanding Sysorex Shares and the Sysorex Shares are then registered under Section 12(g) of the Exchange Act, such Shoom Stockholder shall comply with the disclosure requirements of Schedule 13D and, if such amount exceeds 9.99%, such Shoom Stockholder shall also comply under the reporting obligations of Sections 16(a) and 16(b) of the Exchange Act and the rules promulgated thereunder. Sysorex shall provide to Shoom Stockholders, at Sysorex's sole cost and expense, the services of Sysorex's legal counsel to advise and prepare all such documents and filings as may be necessary to allow Shoom Stockholders to comply with the requirements of the Exchange Act.

(k) Corporate Organization; Etc. Shoom and each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has full corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to engage it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted, other than such franchises, licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Change on Shoom, or on the ability of Shoom to perform its obligations under this Agreement or on the ability of Shoom to consummate the Merger. Shoom and each of its Subsidiaries is duly qualified or licensed to do business as a foreign corporation in good standing in the jurisdictions where the nature of its business or its ownership or leasing of its properties make such qualification necessary except where the failure to so qualify would not reasonably be expected to have a Material Adverse Change. The copies of the Organizational Documents and all amendments thereto of Shoom and its Subsidiaries heretofore delivered to MergerSub are complete and correct copies of such instruments as presently in effect.

(l) Capitalization of Companies. The Shoom Stockholders own in the aggregate all of the issued and outstanding other equity interest of Shoom and Shoom shall own as of the Effective Time all of the issued and outstanding equity interests of its Subsidiaries, in each case free and clear of all Encumbrances, other than Encumbrances which will be extinguished on or prior to the Effective Time.

(m) Authority; Execution and Delivery; Enforceability. Shoom has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the Merger subject only to the requisite approval of the Merger and this Agreement by the stockholders of Shoom. The execution and delivery by Shoom of this Agreement and the consummation by Shoom of the Merger have been duly authorized and approved by the Shoom Board and no other corporate proceedings on the part of Shoom are necessary to authorize this Agreement and the Merger other than the requisite approval of the Merger and this Agreement by the stockholders of Shoom. When executed and delivered, this Agreement will be enforceable against Shoom in accordance with its terms, subject only to Enforceability Limitations.

(n) No Conflict. Neither the execution and delivery of this Agreement or any of the other Documents nor the consummation or performance of the Merger will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of, or give any Person the right to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Shoom or any of its Subsidiaries is subject;

(ii) contravene, conflict with or result in a violation of any of requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by any of Shoom or its Subsidiaries;

(iii) result in the imposition or creation of any Encumbrance upon or with respect to any of the Assets, except Permitted Encumbrances;

(o) Legal Proceedings.

(i) Neither the Shoom Stockholders in their capacity as Shoom Stockholders and/or as officers or directors of Shoom, nor Shoom is a party to any pending litigation, arbitration or administrative proceeding or to any investigation, and no such litigation, arbitration or administrative proceeding or investigation that might result in any Material Adverse Change in the financial condition, business or properties of Shoom is threatened.

(ii) Shoom has not received notice of any complaints, claims or threats, plans or intentions to discontinue commercial relations or purchases from any customer of Shoom, any purchaser of goods or services from Shoom, any employee or independent contractor significant to the conduct or operation of Shoom or its businesses or any party to any agreement to which Shoom is a party, other than in the Ordinary Course of Business for a service business serving large numbers of customers.

(iii) Shoom is under no obligation with respect to the return of goods in the possession of customers.

(p) Encumbrances. There are no liens, mortgages, deeds of trust, claims, charges, security interests or other encumbrances or liabilities of any type whatsoever to which any of the assets of Shoom, and Shoom's inventory (the "Inventory"), are subject.

(q) Financial Statements.

(i) The reviewed financial statements of Shoom and its Subsidiaries as for the year ended December 31, 2011 and the unaudited financial statements for the year ended December 31, 2012, together with the related notes and schedules (the "Reviewed Financials"), have been prepared by Shoom, and prior to and immediately after the Closing Date the Reviewed Financials shall be: (A) in accordance with the books of account and records of Shoom; (B) present fairly, and are true, correct and complete statements of the financial condition and the results of operations of Shoom in all material respects as at and for the periods therein specified, and (C) do not include or omit to state any fact which renders the Reviewed Financials materially misleading.

(ii) Shoom shall deliver to MergerSub and Sysorex pursuant to Section 11(c) below, prior to the Effective Time, the unaudited consolidated balance sheet as of a date ended the last complete month prior to the Effective Time (the "Balance Sheet Date") and the consolidated income statement for the period ended at the Balance Sheet Date (the "Unaudited Financials"). The Unaudited Financials give a true and fair view, in all significant aspects, of the consolidated balance sheet position of Shoom as at the Balance Sheet Date, and its consolidated results, and Shoom shall use its best efforts to have them contain sufficient and appropriate information for its adequate interpretation and comprehension according to U.S. GAAP, other than omission of footnotes. MergerSub and Shoom recognize that the records as delivered to MergerSub may require adjustments to be in accordance with GAAP. MergerSub shall work with Shoom to make said adjustments using the information provided by Shoom. Officers of Shoom shall sign said unaudited financial statements once they are prepared.

(iii) No Unknown Liabilities, Etc. As of the Balance Sheet Date, Shoom had no material liability or obligation of any nature (absolute, accrued, contingent or otherwise) not otherwise disclosed herein which is not fully reflected or reserved against in the Balance Sheet, which, in accordance with GAAP, should have been shown or reflected in the Balance Sheet. There has been no material change in the assets (other than cash) or liabilities (other than tax liabilities calculated in accordance with GAAP) of Shoom since the Balance Sheet Date. The MergerSub is preparing said balance sheets and financial information using information provided by Shoom on a timely basis.

(iv) Except as and to the extent shown or provided for in the Reviewed Financials or the notes and schedules thereto or as disclosed in any of the Schedules to this Agreement or such current liabilities as may have been incurred since December 31, 2012 in the Ordinary Course of Business, Shoom has no liabilities or obligations (whether accrued, absolute, contingent or otherwise) which might be or become a charge against the assets or liabilities of Shoom; as of the Balance Sheet Date, there was no asset used by Shoom in its operations that has not been reflected in the Reviewed Financials and, except as set forth in the Reviewed Financials, no assets have been acquired by Shoom since such date except in the Ordinary Course of Business.

(v) Except as disclosed in the Unaudited Financials and the information provided by Shoom, there has been no decrease in Shoom Stockholders' equity as compared with the amount shown for such Shoom Stockholders' equity as at the Balance Sheet Date, and no Material Adverse Changes in the financial position of Shoom since the Balance Sheet Date.

(r) Tax Matters.

Shoom has timely filed all federal, state and local income tax returns and has timely filed with all other appropriate governmental agencies all sales, ad valorem, franchise and other tax (including in connection with any real estate or personal property), license, gross receipts and other similar returns and reports required to be filed by Shoom. Shoom has reported all taxable income and losses on those returns on which such information is required to be reported and paid or provided for the payment of all taxes due and payable by Shoom on said returns or taxes due pursuant to any assessment received by it, including without limitation, any taxes required by law to be withheld and/or paid in connection with any officer's or employee's compensation or due pursuant to any assessment received by it. Shoom has timely filed a 2012 tax return and paid all state, local, and federal taxes due for the year ended December 31, 2012. Shoom has made available to the MergerSub and Sysorex for inspection copies of income tax returns that are true and complete copies of the federal and applicable state, local or other income tax returns filed by Shoom for the taxable years ended December 31, 2010, 2011, and 2012, and any other open tax periods. All tax liabilities of Shoom arising through the end of the taxable year ended December 31, 2012 and that are currently due have been paid. All tax liabilities of Shoom arising after December 31, 2012, and that are currently due have been paid or adequately disclosed and the properly reserved for on the books and records and financial statements of Shoom. No federal or applicable state, local or other tax return of Shoom for any period has been or is currently under audit by the Internal Revenue Service or any state, local or other tax authorities. No claim has been made by federal, state, local or other authorities relating to any such returns or any audit. For purposes of this Section 3(r), the word "timely" shall mean that such returns were filed within the time prescribed by law for the filing thereof, including the time permitted under any applicable extensions. Shoom is not aware of any facts which it believes would constitute the basis for the proposal of any tax deficiencies for any unexamined year. All taxes which Shoom is required by law to withhold and collect have been duly withheld and collected, and has been timely paid over to the proper authorities to the extent due and payable or they have been fully disclosed to the MergerSub.

(s) Accounts Receivable and Inventory.

(i) Accounts Receivable. The accounts receivable of Shoom reflected in the Unaudited Reviewed Financials as at the Balance Sheet Date, and the accounts receivable acquired by Shoom since such date are valid subsisting claims for the aggregate amounts thereof reflected in the Unaudited Financials net of the reserves or allowances for doubtful receivables reflected in the Financials or thereafter in Shoom's books and records uniformly maintained in accordance with the financial statements, accounted for in accordance with generally accepted accounting principles, and Shoom knows of no reason that would make such accounts receivable, net of such amounts as Shoom has reserved on its books as of the Balance Sheet Date, taken as a whole not collectible.

(ii) Inventory. The inventory of Shoom reflected in the Unaudited Financials as at December 31, 2012 and the inventory acquired by Shoom since such date (a) has been purchased in the Ordinary Course of Business, (b) has been fully paid for unless otherwise reflected in the Financials, (c) is marketable or adequate provision for obsolescence has been provided and (d) Shoom knows of no reason that would make such inventory, net of such amounts as Shoom has reserved on its books as of December 31, 2012, taken as a whole, not marketable.

(t) Title and Condition of Properties. Shoom does not own any real property, except as may be reflected in the financial information provided. Shoom has good, marketable title to all properties and assets, real and personal, tangible and intangible, reflected in the Unaudited Financials and all properties acquired subsequent to the Balance Sheet Date, which have not been disposed of in the Ordinary Course of Business. Said property is subject to no mortgage, lien, deed of trust, claim, security interest, liability, conditional sales agreement, easement, right-of-way or any other encumbrance except as may be filed in the Ordinary Course of Business.

Schedule 3(t) of this Agreement contains an accurate list of all leases and other agreements under which Shoom is lessee of any personal property. Each of the real property and personal property leases and agreements is in full force and effect and constitutes the legal, valid and binding obligation of the parties thereto.

All personal property, machinery and equipment which are material to the business, operations or condition (financial or otherwise) of Shoom is in operating condition and, subject to routine maintenance and ordinary wear and tear, have been maintained in accordance with reasonable industry standards and is suitable for the purpose for which it is used. Shoom is not aware of nor has received notice of, the violation of any applicable zoning regulation, ordinance or other law, order, regulation or requirement in force on the date hereof relating to Shoom's business or its owned or leased real or personal properties, with which Shoom has not complied or is in the process of complying as may be appropriate.

(u) Description of Material Contracts. Schedule 3(u)(i) of this Agreement contains a complete and correct list as of the date hereof of certain contracts (the "Material Contracts"), which are representative of the contracts entered into by Shoom and its customers. Other agreements, contracts and commitments, obligations and understanding are set forth in other Schedules delivered hereunder, of the following types written or oral to which Shoom is a party, under which it has any rights or by which it or any of its properties is bound, as of the date hereof: (a) mortgages, indentures, security agreements and other agreements and instruments relating to the borrowing of money or extension of credit; (b) employment and consulting agreements with annual compensation in excess of $50,000; (c) collective bargaining agreements; (d) bonus, profit-sharing, compensation, stock option, pension, retirement, deferred compensation or other plans, agreements, trusts, funds or arrangements for the benefit of employees (whether or not legally binding); (e) sales agency, manufacturer's representative or distributorship agreements; (f) agreements, orders or commitments for the purchase by Shoom of materials, supplies or finished products exceeding $25,000 in the aggregate from any one person; (g) agreements, orders or commitments for the sale by Shoom of its products or services exceeding $25,000; (h) agreements or commitments for capital expenditures in excess of $25,000 for any single project (it being warranted that the commitment for all undisclosed contracts for such agreements or commitments does not exceed $25,000 in the aggregate); (i) agreements relating to research; (j) agreements relating to the payment of royalties; (k) brokerage or finder's agreements; (l) joint venture agreements; and (m) other agreements, contracts and commitments which individually or in the aggregate for any one party involve any expenditure by Shoom of more than $25,000.

Except as set forth in Schedule 3(u)(ii), no consent of any party is required under any contract, agreement, commitment, obligation or undertaking to which Shoom is a party, which would make such agreements not binding and in full force and effect as of the Effective Time (including contracts which are not material and listed in Schedule 3(u)(i)). Any contracts, agreements, leases or commitments held in the name of any of the Shoom Stockholders and set forth in the Schedules hereto shall be assigned to Shoom prior to the Effective Time.

Shoom has made available to the MergerSub and Sysorex copies of all written agreements, contracts, commitments, obligations and undertakings, together with all amendments thereto that are in its possession, listed on Schedule 3(u)(i) and 3(u)(ii). All such agreements, contracts, commitments, obligations and undertakings are in full force and effect and, all parties to, or otherwise bound by, such agreements, contracts, commitments, obligations and undertakings have performed all obligations required to be performed by them to date and Shoom is not in default and no event, occurrence, condition or act exists which gives rise to (or which with notice or the lapse of time, or both, could result in) a default or right of cancellation, acceleration or loss of contractual benefits under, any such contract, agreement, commitment, obligation or undertaking. There has been no threatened cancellations thereof, and there are no outstanding disputes, other than in the Ordinary Course of Business for a service business serving a large customer base under any such contract, agreement, commitment, obligation or undertaking.

Each contract, lease, instrument and commitment required to be described in the Schedules hereto is, on the date hereof, and will be at the Effective Time, in full force and effect and is and will constitute a valid and binding obligation of Shoom and the respective parties to such agreements (subject only to Enforceability Limitations), and there is not, under any such contract, lease, instrument or commitment, any existing default by Shoom or such other parties or any event that, with notice, lapse of time or both, would constitute a default by Shoom or such other parties in respect of which adequate steps have not been taken to cure such default or to prevent a default from occurring or continuing. Any contracts, leases or commitments held in the names of any of the Shoom Stockholders and listed on the Schedules shall be assigned to Shoom prior to the Effective Time.

The material suppliers, customers and clients of Shoom will continue to supply and purchase from Shoom after the Effective Time, except as may change in the Ordinary Course of Business.

(v) Proprietary Rights.

(i) Shoom owns all right, title and interest in and to, or otherwise possesses legally enforceable rights, or is licensed to use, all patents, copyrights, technology, software, software tools, know-how, processes, trade secrets, trademarks, service marks, trade names, Internet domain names and other proprietary rights used in or necessary for the conduct of Shoom's business as conducted to the date of this Agreement, including, without limitation, the technology, information, databases, data lists, data compilations, and all proprietary rights developed or discovered or used in connection with or contained in all versions and implementations of Shoom's World Wide Web sites or any product or service which has been or is being distributed or sold by Shoom or currently is under development by Shoom or has previously been under development by Shoom (collectively, including such Web site, the "Company Products"), free and clear of all liens, claims and encumbrances (including without limitation linking, licensing and distribution rights) (all of which are referred to as "Company Proprietary Rights"). In addition, Shoom is not aware of any legal restrictions or impediments that would prevent Shoom from conducting its business as proposed to be conducted. Schedule 3(v) of this Agreement contains an accurate and complete in all material respects (i) description of all patents, trademarks (with separate listings of registered and unregistered trademarks), trade names, Internet domain names and registered copyrights in or related to Shoom Products or otherwise included in Shoom Proprietary Rights and all applications and registration statements therefor, including the jurisdictions in which each such Company Proprietary Right has been issued or registered or in which any such application of such issuance and registration has been filed, (ii) list of all licenses and other agreements with third parties (the "Third Party Licenses") relating to any material patents, copyrights, trade secrets, software, inventions, technology, know-how, processes or other proprietary rights that Shoom is licensed or otherwise authorized by such third parties to use, market, distribute or incorporate in Company Products (such patents, copyrights, trade secrets, software, inventions, technology, know-how, processes or other proprietary rights are collectively referred to as the "Third Party Technology") and (iii) list of all licenses and other agreements with third parties relating to any material information, compilations, data lists or databases that Shoom is licensed or otherwise authorized by such third parties to use, market, disseminate, distribute or incorporate in Company Products. All of Shoom's patents, copyrights, trademark, trade name or Internet domain name registrations related to or in Shoom Products are valid and in full force and effect; and consummation of the Merger contemplated by this Agreement will not alter or impair any such rights. No claims have been asserted or threatened against Shoom (and Shoom is not aware of any claims which are likely to be asserted or threatened against Shoom or which have been asserted or threatened against others relating to Company Proprietary Rights or Company Products) by any person challenging Shoom's use, possession, manufacture, sale or distribution of Company Products under any Company Proprietary Rights (including, without limitation, the Third Party Technology) or challenging or questioning the validity or effectiveness of any material license or agreement relating thereto (including, without limitation, the Third Party Licenses) or alleging a violation of any person's or entity's privacy, personal or confidentiality rights. There is no valid basis for any claim of the type specified in the immediately preceding sentence which could in any material way relate to or interfere with the continued enhancement and exploitation by Shoom of any of Shoom Products. None of Shoom Products nor the use or exploitation of any Company Proprietary Rights in its current business infringes on the rights of or constitutes misappropriation of any proprietary information or intangible property right of any third person or entity, including without limitation any patent, trade secret, copyright, trademark or trade name and Shoom has not been sued in any suit, action or proceeding which involves a claim of such infringement, misappropriation or unfair competition.

Shoom has not granted any third party any right to manufacture, reproduce, distribute, market or exploit any of Shoom Products or any adaptations, translations, or derivative works based on Shoom Products or any portion thereof. Shoom has not knowingly granted any third party any right to allow users of Shoom's World Wide Web site to link to other World Wide Web or Internet sites. Except with respect to the rights of third parties to the Third Party Technology, no third party has any express right to manufacture, reproduce, distribute, market or exploit any works or materials of which any of Shoom Products are a "derivative work" as that term is defined in the United States Copyright Act, Title 17, U.S.C. Section 101.

(ii) Shoom has at all times used commercially reasonable efforts customary in its industry to treat trade secrets that constitute Shoom Proprietary Rights related to Company Products and Company Components as containing trade secrets and has not disclosed or otherwise dealt with such items in such a manner as intended or reasonably likely to cause the loss of such trade secrets by release into the public domain.

(iii) No employee, contractor or consultant of Shoom is in violation in any material respect of any term of any written employment contract, patent disclosure agreement or any other written contract or agreement relating to the relationship of any such employee, consultant or contractor with Shoom or any other party because of the nature of the business conducted by Shoom.

(iv) Each person presently employed by Shoom (including independent contractors, if any) with access authorized by Shoom to confidential information has executed a confidentiality and non-disclosure agreement pursuant to the form of agreement previously provided to MergerSub or its representatives, or a form that provides for similar restrictions on use and disclosure.

(v) No material product liability or warranty claims have been communicated in writing to or threatened against Shoom.

(vi) There is no material unauthorized use, disclosure, infringement or misappropriation of any Company Proprietary Rights, or any Third Party Technology to the extent licensed by or through Shoom, by any third party, including any employee or former employee of Shoom. Shoom has not entered into any agreement to indemnify any other person against any charge of infringement of any Corporation Proprietary Rights, other than indemnification provisions contained in purchase orders arising in the Ordinary Course of Business.

(vii) Shoom has taken all steps customary and reasonable in the industry to protect and preserve the confidentiality and proprietary nature of all Intellectual Property and other confidential information not otherwise protected by patents, patent applications or copyright ("Confidential Information").

(w) Default; Violations or Restrictions. The execution, delivery and performance of this Agreement and of any agreement to be executed and delivered by Shoom in connection with the Merger contemplated hereby will not (or with the giving of notice or the lapse of time or both would) result in the breach of any term or provision of the Articles of Incorporation or By-laws of Shoom or violate any provision of or result in the breach of, modification of, acceleration of the maturity of obligations under, or constitute a default, or give rise to any right of termination, cancellation, acceleration or otherwise be in conflict with or result in a loss of contractual benefits to Shoom, under any law, order, writ, injunction, decree, statute, rule or regulation of any court, governmental agency or arbitration tribunal or any of the terms, conditions or provisions of any contract, lease, note, bond, mortgage, deed of trust, indenture, license, security agreement, agreement or other instrument or obligation by which Shoom is a party or by which it is bound, or require any consent, approval or notice under any law, rule or decree or any such document or instrument; or result in the creation or imposition of any lien, claim, restriction, charge or encumbrance upon Shoom's assets or interfere with or otherwise adversely affect the ability to carry on the business of Shoom after the Effective Time on substantially the same basis as it is now conducted by Shoom.

(x) Court Orders and Decrees. Shoom has not received written or oral notice that there is outstanding, pending or threatened any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal against or affecting Shoom, Shoom Shares or any of Shoom's assets. Shoom is in compliance in all material respects with all applicable Federal, state, county, municipal (or of any subdivision thereof) laws, regulations and administrative orders in force at any applicable time to which Shoom may be subject.

(y) Books and Records. Since January 1, 2010, the books and records of Shoom are, in all material respects, complete and correct and have been maintained in accordance with good business practice. True and complete copies of the Articles of Incorporation and By-laws of Shoom and all amendments thereto and true and complete copies of all minutes, resolutions, stock certificates and stock transfer records of Shoom since January 1, 2010 are contained in the minute books and stock transfer books that have been made available to the MergerSub and Sysorex for inspection and will be delivered to the MergerSub at the Effective Time. The minute books, stock certificate books, stock transfer records and such other books and records as may be requested by the MergerSub, as exhibited to the MergerSub, Sysorex, and their representatives, are complete and correct in all material respects, since January 1, 2010.

(z) Pension and Welfare Plans. See employee handbook, Schedule 3(z).

(i) Pension and Profit Sharing Plans. Except as disclosed in Schedule 3(z)(i) of this Agreement, Shoom does not have in effect any pension, profit sharing or other employee benefit plan described under Section 3(2)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). All benefits payable under any terminated employee pension benefit plan (as such term is defined in Section 3(2)(A) of ERISA) previously maintained by Shoom or to which it has previously contributed have been paid in full and/or that Shoom does not have any unfunded liability in respect of any such plan to the Pension Benefit Guaranty Corporation or to the participants in such plan or to the beneficiaries of such participants. Each such terminated plan was terminated substantially in accordance with the applicable provisions of law or any agreement or contract relating to any such plan and has been terminated without liability to Shoom.

(ii) Welfare Plans. Except as disclosed in Schedule 3(z)(ii) of this Agreement, Shoom does not have in effect any plan, fund, or arrangement of Shoom which is an employee welfare benefit plan, whether or not currently maintained (within the meaning of ERISA Section 3(1)) (a "Welfare Plan"). For each Welfare Plan, the following is true:

(1) each such Welfare Plan intended to meet the requirements for tax-favored treatment under Subchapter B of Chapter 1 of the Code meets such requirements;

(2) there is no voluntary employees' beneficiary association (within the meaning of Section 501(c)(9) of the Code) maintained with respect to any such Welfare Plan;

(3) there is no disqualified benefit (as such term is defined in Code Section 4976(b)) which would subject Shoom or the MergerSub to a tax under Code Section 4976(a);

(4) each such Welfare Plan which is a group health plan complies and has complied with the applicable requirements of Code Section 4980B. and would comply with Sections 9801 through 9806 if such provisions were now in effect, Title XXII of the Public Health Service Act, and the applicable provisions of the Social Security Act and is not and has not been a nonconforming group health plan under Section 5000(c) of the Code;

(5) each such Welfare Plan may be amended or terminated by Shoom or the MergerSub, on or at anytime after, the Closing Date and after any advance notice to participants or similar measures required by law which are non-waivable under the Welfare Plan;

(6) No such Welfare Plan provides for continuing benefits or coverage for any participant (including past, present or future retirees) or such participant's beneficiary after termination of employment except as required by the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA") or any other state or Federal law; and

(7) No claims have been made and no other events have occurred that might form the basis of a claim which has substantially increased or based on customary insurance industry practice might substantially increase, the premiums or other charges of Shoom under any Welfare Plan.

(aa) Insurance. Schedule 3(aa) of this Agreement contains a correct and complete description of all policies of insurance by or on behalf of Shoom in which Shoom is named as an insured party, beneficiary or loss payable payee. Shoom has at all times prior to the date hereof maintained and will at all times prior to the Effective Time maintain insurance coverage with respect to its properties, in respect of liabilities and risks prudently insured against. The policies described in Schedule 3(aa) of this Agreement are outstanding and in force as of the date hereof.

(bb) Rights of Third Parties. Other than as disclosed in Schedule 3(bb) of this Agreement attached, or specifically provided for in this Agreement, Shoom has not entered into any material leases, licenses, easements or other agreements, recorded or unrecorded, granting rights to third parties in any real or personal property of Shoom, and no person or other corporation has any right to possession, use or occupancy of any of the property of Shoom, except as customary and normal for the business.

(cc) Powers of Attorney. There are no persons, firms, associations, corporations or business organizations holding general or special powers of attorney from Shoom.

(dd) Labor Matters. Shoom is not a party to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened any labor disputes, strikes or work stoppages that may have a Material Adverse Change upon the continued business or operation of Shoom. Shoom is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices.

(ee) Relationships with Vendors and Customers. Shoom has no knowledge of any present or future conditions or state of facts or circumstances, which would cause a Material Adverse Change to Shoom after the Closing Date. Shoom's relationships with its customers, clients and vendors are satisfactory, and Shoom has no knowledge of any facts or circumstances which might materially alter, negate, impair or in any way cause a Material Adverse Change to the continuity of any such relationships including, but not limited to, the effect that such customer will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, buying materials, products or services from Shoom or its Subsidiaries, or MergerSub (whether as a result of the consummation of the Merger contemplated hereby or otherwise). Except as set forth on Schedule 3(ee) of this Agreement, neither Shoom nor any of its Subsidiaries have received any indication from any material supplier of Shoom or its Subsidiaries to the effect that such supplier (i) is planning to implement any material price changes other than in the Ordinary Course of Business or will stop or (ii) is terminating, canceling or threatening to terminate or cancel any commitments, contracts or arrangements with Shoom, and there are no disputes with any material supplier of Shoom or its Subsidiaries. Shoom has no knowledge of any material outstanding claims of any of its customers or clients presently outstanding, pending or threatened against Shoom, except for aged accounts payables claims. Shoom has no knowledge of any present or future condition or state of facts or circumstances which would prevent the business of Shoom from being carried on by the MergerSub after the Effective Time in essentially the same manner as it is presently being carried on.

(ff) Approvals and Authorizations. Shoom has obtained all necessary consents, approvals and authorizations in connection with the Merger contemplated hereby which are required by law or otherwise in order for Shoom to continue all of its present business following the Closing Date.

(gg) Compensation Plans. The employee handbook, Schedule 3(z) of this Agreement contains a correct and complete description of all material compensation plans and arrangements: bonus and incentive plans and arrangements; deferred compensation plans and arrangements; stock purchase and stock option plans and arrangements: hospitalization and other life, health or disability insurance or reimbursement programs: holiday, sick leave, severance, vacation, tuition reimbursement, personal loan and product purchase discount policies and arrangements, policy manuals and any other plans or arrangements providing for benefits for employees of Shoom.

(hh) Governmental Licenses. Schedule 3(hh) of this Agreement contains a correct and complete list of all material governmental and administrative consents, permits, appointments, approvals, licenses, certificates and franchises which are (i) necessary for the operation of Shoom, and (ii) required in connection with Shoom's execution, delivery or performance of this Agreement, all of which have been obtained by Shoom and are in full force and effect.

(ii) Brokers. No agent, broker, investment banker, person, or firm acting on behalf of Shoom or any of the Shoom Stockholders, or any firm or corporation affiliated with any of them, or under its authority, is or will be entitled to a financial advisory fee, brokerage commission, finder's fee or other like payment in connection with the Merger contemplated hereby.

(jj) Compliance With Laws.

(i) The operations and activities of Shoom have previously and continue to comply with all applicable federal, state and local laws, statutes, codes, ordinances, rules, regulations, permits, judgments, orders, writs, awards, decrees or injunctions (collectively, the "Laws"), as in effect on or before the date of this Agreement, including, without limitation, all rules and regulations of the Occupational Safety and Health Administration. Neither the ownership of Shoom nor the conduct of the business of Shoom as presently conducted conflicts with the rights of any other person, firm or corporation or violates, or with or without the giving of notice or the passage of time, or both, will violate, conflict with or result in a default right to accelerate or loss of rights under, any terms or provisions of its Articles of Incorporation or By-laws as presently in effect, or any lien, encumbrance, mortgage, deed of trust, lease, license, agreement, understanding, or Laws to which Shoom is a party or by which it may be bound or affected. Shoom has received no written notice or communication from any third party asserting a failure to comply with any Laws, nor has Shoom received any written notice that any authority or third party intends to seek enforcement against Shoom to compel compliance with any such Laws.

(ii) There are no existing claims or threatened claims against Shoom, for, with respect to, or as direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, or emission discharging, from the real property of Shoom of any "Hazardous Material," including, without limitation. any losses, liabilities, damages, injuries, costs, expenses, reasonable fees of counsel or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liabilities Act ("CERCLA"), any so-called "Super Fund" or "Super Lien" law or any other applicable federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or at any time hereafter in effect, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material.

(iii) Since the date first acquired or leased by Shoom, Shoom has not placed any "Hazardous Material" on or under the real property owned or leased by Shoom and there has been no "Hazardous Material" on or under the real property owned or leased by Shoom.

(iv) Neither Shoom nor the Shoom Stockholders, nor any officer, employee or agent of Shoom acting on its behalf, nor any other person acting on its behalf, has, directly or indirectly, within the past three (3) years given or received or agreed to give or receive any gift or similar benefit to any customer, supplier, governmental employee or other person who is or may be in a position to help or hinder Shoom (or assist Shoom in connection with any actual or proposed acquisition) which (i) might subject Shoom to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given or received in the past might have adversely affected the assets, business or operation of Shoom, or (iii) if not continued in the future, might adversely affect the assets, the business or the operations or prospects of Shoom, or which might subject Shoom to suit or penalty in any private or governmental litigation or proceeding.

(kk) Internal Accounting Controls. Shoom and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) acquisitions are executed in accordance with management's general or specific authorizations, (ii) acquisitions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Shoom has established disclosure controls and procedures for Shoom and designed such disclosure controls and procedures to ensure that material information relating to Shoom, including its subsidiaries, is made known to the officers by others within those entities. Shoom's officers have evaluated the effectiveness of Shoom's controls and procedures. Since the Balance Sheet Date, there have been no significant changes in Shoom's internal controls or in other factors that could significantly affect Shoom's internal controls.

(ll) No Additional Agreements. Shoom does not have any agreement or understanding with any Shoom Stockholders with respect to the Merger contemplated by this Agreement other than as specified in this Agreement.

(mm) Disclosure. Shoom understands and confirms that the Shoom Stockholders will rely on the foregoing representations and covenants in effecting the Merger. All disclosure provided to the Shoom Stockholders regarding Shoom, its business and the Merger contemplated hereby, furnished by or on behalf of Shoom (including Shoom's representations and warranties set forth in this Agreement) are true and correct in all material respects and do not contain any untrue statements of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(nn) Relationships With Related Persons. Except as set forth in Schedule 3(b)(iii) of this Agreement, and except through or related to its ownership of Shoom Shares, neither the Shoom Stockholders nor any Affiliate of the Shoom Stockholders has any outstanding Contract with Shoom or its Subsidiaries.

(oo) Guarantees. The Shoom Stockholders have not personally guaranteed any of the obligations of the business of Shoom, except for unspecified guarantees that were initiated during the start up phase of Shoom that may not have been released.

(pp) Benefits. All information on accrued holiday, vacation, sick or other compensation or benefits to which employees of Shoom are entitled to receive from Shoom have been provided by Shoom, so they can be set forth on the Financial Statements to the extent such accruals are required to be accrued in accordance with GAAP. Shoom has an employee manual which sets forth Shoom's primary policies with respect to its employees.

(qq) Schedules. Shoom has delivered to the MergerSub and Sysorex complete and correct schedules in all material respects (the "Schedules"), in form and substance reasonably acceptable to the MergerSub and Sysorex, as of the date of this Agreement.

(rr) No Legal or Tax Advice. Shoom is not relying on any legal or tax advice from Sysorex or the MergerSub in connection with the Merger contemplated by this Agreement.

(ss) Accuracy. No representation, warranty, covenant or statement by Shoom in this Agreement, including the Schedules and Exhibits attached hereto and the certificates furnished or to be furnished to the MergerSub and Sysorex pursuant hereto, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated herein or therein or necessary to make the statements contained herein or therein in light of the circumstances under which they were made, not false or materially misleading.

Section 4. Representations and Warranties of the MergerSub and Sysorex. Each of MergerSub and Sysorex jointly and severally warrants and represents to Shoom as follows: (as used herein, "MergerSub's or Sysorex's best knowledge" or "to the best knowledge or the MergerSub or Sysorex" shall mean information actually known by the officers or directors of MergerSub or Sysorex or imputed knowledge as to which it was their fiduciary duty to inform themselves):

(a) Capacity. Each of the MergerSub and Sysorex has full right, power and capacity to execute, deliver and perform its obligations under this Agreement and the other documents required to be executed by the MergerSub or Sysorex in connection herewith and to consummate the Merger contemplated hereby. The execution and delivery of this Agreement does not, and the consummation of the Merger contemplated by this Agreement will not, constitute a breach of any term or provision of the Articles of Incorporation or By-laws of the MergerSub or the Certificate of Incorporation or By-laws of Sysorex or constitute a default under any material law, rule, regulation, indenture, instrument, mortgage, deed of trust, or other agreement or instrument to which the MergerSub or Sysorex is a party or by which either is bound.

(b) Organization.

(i) The MergerSub is a corporation duly organized, validly existing and in good standing under the laws of the State of California, and the MergerSub has corporate power and authority to carry on its business as now conducted and to own, lease or operate the properties and assets now used by it in connection therewith. The MergerSub is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties make such qualification necessary.

(ii) Sysorex is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, and has corporate power and authority to carry on its business as now conducted and to own, lease or operate the properties and assets now used by it in connection therewith. Sysorex is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties make such qualification necessary.

(c) Authority; No Conflict.

(i) This Agreement constitutes the legal, valid and binding obligation of MergerSub and Sysorex, enforceable against them in accordance with its terms, except as may be limited by bankruptcy, moratorium and insolvency laws and other laws affecting the rights of creditors generally and except as may be limited by general principles of equity. The execution and delivery by the MergerSub and Sysorex of this Agreement and the consummation by the MergerSub and Sysorex of the Merger have been duly authorized and approved by the Board of Directors of the MergerSub and Sysorex and no other corporate proceedings on the part of the MergerSub and Sysorex are necessary to authorize this Agreement and the Merger. Upon the execution and delivery by it of the Other Agreements to which MergerSub or Sysorex is a party and the execution and delivery thereof by each other party thereto, such Other Agreements will constitute the legal, valid and binding obligations of MergerSub or Sysorex, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, moratorium and insolvency laws and other laws affecting the rights of creditors generally and except as may be limited by general principles of equity. MergerSub and Sysorex have the power, authority and capacity to execute and deliver this Agreement and the Other Agreements to which it is a party and to perform its respective obligations under this Agreement and such Other Agreements.

(ii) neither the execution and delivery of this Agreement or any of the Other Agreements, nor the consummation or performance of the Merger will, directly or indirectly (with or without notice or lapse of time):

(iii) contravene, conflict with or result in a violation of any Legal Requirement or any Order to which MergerSub or Sysorex is subject; or

(1) conflict with or result in a violation or breach of (b) constitute (with or without notice or passage of time) a default under (c) result in or give any person the right of termination, cancellation, acceleration or modification in or with respect to (d) result in or give to any person any additional rights under or (e) result in the creation or imposition of an Encumbrance upon the assets of the MergerSub or Sysorex under any agreement or other arrangement to which MergerSub or Sysorex is a party or is bound; or

(2) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by MergerSub or Sysorex.

(iv) Neither MergerSub nor Sysorex are and will not be required to give any notice to, or obtain any Consent from, any Person in connection with the execution and delivery of this Agreement or any of the Other Agreements or the consummation or performance of the Merger.

(d) Capital Structure. As of the Effective Time the authorized capital stock of Sysorex shall consist of 50,000,000 Sysorex Shares and 5,000,000 shares of "blank check" preferred stock (the "Sysorex Preferred Stock"). As of August 26, 2013 (i) 25,208,443 Sysorex Shares were issued and outstanding, (ii) no shares Sysorex Preferred Stock were outstanding, (iii) no Sysorex Shares or Sysorex Preferred Stock are held by Sysorex in its treasury, and (iv) warrants to purchase an aggregate of 1,010,023 Sysorex Shares were issued and outstanding, and (v) 3,000,000 Sysorex Shares are reserved for issuance under Sysorex's 2011 Employee Incentive Plan of which options to purchase 1,788,500 Sysorex Shares have been granted under the plan, as well as 1,250,000 non-qualified stock options outside of the Plan. Except as set forth on Schedule 4(d) of the Sysorex Disclosure Schedule attached hereto, no shares of capital stock or other voting securities of Sysorex were issued, reserved for issuance or outstanding. All outstanding shares of the capital stock of Sysorex are, and all such shares that may be issued prior to the date hereof will be when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the Nevada Revised Statutes, Sysorex's Articles of Incorporation, Sysorex's By-laws or any Contract to which Sysorex or MergerSub is a party or otherwise bound. There are no other commitments, Contracts, arrangements or undertakings of any kind to which Sysorex or MergerSub is a party or by which any of them is bound (i) obligating Sysorex or MergerSub to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of or other equity interest in, MergerSub, (ii) obligating Sysorex or MergerSub to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking or (iii) that give any person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights occurring to holders of the capital stock of Sysorex. As of the date of this Agreement, there are not any outstanding contractual obligations of Sysorex to repurchase, redeem or otherwise acquire any shares of capital stock of Sysorex. Sysorex is not a party to any agreement granting any security holder of Sysorex the right to cause the MergerSub to register shares of the capital stock or other securities of Sysorex held by such security holder under the Securities Act, other than the pending preferred share offering. The Consideration Shares to be issued pursuant to this Agreement as well as under the Sysorex 2011 Employee Incentive Plan will, when issued, be duly authorized, validly issued, fully paid and non-assessable.

(e) Consents and Approvals. No governmental license, permit or authorization, and no registration or filing with any court, governmental authority or regulatory agency, is required in connection with the execution, delivery or performance of this Agreement by the MergerSub or Sysorex. Each of the MergerSub and Sysorex shall execute, deliver and perform its obligations under this Agreement, and no consent or other approval of any other party is required to be obtained by the MergerSub or Sysorex in connection with the Mergers contemplated hereby.

(f) Binding Obligation. This Agreement has been duly executed and delivered by the MergerSub and Sysorex and constitutes the legal, valid and binding obligation of the MergerSub and Sysorex, enforceable against the MergerSub and Sysorex in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity or bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally. All action of the Board of Directors of the MergerSub and Sysorex and all other corporate action necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the Mergers contemplated hereby has been duly and validly taken.

(g) Brokers: Finders. Except as set forth in Schedule 4(g) attached hereto, no agent, broker, investment banker, person or firm acting on behalf of the MergerSub or Sysorex or any firm or corporation affiliated with the MergerSub or Sysorex or under the authority of either the MergerSub or Sysorex is or will be entitled to any brokers' or finders' fee or any other commission or similar fee in connection with the Merger contemplated hereby.

(h) Accuracy. No representation, warranty, covenant or statement by the MergerSub or Sysorex in this Agreement, including the Schedules and Exhibits attached hereto and the certificates furnished or to be furnished to Shoom pursuant hereto, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated herein or therein or necessary to make the statements contained herein or therein in light of the circumstances under which they were made, not false or materially misleading.

(i) Listing and Disclosure Documents. Except as set forth in Schedule 4(i) of the Sysorex Disclosure Schedule attached hereto, as of the Signing Date, Sysorex does not have and has never had securities of any class registered under the Securities Act or the Exchange Act, and the only filings that Sysorex has made with the Securities and Exchange Commission include an S-1 Registration Statement filed on August 12, 2013 and Notices of Exempt Offering of Securities on Form D. Notwithstanding the foregoing, Sysorex Shares are listed for trading on the OTC Markets maintained by the Financial Industry Regulatory Authority, Inc. ("FINRA"), and Sysorex files disclosure documents, including financial statements, with FINRA which are available to the public at http://www.otcmarkets.com (the "Disclosure Documents"). Sysorex has no reason to believe that it will not in the foreseeable future continue to be, in compliance with the listing and maintenance requirements for continued listing of the Sysorex Shares on the OTC Markets. As of its respective filing date, each Disclosure Document complied in all material respects with the rules and regulations of FINRA, and did not contain any untrue statement of a material fact or omit 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. Sysorex has filed its consolidated financial statements for the years ended December 31, 2011 and 2012, and for the six-month period ended June 30, 2013 (the "Sysorex Financials"), all of which comply with the rules and regulations of FINRA and have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of Sysorex and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods shown (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the Disclosure Documents, Sysorex has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a balance sheet of Sysorex or in the notes thereto.

(j) Absence of Certain Changes or Events. Except as set forth in Schedule 4(j) of the Sysorex Disclosure Schedule attached hereto, from the date of the most recent quarterly financial statement to the Signing Date, Sysorex and MergerSub have conducted business only in the ordinary course.

(k) Litigation. Except as set forth in Schedule 4(k) of the Sysorex Disclosure Schedule attached hereto, there is no suit, action or proceeding pending or, to the knowledge of Sysorex or MergerSub, threatened against or affecting Sysorex or MergerSub (and Sysorex and MergerSub are not aware of any basis for any such suit, action or proceeding) that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Change on Sysorex or MergerSub, nor is there any Judgment outstanding against Sysorex or MergerSub that has had or would reasonably be expected to have a Material Adverse Change on Sysorex or MergerSub.

(l) Compliance with Applicable Laws. Except as set forth on Schedule 4(l) of the Sysorex Disclosure Schedule attached hereto, Sysorex and MergerSub are in compliance with all applicable Laws, including those relating to occupational health and safety and the environment, except for instances of noncompliance that, individually and in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Change on Sysorex. Except as set forth in the Disclosure Documents, Sysorex or MergerSub have not received any written communication during the past two years from a Governmental Entity that alleges that Sysorex or MergerSub is not in compliance in any material respect with any applicable Law.

(m) Reorganization.

(i) MergerSub is a newly formed California corporation that was organized solely to engage in the Merger. MergerSub does not have any assets or any liabilities and has not engaged in any business or activity.

(ii) MergerSub is, and immediately prior to the Merger will be, a wholly owned subsidiary of Sysorex.

(iii) MergerSub has no plan, intention or commitment to issue or sell (a) any of its capital stock, (b) any security of MergerSub treated as equity for federal income tax purposes, (c) any security that is convertible or exchangeable into any of the foregoing, or (d) any right to subscribe for or acquire any of the foregoing, and no such securities or rights are outstanding other than the common stock of MergerSub that is owned by Sysorex.

(iv) Neither Sysorex nor MergerSub has any plan or intention to cause the Surviving Corporation to issue additional shares of its stock or any other security of Surviving Corporation that would result in Sysorex losing control of the Surviving Corporation within the meaning of Section 368(c) of the Code prior to or immediately after the Merger.

(v) Except as set forth in Schedule 4(v) of the Sysorex Disclosure Schedule attached hereto, prior to the Merger, Shoom has acquired no Sysorex Shares (and no related person to Sysorex within the meaning of Treasury Regulations Section 1.368-1(e)(3) has acquired any stock of Shoom), either directly or through any transaction, agreement or arrangement with another person. Shoom has no plan or intention to acquire or redeem (and no related person to Shoom within the meaning of Treasury Regulations Section 1.368-1(e)(3) has any plan or intention to acquire) any of the Sysorex stock issued in the Merger, other than pursuant to the terms of this Agreement, either directly or through any transaction agreement or arrangement with another person.

(vi) Sysorex has no plan or intention to (a) liquidate the Surviving Corporation (including any transaction that would be treated as a liquidation for federal income tax purposes), (b) merge the Surviving Corporation with or into another corporation (including any entity treated as a corporation for federal income tax purposes), (c) sell or otherwise dispose of the stock of the Surviving Corporation, except for transfers of stock to corporations controlled by Sysorex in accordance with Section 368(a)(2)(C) of the Code, or (d) cause the Surviving corporation to sell or otherwise dispose of any of its assets or any of the assets acquired from MergerSub, except for dispositions made in the Ordinary Course of Business or transfers of assets to a corporation controlled by the Surviving corporation in accordance with Section 368(a)(2)(C) of the Code.

(vii) MergerSub has no liabilities assumed by the Surviving Corporation in the Merger, and will not transfer any assets to the Surviving Corporation in the Merger subject to any liabilities.

(viii) Following the Merger, Sysorex will cause the Surviving Corporation to continue its historic business or use a significant portion of its historic business assets in a business, in each case within the meaning of Treasury Regulations Section 1.368-1(d).

(ix) Sysorex and MergerSub will each pay their respective expenses, if any, incurred in connection with the transaction contemplated by this Agreement.

(x) Sysorex is not an investment company within the meaning of Section 368(a)(2)(F)(iii) and (iv) of the Code.

Section 5. Survival of Representations and Warranties; Indemnification. All representations and warranties made by Shoom, the Shoom Stockholders, MergerSub and Sysorex in this Agreement, including without limitation all representations and warranties made in any Exhibit or Schedule hereto or certificate delivered hereunder, shall survive the Closing until the first anniversary of the Closing Date (the "Survival Date"); provided, however, that all representations and warranties made by Shoom and the Shoom Stockholders in Section 3(r) hereof, and all representations and warranties made by the MergerSub and Sysorex in Section 4(i) hereof, shall survive the Closing until and through one (1) month after the expiration of the applicable statute of limitations (the "Extended Survival Date"); provided, however, that representations which are the basis for claims asserted under this Agreement, of which an Indemnitee notifies the indemnifying party prior to the expiration of such applicable time periods, shall also survive until the final resolution of those claims. Covenants and other executory obligations contained in this Agreement shall survive the Closing. The right to indemnification, payment of damages and other remedies based on representations, warranties, covenants and obligations in this Agreement shall not be affected by any investigation conducted or any knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation.

(a) Indemnity by the Shoom Stockholders. Provided that the Merger contemplated by this Agreement is closed, the Shoom Stockholders shall, severally but not jointly, indemnify, defend and hold harmless the MergerSub and Sysorex and their respective Affiliates, shareholders, partners, directors, officers, employees and other agents and representatives (collectively, the "Sysorex Parties") from and against all liabilities, losses, costs or damages whatsoever (including expenses and reasonable fees of legal counsel) ("Claims") arising out of or relating to Claims of which Sysorex notifies the Shareholder Representative prior to the Survival Date or the Extended Survival Date, if applicable, in the event that it is determined that such Claims arise out of or from or are based upon (i) the inaccuracy in any material respect of any representation or warranty contained in Section 3 made by Shoom, (ii) the non-performance by Shoom in any material respect of any covenant, agreement or obligation to be performed by Shoom under this Agreement, (iii) the assessment of any material federal, state, local or other tax liabilities due and payable by Shoom for all periods through August 31, 2013 or (iv) the assessment of any federal, state or local fines resulting from the provision of services or shipment of any product of Shoom to and including through the Closing Date; or (v) the inaccuracy in any material respect of any representation or warranty made by a Shoom Stockholder in the Shareholder Representation Statement delivered by such Shoom Stockholder (in which case only such individual Shoom Stockholder shall have such indemnification obligation).

(b) Indemnification by MergerSub and Sysorex. Provided that the Merger contemplated by this Agreement is closed, the MergerSub and Sysorex hereby agree to indemnify, defend and hold harmless the Shoom Stockholders from and against all Claims arising out of or from or based upon (i) the inaccuracy in any material respect of any representation or warranty contained in Section 4 by the MergerSub and/or Sysorex; (ii) the non-performance by the MergerSub and/or Sysorex in any material respect of any covenant, agreement or obligation to be performed by the MergerSub and/or Sysorex under this Agreement; and (iii) any liabilities arising out of the operation of the business of Shoom by the Surviving Corporation after the Effective Time.

(c) Defense of Claims. Whenever any Claim shall arise for indemnification hereunder, the party entitled to indemnification (the "Indemnitee") shall notify the indemnifying party (the "Indemnitor") in writing within 30 days after the Indemnitee has actual knowledge that it is entitled to indemnification of such Claim constituting the basis for such Claim (the "Notice of Claim"). The Notice of Claim shall specify all facts known to the Indemnitee giving rise to such indemnification claim and the amount or an estimate of the amount of the liability arising therefrom.

If the facts giving rise to any such indemnification shall involve any actual, threatened or possible claim or demand by any person against the Indemnitee, the Indemnitor shall be entitled (without prejudice to the right of the Indemnitee to participate at its expense through co-counsel of its own choosing) to contest or defend such claim at his expense and through counsel of his own choosing if he gives written notice of his intention to do so to the Indemnitee within 10 days after receipt of the Notice of Claim; provided that Indemnitor diligently prosecutes or defends such claim.

The Indemnitee shall not settle any claim that would give rise to liability on the part of the Indemnitor under the indemnity contained in this Section without the written consent of the Indemnitor, which consent shall not unreasonably be withheld. If a firm offer is made to settle a claim or litigation defended by the Indemnitee and the Indemnitor refuses to accept such offer within 20 days after receipt of written notice from the Indemnitee of the terms of such offer, then, in such event, the Indemnitee shall continue to contest or defend such claim and shall be indemnified pursuant to the terms hereof. If a firm offer is made to settle a claim or litigation and the Indemnitor notifies the Indemnitee in writing that the Indemnitor desires to accept and agree to such settlement, but the Indemnitee elects not to accept or agree to it, the Indemnitee may continue to contest or defend such claim or litigation and in such event, the total maximum liability of the Indemnitor to indemnify or otherwise reimburse the Indemnitee hereunder with respect to such claim or litigation shall be limited to and shall not exceed the amount of such settlement offer, plus reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) to the date of notice that the Indemnitor desires to accept such settlement.

Notwithstanding any provision of this Agreement to the contrary, neither Shoom Stockholders' nor MergerSub's maximum liability for indemnification shall exceed a total of five million five hundred thousand dollars ($5,500,000). Further, notwithstanding anything in this Agreement to the contrary, no Shoom Stockholder shall have any liability for indemnity obligations in excess of such Shoom Stockholder's pro-rata portion of the total liability for such indemnity, based upon the relative numbers of Shoom Shares held by the Shoom Stockholders. For example, if the total aggregate indemnity liability of the Shoom Stockholders as a group is $1,000,000, and a Shoom Stockholder held 10% of the Shoom Shares, such Shoom Stockholder's maximum liability for indemnification shall be $100,000.

Notwithstanding any provision of this Agreement to the contrary, no claim for indemnification pursuant to this Section 5 by the Indemnitee shall be asserted or claimed except for the amount of such Claim in excess of the aggregate, the sum of $25,000 (the "Shoom Stockholders' Basket"). Any Loss suffered by MergerSub for payment of any insurance deductible in connection with any proceedings shall be excluded from the Shoom Stockholders' Basket.

All claims for indemnification against the Shoom Stockholders shall be satisfied by the Shoom Stockholders on a pro-rata basis first by forfeiture of Escrow Shares and Escrow Cash held pursuant to Section 1(i) and if not satisfied thereby, by forfeiture of additional Consideration Shares. For purposes of determining the number of Escrow Shares or other Consideration Shares to be forfeited in order to satisfy a claim for indemnity, any Escrow Shares or Consideration Shares that are forfeited in satisfaction of indemnity obligations shall be deemed to have a value of the greater of (i) two dollars ($2.00) per share, or (ii) the average closing price of such Sysorex Shares for the ten (10) trading days preceding the date on which such shares are forfeited in satisfaction of indemnity obligations. Notwithstanding the above, any Shoom Stockholder shall be entitled to elect to satisfy some or all of such Shoom Stockholder's indemnity obligations hereunder in cash rather than through forfeiture of Escrow Shares or other Consideration Shares.

(d) Notwithstanding any provisions of this Agreement to the contrary, the remedies available to the Sysorex Parties under this Section 5 shall be the sole and exclusive remedies of the Sysorex Parties against the Shoom Stockholders in relation to this Agreement.

(e) Shareholder Representative. In the event that the Merger is approved by the Shoom Stockholders, effective upon such vote, and without further act of any stockholder, William Freschi shall be deemed appointed as agent and attorney-in-fact (the "Shareholder Representative") for each Shoom Stockholder (except such shareholders, if any, as shall have perfected their dissenters' rights under the CCC), for and on behalf of the Shoom Stockholders, to give and receive notices and communications, to object to Claims for indemnification, to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to Claims for which indemnification is sought, and to take all actions necessary or appropriate in the judgment of the Shareholder Representative for the accomplishment of the foregoing. The Shareholder Representative shall not be liable for any act done or omitted hereunder as Shareholder Representative while acting in good faith. A decision, act, consent or instruction of the Shareholder Representative shall constitute a decision of all the Shoom Stockholders and shall be final, binding and conclusive upon each of the Shoom Stockholders, and the Sysorex Parties may rely upon any such decision, act, consent or instruction of the Shareholder Representative as being the decision, act, consent or instruction of every such Shoom Stockholder. The Shareholder Representative may be removed and replaced by the Shoom Stockholders from time to time upon not less than 30 days prior written notice to Sysorex; *provided, however*, that the Shareholder Representative may not be removed unless holders of a majority of the Consideration Shares agree to such removal and to the identity of the substituted Shareholder Representative. Any vacancy in the position of Shareholder Representative may be filled by approval of the holders of a majority in interest of the Consideration Shares. In the event that a vacancy in the position of Shareholder Representative is not filled by a majority in interest of the Consideration Shares, Sysorex may petition a court of competent jurisdiction to appoint a successor to such position. No bond shall be required of the Shareholder Representative, and the Shareholder Representative shall not receive compensation for his services. Notices or communications to or from the Shareholder Representative shall constitute notice to or from each of the Shoom Stockholders. Notwithstanding the above, the Shareholder representative shall not have the power to settle or compromise any Claim relating to the inaccuracy of representations or warranties made by a Shoom Stockholder in the Shareholder Representation Statement delivered by such Shoom Stockholder for which only such individual Shoom Stockholder has indemnification obligations.

Section 6. Covenants of Shoom. Shoom hereby covenants and agrees:

(a) Conduct of Business Prior to Closing. On and after the Signing Date until the Closing Date, except as expressly permitted or required by this Agreement or as otherwise expressly consented to by Sysorex in writing, Shoom shall use its reasonable efforts to:

(i) operate Shoom only in the Ordinary Course of Business;

(ii) not purchase or acquire any assets or properties, ether real or personal, tangible or intangible, other than supplies purchased in the Ordinary Course of Business, and not sell or otherwise dispose of any property or asset, except in the Ordinary Course of Business;

(iii) not take any action or omit to take any action which will cause a material breach of any Material Contract;

(iv) take all steps reasonably necessary to maintain its intellectual property rights;

(v) pay all accounts payable, and collect all accounts receivable, in the Ordinary Course of Business;

(vi) comply with all applicable Laws;

(vii) maintain the books and records and accounts in the Ordinary Course of Business;

(viii) except as set forth herein, continue the employment of all employees and not modify the salary or other compensation (including benefits) of any employee;

(ix) use commercially reasonable efforts to preserve the goodwill and patronage of the customers, employees, suppliers and others having a business relationship with Shoom;

(x) not engage in any practice, enter into any transaction, take any action or omit to take any action which would cause a Material Adverse Change.

(b) Further Assurances. Shoom hereby agrees that, from time to time at the reasonable request of the MergerSub and without further consideration, it shall execute and deliver such additional instruments and take such other action as the MergerSub or Sysorex may reasonably require to cause the Shoom Stockholders to convey, assign, transfer and deliver Shoom Shares and otherwise to carry out the terms of this Agreement.

(c) Public Announcements. Sysorex may issue a press release or other announcement of this Agreement and the Merger contemplated hereby and thereby in such form as shall be determined by Sysorex and MergerSub in their sole discretion, provided that MergerSub and/or Sysorex shall not issue any such press release or public announcement without the prior approval of Shoom, which approval will not be unreasonably withheld. None of Shoom, its Subsidiaries, the Shoom Stockholders or their respective Affiliates, officers, employees or agents shall issue or cause the issuance or the publication of any press release or any other public statement or announcement with respect to this Agreement, the Other Documents or the Merger contemplated hereby or thereby, without the prior review and written consent of MergerSub and/or Sysorex in each specific instance.

(d) Affiliate Transactions. On or prior to the Closing Date, all Indebtedness and other amounts owing under Contracts (other than documents related to the Merger and employment, restrictive covenant, confidentiality and similar agreements with employees of Shoom and its Subsidiaries) between Shoom, any Affiliate of Shoom, or any officer, director, manager, or spouses, parents, children or siblings of any director, or officer or member of Shoom or Affiliate of any of the foregoing (other than Shoom or any Subsidiary thereof), on the one hand, and Shoom or any of its Subsidiaries, on the other hand, will be paid in full, and Shoom will terminate and will cause any such Affiliate of Shoom, or officer, director, manager, or spouses, parents, children or siblings of any director, officer or member of Shoom or Affiliate of any of the foregoing to terminate, each such Contract with Shoom or any Subsidiary thereof, including, but not limited to any management services agreements, between any such Person and Shoom, without any obligation thereunder surviving such termination. Prior to the Closing, except as expressly contemplated by this Agreement or any other document related to the Merger, neither Shoom nor any Subsidiary thereof will enter into any Contract or amend or modify in any material respect any existing Contract, or engage in any transaction outside the Ordinary Course of Business consistent with past practice or not on an arm's-length basis, with Shoom or any such Affiliate of Shoom, or officer, director, manager, or spouses, parents, children or siblings of any director, officer or member of Shoom or Affiliate of any of the foregoing.

(e) Notice and Cure. If Shoom obtains knowledge of any event, transaction or circumstance occurring after the date of this Agreement that causes or will cause any condition set forth in Section 8 to be incapable of ever being satisfied, it will notify MergerSub promptly in writing of, and contemporaneously will provide MergerSub with true and complete copies of any and all information or documents relating to such event, transaction or circumstance. No notice given pursuant to this Section 6(d) shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or in any way limit the remedies available to Sysorex or MergerSub.

(f) Shoom Stockholder Release. As a condition to receipt of Merger Consideration, each Shoom Stockholder on behalf of itself and each of its Affiliates shall release and forever discharge Shoom, each of its Subsidiaries and their respective officers, directors, shareholders and Affiliates, from any and all actions, causes of action, suits, debts, accounts, claims, contracts, demands, agreements, controversies, judgments, obligations, damages and liabilities of any nature whatsoever in law or in equity, whether currently known or unknown, suspected or claimed, whether pursuant to contract, statute or otherwise, in each case, arising out of events occurring on or prior to the Closing. The parties acknowledge that the Merger Consideration is being paid, in part, as consideration for such releases.

Section 7. Covenants of the MergerSub and Sysorex. The MergerSub and Sysorex hereby covenant and warrant as follows:

(a) Closing Documents. The MergerSub and Sysorex shall execute and deliver all instruments and documents required as a condition precedent to Closing and take all actions required to carry out the terms of this Agreement and to consummate the Merger contemplated hereby.

(b) Noninterference. The MergerSub and Sysorex shall, not take or omit to take any action that (i) if taken or omitted on or before the date of this Agreement, would make untrue any of the representations and warranties contained in Section 4 of this Agreement, or (ii) would interfere with the MergerSub's or Sysorex's ability to perform or would prevent performance of any of its obligations under this Agreement or any of the other agreements or instruments provided for herein.

(c) Fulfillment of Conditions. Each party shall take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each of the conditions to the obligations to the other parties in this Agreement.

Section 8. Conditions Precedent to the Obligations of the MergerSub and Sysorex. The obligations of the MergerSub and Sysorex under this Agreement are subject to the following conditions, and either shall be entitled to terminate this Agreement upon notice to the Shareholder Representative if such conditions are not met or waived by December 31, 2013:

(a) There shall not have been any breach of the representations, warranties, covenants and agreements of Shoom or the Shoom Stockholders contained in this Agreement or the Schedules and Exhibits hereto, and all such representations and warranties shall be true at all times on and before the Closing.

(b) Shoom shall have performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date. All documents and instruments required in connection with this Agreement shall be reasonably satisfactory in form and substance to the MergerSub and Sysorex.

(c) There shall have been no Material Adverse Change in the condition (financial or otherwise), business, assets, liabilities, properties, results of operations, or earnings of Shoom since the Balance Sheet Date.

(d) Shoom shall have not incurred any new debt or liabilities other than in the Ordinary Course of Business since June 27, 2013.

(e) There shall be no outstanding actions or threats of action by any party that may materially adversely affect the condition (financial or otherwise), business, assets, liabilities, properties, results of operations, or earnings of Shoom.

(f) The MergerSub and Sysorex shall have received certificates dated the Closing Date and signed by Shoom, certifying that the conditions specified in subsections (a), (b), (c), (d) and (e) above have been fulfilled except to the extent that any non-fulfillment was disclosed in writing to the MergerSub prior to the Closing Date.

(g) Shoom shall have obtained and delivered to the MergerSub and Sysorex any required consents or approvals of any third parties whose consent is required to the Merger contemplated hereunder, including all contracts set forth in Schedule 3(u) (ii).

(h) The MergerSub and Sysorex shall have received originals or certified copies, reasonably satisfactory in form and substance to the MergerSub and Sysorex, of all such corporate documents of Shoom as the MergerSub or Sysorex shall reasonably require, including without limitation the following:

(i) the Articles of Incorporation of Shoom and all amendments thereto and restatements thereof certified as of a recent date by an officer of Shoom;

(ii) the By-laws of Shoom and all amendments thereto and restatements thereof certified as of the Closing Date by an officer of Shoom;

(iii) certificate of existence of the Secretary of State of California, certifying as of a recent date that Shoom is duly organized, validly existing and in good standing under the laws of that State;

(iv) copies of the minutes and resolutions of the Shoom Board and Shoom Stockholders showing the authorization and approval by such Boards of the execution and delivery by Shoom to the MergerSub of this Agreement and of the agreements and instruments provided for herein and of the performance of the obligations of Shoom under this Agreement and such other instruments and agreements, certified as of a recent date by the Secretary or another officer of Shoom; and

(v) a certificate of incumbency identifying the officers and directors of Shoom immediately before Closing.

(i) Shoom shall have executed and delivered to the MergerSub and Sysorex an assignment or consent to all of the leases described in Schedule 3(t) of this Agreement**.**

(j) Shoom shall have executed and delivered to the MergerSub and Sysorex the assignment or endorsement in favor of the MergerSub and Sysorex of coverage under the insurance policies maintained by the Shoom Stockholders covering Shoom described to in Schedule 4(aa) of this Agreement.

(k) Shoom shall have delivered to MergerSub evidence, in form and substance reasonably satisfactory to MergerSub, of the termination and release of all recorded outstanding Liens and financing statements on the assets and properties of Shoom or any of its Subsidiaries, other than those associated with any agreement, listed in the disclosure schedules or listed in this agreements.

(l) Each of the Shoom Stockholders shall have delivered to the MergerSub a Lock-Up Agreement substantially in the form attached hereto as Exhibit 2(a).

(m) Shoom Stockholders shall have obtained and delivered to MergerSub any and all required waivers of default and/or consent to assumption of debt by Shoom's lenders and/or MergerSub shall have entered into replacement borrowing facilities on terms reasonably acceptable to MergerSub.

(n) No executive officer of Shoom as of the Signing Date shall have resigned or been terminated as an officer of Shoom.

(o) The Shareholder Representative shall have delivered to Sysorex the signed Indemnity Escrow Agreement.

(p) Sysorex and William Freschi, Dan Cole, Michael Lynch and Sharon Ryoji shall have entered into employment agreements with the Surviving Corporation.

Section 9. Conditions Precedent to Shoom's Obligations. The obligations of Shoom under this Agreement are subject to the following conditions, and Shoom shall be entitled to terminate this Agreement upon notice to Sysorex if such conditions are not met or waived by December 31, 2013:

(a) There shall not have been any breach of the representations, warranties, covenants and agreements of the MergerSub or Sysorex contained in this Agreement, and all such representations and warranties shall be true at all times at and before the Closing.

(b) The MergerSub and Sysorex shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by them. All documents and instruments required in connection with this Agreement shall be reasonably satisfactory in form and substance to Shoom.

(c) Shoom shall have received a certificate dated the Closing Date signed by each of the MergerSub and Sysorex, certifying that the conditions specified in Paragraphs 9(a) and 9(b) above have been fulfilled.

(d) Shoom shall have received originals or certified copies, reasonably satisfactory in form and substance to Shoom, of the following corporate documents of the MergerSub and Sysorex:

(i) a certificate of existence certifying as of a recent date that each of the MergerSub and Sysorex is a corporation in good standing under the laws of California and Nevada, respectively;

(ii) copies of the minutes and resolutions of the Board of Directors of each of the MergerSub and Sysorex showing the authorization and approval by such Board of the execution and delivery by the MergerSub and Sysorex of this Agreement and the agreements and instruments provided for herein and of the performance of the obligations of the MergerSub and Sysorex under this Agreement and such other instruments and agreements, certified as of a recent date by the Secretary or another officer of the MergerSub and Sysorex; and

(iii) a certificate of incumbency identifying the officers and directors of the MergerSub and Sysorex immediately before Closing.

(e) (i) The Shareholder Representation Statements received by Shoom from the Shoom Stockholders indicate that the Merger can be effected without receipt of a permit from the California Department of Corporations, (ii) the holders of at least 75% of the outstanding Shoom Shares have voted in favor of the Merger, (iii) the holders of no more than 10% of the Shoom Shares have voted against the Merger.

(f) Sysorex shall have delivered to the Shareholder Representative the signed Indemnity Escrow Agreement.

Section 10. Conditions Precedent to Obligations of the Shoom Stockholders, Shoom, the MergerSub and Sysorex The obligations of the Shoom Stockholders, Shoom, the MergerSub and Sysorex to complete this Merger shall be subject to the fulfillment at or prior to the Closing Date of the following conditions, and any party shall be entitled to terminate this Agreement upon notice to the others if such conditions are not met or waived by December 31, 2013:

(a) Due Diligence. Shoom, the MergerSub and Sysorex shall have been afforded the opportunity to complete their due diligence and conduct a review of the business and prospects of the other, and shall be reasonably satisfied as to such business and prospects.

(b) No Injunctions. No action or proceeding shall have been instituted or threatened by any public authority or private person prior to the Closing before any court or administrative body to restrain, enjoin or otherwise prevent the consummation of this Merger or to recover any damages or obtain other relief as a result of this Merger.

(c) Consents. Any consent to the Merger considered by Shoom, the MergerSub or Sysorex to be necessary or advisable under any agreement or contract, the withholding of which might have, in the judgment of Shoom, the MergerSub or Sysorex, a Material Adverse Change on the financial condition of the other party shall have been obtained.

(d) Corporate Proceedings. All corporate and other proceedings in connection with the Merger contemplated by this Agreement, and all documents and instruments incident thereto, shall be reasonably satisfactory in substance and form to Shoom, the MergerSub, Sysorex and their counsel, and Shoom, the MergerSub, Sysorex and their counsel shall have received all certificates, documents and instruments, or copies thereof, certified if requested, as may be reasonably requested.

Section 11. Deliveries.

(a) Deliveries of the Shoom Stockholders.

(i) As a condition to receipt of Merger Consideration, each Shoom Stockholder shall deliver a Lock-Up Agreement executed by such Shoom Stockholder;

(ii) As a condition to receipt of Merger Consideration, each Shoom Stockholder shall deliver to MergerSub, stock certificate(s) representing Shoom Shares (or an affidavit of loss thereof) free of all liens, claims and encumbrances properly transmitted, and with any and all transfer, stamp or similar taxes upon the transfer of the shares to the MergerSub paid in full by the Shoom Stockholders, with accompanying executed stock powers representing all of Shoom Shares owned by the Shoom Stockholders.

(iii) As a condition to receipt of Merger Consideration, each Shoom Stockholder shall deliver to MergerSub, a signed document (the “Shareholder Representation Statement”), in form and substance reasonably satisfactory to Sysorex and Shoom, that includes all releases, representations and warranties that this Agreement provides are to be made by Shoom Stockholders as a condition to receipt of Merger Consideration.

(b) Deliveries of Sysorex and MergerSub. At the Closing, Sysorex and the MergerSub shall deliver:

(i) to Shoom, a certificate in the form of Exhibit 11(b), from the MergerSub, signed by its Secretary or Assistant Secretary certifying that the attached copies of the MergerSub's Certificate of Incorporation, By-laws and resolutions of the Board of Directors of the MergerSub, approving the Merger are all true, complete and correct and remain in full force and effect;

(ii) to the Shoom Stockholders, certificates representing the new Sysorex Shares and to the Shoom Stockholders entitled thereto, the Sysorex Options issued to such Shoom Stockholders as set forth in Schedule A;

(iii) to Shoom, the Merger Certificate executed by MergerSub;

(iv) to each of the Shoom Stockholders an original copy of the countersigned Lock-Up Agreement; and

(c) Deliveries of Shoom. At the Closing, Shoom shall deliver:

(i) to MergerSub, the Merger Certificate executed by Shoom;

(ii) to MergerSub, a certificate from Shoom, signed by its secretary, or similar authorized officer, certifying that the attached copies of Shoom's Articles of Incorporation, By-laws and resolutions of the Board of Directors of Shoom, approving the Merger are all true, complete and correct and remain in full force and effect;

(iii) to MergerSub, the minute books, stock transfer ledger, corporate seals, and financial books and records of Shoom.

Section 12. Subsequent Events.

(a) Access to Books and Records of Shoom and Surviving Corporation. After the Closing, Sysorex hereby agrees to provide, and to cause the Surviving Corporation to provide the Shoom Stockholders and their accountants and representatives with full and free access to the books and records of Shoom and Surviving Corporation and to cooperate fully with all such accountants and representatives of the Shoom Stockholders so that a closing Balance sheet may be prepared on a timely basis.

(b) Financial Information. Shoom will continue to deliver financial information as requested and necessary for Sysorex's auditor to prepare audited and unaudited financial statements in anticipation of filing the Registration Statement, which shall be filed in accordance with GAAP. The officers of the Surviving Corporation continue to have an ongoing obligation to sign financial statements of the Surviving Corporation.

(c) Tax Matters.

(i) The Shareholder Representative shall (at the expense of the Surviving Corporation) prepare or cause to be prepared and file or cause to be filed on a timely basis all income and franchise Tax Returns with respect to Shoom for taxable periods ending on or prior to the Closing Date, and the Surviving Corporation authorizes the Shareholder Representative to do so on its behalf. Such Tax Returns shall be prepared on a basis consistent with the similar Tax returns for the preceding periods and shall not make, amend, revoke or terminate any election or change any tax accounting methods, practice or procedure without Sysorex's consent. The Shareholder Representative shall give a copy of each such Tax Return to Sysorex prior to filing for its review, comment and approval. The Shoom Stockholders shall be responsible to indemnify the Sysorex Parties, pursuant to the terms and conditions of Section 5, for any Taxes shown to be due and owing by Shoom on such Tax Returns, to the extent any such Taxes exceed the reserves shown on the Shoom financial statements delivered to Sysorex.

(ii) Sysorex shall include the Surviving Corporation or cause Surviving Corporation to be included in its consolidated federal income Tax Return for the period that includes the day after the Closing Date.

(iii) Sysorex shall not file, or cause or permit the Surviving Corporation or any of its affiliates to file, a Tax Return of Shoom or an amendment to any Tax Return of Shoom with respect to any period ending on or prior to the Closing Date without the consent of the Shareholder Representative, which consent shall not unreasonably be withheld or delayed.

Section 13. Miscellaneous.

(a) Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and assigns. Nothing herein expressed or implied is intended or shall be construed to confer upon or to give any person, firm, or corporation other than the parties hereto any rights or remedies under or by reason hereof.

(b) Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof. All references herein to this Agreement shall specifically include, incorporate and refer to the Schedules and Exhibits attached hereto which are hereby made a part hereof. There are no representations, promises, warranties, covenants, undertakings or assurances (express or implied) other than those expressly set forth or provided for herein and in the other. There are no representations, promises, warranties, covenants, undertakings or assurances (express or implied) other than those expressly set forth or provided for herein and in the other documents referred to herein. This Agreement may not be modified or amended orally, but only by a writing signed by all the parties hereto.

(c) Governing Law. This Agreement and all rights and obligations hereunder shall be governed by, and construed in accordance with, the laws of the State of California, applicable to agreements made and to be performed wholly within said State, without regard to the conflicts of laws principles of such State.

(d) Expenses. The MergerSub, Sysorex and the Shoom Stockholders shall each pay their own expenses incidental to the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the Mergers contemplated hereby.

(e) Resolution of Controversies. Notwithstanding any other provision in this Agreement to the contrary, controversies between Sysorex or MergerSub and Shoom Stockholders shall be resolved, to the extent possible, by informal meetings and discussions in good faith between the parties.

(f) Arbitration. Any dispute with respect to this Agreement which absent, fraud or a misrepresentation of a material fact, cannot be made acceptable to the parties by an adjustment of the terms of this Agreement shall be resolved by mediation within 60 days of the mediation request and, if mediation is not successful, then by arbitration as provided herein.

The parties agree first to endeavor to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association (the "AAA") or such other mediation service as is mutually agreeable to the parties to the dispute under either the AAA's Commercial Mediation Rules or such other commercial mediation rules as is mutually agreeable to the parties to the dispute. The mediation shall take place in Santa Clara, California, with representatives of the parties present with full authority to negotiate a settlement. The parties must participate in the Mediation process with a neutral mediator for at least ten hours over at least two days prior to commencement of any arbitration. If a party to the dispute refuses to participate in the mediation, the party demanding mediation may either compel mediation by seeking an appropriate order from a court of competent jurisdiction or proceed immediately to arbitration. Thereafter, any unresolved dispute shall be settled by arbitration administered by the AAA or such other arbitration service as is mutually agreeable to the parties to the dispute in accordance with the AAA's Commercial Arbitration Rules or such other commercial arbitration rules as is mutually agreeable to the parties to the dispute. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, and the resolution of the disputed matter as determined by the arbitrator(s) shall be binding on the parties. Any such mediation or arbitration shall be conducted in Santa Clara, California applying California law.

Any party may, without inconsistency with this Agreement, seek from a court any interim or provisional relief that may be necessary to protect the rights or property of that party pending the establishment of the arbitral tribunal, or pending the arbitral tribunal's determination of the merits of the controversy.

The arbitrator(s) may award costs and fees to the prevailing party if, in his/her (their) discretion, the non-prevailing party did not prosecute the arbitration or settlement of the dispute in good faith. "Costs and fees" for this purpose shall mean reasonable pre-award expenses of the arbitration, including fees for the arbitrator(s), administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees. Except as otherwise awarded by the arbitrator(s), all costs and fees shall be borne by the party incurring such costs and fees.

The award shall be in writing and shall be signed by the arbitrator(s) and shall include a statement regarding the disposition of any statutory claim.

(g) Severability. If any part of this Agreement is held to be unenforceable or invalid under, or in conflict with, the applicable law of any jurisdiction, the unenforceable, invalid or conflicting part shall, to the extent permitted by applicable law, be narrowed or replaced, to the extent possible, with a judicial construction in such jurisdiction that effectuates the intent of the parties regarding this Agreement and such unenforceable, invalid or conflicting part. To the extent permitted by applicable law, notwithstanding the unenforceability, invalidity or conflict with applicable law of any part of this Agreement, the remaining parts shall be valid, enforceable and binding on the parties.

(h) Notices. All notices, requests, consents and demands by the parties hereunder shall be delivered by hand, by recognized national overnight courier or by deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed to the party to be notified at the addresses set forth below:

if to Sysorex, MergerSub, or the Surviving Corporation to:

Sysorex Global Holdings Corp.
3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Attn: Nadir Ali, Chief Executive Officer
Faxsimile: 408-824-1543
Email: ali@sysorex.com

with a copy to:

Davidoff, Malito and Hutcher LLP
605 Third Avenue, 34th Floor
New York, New York 10158
Attention: Elliot H. Lutzker, Esq.
Faxsimile: (212) 286-1884
Email: ehl@dhclegal.com

if to Shoom or the Shoom Stockholders to the Shareholder Representative:

Shoom, Inc.
6345 Balboa Blvd., Suite 247
Encino, CA 91316
Attn: William Freschi
Faxsimile: [ ]
Email: [ ]

with a copy to:

Thomas L. Bahrick
Mash & Bahrick
1744 Campbell Ave.
San Jose, CA 95125
Facsimile: (408) 267-6446
Email: Bahrick@ix.netcom.com

Notices given by mail shall be deemed effective on the earlier of the date shown on the proof of receipt of such mail or unless the recipient proves that the notice was received later or not received, three (3) days after the date of mailing thereof. Other notices shall be deemed given on the date of receipt. Any party hereto may change the address specified herein by written notice to the other parties hereto.

(i) Non-Waivers. Neither any failure nor any delay on the part of any party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver of any rights of such party, unless such waiver is made by a writing executed by the party and delivered to the other parties hereto; nor shall a single or partial exercise of any right preclude any other or further exercise of any other right, power or privilege accorded to any party hereto.

(j) Assignment. This Agreement may not be assigned by any party without the prior consent of the other parties.

(k) Disclosure. From and after the date of this Agreement until the Closing or the termination of this Agreement, the Shoom Stockholders will not (i) solicit or encourage inquiries or proposals with respect to or furnish any information relating to, or participate in any negotiations or discussions concerning the sale of the Shoom Shares or the sale of all or a substantial portion of the assets of Shoom with anyone other than the MergerSub; or (ii) discuss the sale of the Shoom Shares with anyone other than the MergerSub and other officers, directors and shareholders of Shoom and the Shoom Stockholders' advisors; and (iii) unless otherwise required by law or the requirements of any applicable stock exchange, make any public announcement without prior approval of the language of such announcement by the MergerSub.

(l) Further Assurances. Each of the parties hereto shall use its best efforts to take or cause to be taken, and to cooperate with the other party hereto to the extent necessary with respect to, all action, and to do, or cause to be done, consistent with applicable law, all things necessary, proper or advisable to consummate and make effective the Merger contemplated by this Agreement. Without limiting the generality of the foregoing, the Shoom Stockholders and MergerSub shall cooperate with and provide assistance to the other in connection with the preparation and filing of all federal, state, local and foreign income tax returns which relate to Shoom and relate to pre-Closing periods but which are not required to be filed until after the Closing, and shall also cooperate with and provide assistance to the other or Shoom with respect to any audit of any tax returns filed prior to the Closing.

(m) Headings. The headings contained herein are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed and delivered in multiple counterpart copies, each of which shall be an original and all of which shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

Section 14. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) The term "Affiliate" has the meaning prescribed by Rule 12b-2 of the regulations promulgated pursuant to the Exchange Act.

(b) "Applicable Contract" means any Contract (i) under which Shoom has any rights, (ii) under which Shoom has or is subject to any obligation or liability or (iii) by which Shoom or any of the Assets are bound, including each amendment, supplement and modification (whether oral or written) in respect of any of the foregoing.

(c) "Assets" means all of the assets, property, goodwill and business of every kind, nature and description, real, personal or mixed, tangible or intangible, wherever situated, whether or not reflected on the Balance Sheet, owned or leased by Shoom and its Subsidiaries, including, without limitation, all of the Intellectual Property Assets and all rights under Applicable Contracts constituting or held or used or useful in connection with, or related to, the Business.

(d) "Business" shall mean the business conducted by Shoom and its Subsidiaries as of the date hereof.

(e) "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto.

(f) "Contract" means any agreement, contract, lease, license, sublicense, or other undertaking (whether written or oral and whether express or implied) that is legally binding.

(g) "EBITDA" means, as of a particular date of determination, Shoom's earnings before interest, Taxes, depreciation, and amortization, in each case, as prepared in a manner consistent with Corporation's past accounting practices.

(h) "Encumbrance" means any charge, claim, community property interest, condition, equitable interest, mortgage, lien, option, pledge, security interest, right of first refusal, whether arising by law, by agreement or otherwise.

(i) "GAAP" means generally accepted accounting principles as from time to time in effect.

(j) "Governmental Authorization" means any approval, consent, license, permit, order, consent order, consent decree, waiver or other authorization issued, granted, given or otherwise made available or applied for by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

(k) "Governmental Body" means any (i) nation, state, county, city, town, village, district or other jurisdiction of any nature, (ii) federal, state, local, municipal, foreign or other government, (iii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (iv) multi-national organization or body or (v) federal, state, local, municipal, foreign or other body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

(l) "Knowledge" means, unless otherwise defined, in the case of an individual, such Person's actual knowledge.

(m) "Legal Requirement" means any federal, state, local, municipal, foreign, international, multinational or other administrative order, consent order, judgment, injunction, constitution, law, ordinance, regulation, policy, statute or treaty.

(n) "Material Adverse Change" with respect to a party means any occurrence, circumstance or condition (excluding general economic trends or conditions and trends or conditions affecting the industry in which such party and its subsidiaries operate) which individually or in the aggregate, together with all other occurrences, circumstances and conditions, has resulted in, or is reasonably likely to result in, a material adverse change in the results of operations financial condition or prospects of such party and its subsidiaries taken as a whole.

(o) "Material Contracts" means the Contracts identified or required to be identified on Schedule 3(u) of this Agreement.

(p) "Order" means any award, decision, decree, injunction, judgment, order, consent order, ruling, or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Body.

(q) "Ordinary Course of Business" means an action taken by a Person only if such action is taken in the ordinary course of the normal operations of such Person consistent with the past practices of such Person.

(r) "Organizational Documents" means each of the following as currently in effect, as applicable: (i) the charter, memorandum, articles or certificate of incorporation and the by-laws of a corporation, (ii) the partnership agreement and any statement of partnership of a general partnership, (iii) the limited partnership agreement and the certificate of limited partnership or formation of a limited partnership, (iv) the certificate of formation or articles of organization and operating agreement of a limited liability company, (v) any similar document adopted or filed in connection with the creation, formation or organization of a Person and (vi) any amendment to any of the foregoing.

(s) "Permitted Encumbrances" means (i) matters set forth on Schedule 4(f) of this Agreement; (ii) liens for taxes, assessments and other governmental charges not yet due and payable or, if due, (A) not delinquent or (B) being contested in good faith by appropriate proceedings; (iii) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other like liens arising or incurred in the Ordinary Course of Business if the underlying obligations are not more than 30 days past due or are being contested in good faith; and (iv) liens or title-retention arrangements arising under conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business.

(t) "Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity or Governmental Body.

(u) "Subsidiary" means, as to any Person, (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person and/or one or more Subsidiaries of such Person and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a 50% equity interest at the time.

(v) "Tax" means all forms of taxation wherever created or imposed, whether any federal, state, local or foreign income tax; gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Sec. 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, alternative or add-on minimum or estimated tax; or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

(w) "Tax Return" means any return (including any information or amended return), report, statement, schedule, notice, form or other document or information filed with, delivered or submitted to, or required to be filed with, delivered or submitted to, any Governmental Body or Person in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement relating to any Tax.

(x) "Unknown Liabilities" means each and every liability or obligation of Shoom and its Subsidiaries (whether accrued or contingent) arising out of any event, occurrence or condition prior to the Closing, but only to the extent such liability or obligation (A) is attributable to the period prior to the Closing Date and (B) is not (ii) disclosed in the representations and warranties of the Shoom Stockholders, the Schedules attached hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date first above written.

SYSOREX GLOBAL HOLDINGS CORP.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

SYSOREX MERGER SUB, INC.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

SHOOM, INC.

By: /s/ William Freschi
Name: William Freschi
Title: Chief Executive Officer

SHAREHOLDERS REPRESENTATIVE

/s/ William Freschi
William Freschi

EXHIBIT 2.5

ACQUISITION AND SHARE EXCHANGE AGREEMENT

THIS ACQUISITION AND SHARE EXCHANGE AGREEMENT, dated as of June 27, 2011 (the "Agreement"), by and between Sysorex Consulting, Inc., a California Corporation ("SCI"), having its principal place of business at 325 Clyde Avenue, Mountain View, CA 9404, AND SOFTLEAD Inc., a Nevada corporation (" Softlead"), having its principal place of business at 114 North Glendora Ave, Suite 131, Glendora, CA 91741.

1.0 Acquisition

1.1 At the Closing (as defined in Section 6.0 below), Softlead will acquire 100% of SCI's interest in the outstanding capital stock of: 75% shares in the Sysorex Operational Business Units being owned by "SCI" and 25% of shares owned by Qureishi Family Trust in companies incorporated as Sysorex Federal Inc and its subsidiary Sysorex Government System, Inc., and SCI ownership interest in Sysorex Arabia, for the purpose to transfer assets and liabilities.

(a) Sysorex Federal, a Delaware Corporation, with principal address, 22611, Markey Court, Suite 112, Sterling, VA 20166 ("SFI"), of which SCI owns 100% of the issued and outstanding shares; as well as SFI's wholly owned subsidiary Sysorex Government Services, a Virginia Corporation, with principal address, 22611, Markey Court Suite 112, Sterling, VA 20166("SGS"), and

(b) Sysorex Arabia, Limited, a Saudi Arabian corporation ("SAL"), validly existing under the Saudi Arabian, General Investment Authority with principal address in Riyadh, Kingdom of Saudi, Arabia, see attached for exact Arabic Address, of which SCI owns 50.2% of the issued and outstanding shares (Appendix A for details)

Together, SFI and SAL are referred to herein as the "Sysorex Operational Business Units".

1.2 In consideration for Softlead's right to acquire the Sysorex Operational Business Units, Softlead will issue to SCI, with a resulting pro-rata ownership in SCI's shareholders, a total of 14,600,000 shares of Common Stock of Softlead (the "Softlead Shares"), which constitutes 84.6% of the post-acquisition outstanding shares of Softlead's stock. Softlead's existing shareholders will retain total 2,650,353 shares of Softlead's stock, which constitutes 15.4% of the post-acquisition outstanding shares of Softlead. Post-acquisition and share exchange, there will be a total of 17,250,353 issued and outstanding shares of Softlead stock.

The Softlead Shares are being issued pursuant to an exemption from the registration requirements of the Securities Act of 1933 (the "Act") and will, therefore, be subject to the holding period and legending requirements of Rule 144 of Regulation D of the Act. In addition, the Softlead Shares will be subject to a six month lock-up which prohibits SCI and/or its shareholders from selling, assigning, transferring, conveying, or otherwise alienating their Softlead Shares for a period of two years from the Closing Date (as defined in Section 6.0 below). The Softlead Shares issued to SCI will be allocable on a pro rata basis pursuant to the shareholdings of the Shareholders set forth in Exhibit A.

1.3 Upon Closing, pending approval from FINRA, as sought by Softlead during the due diligence period of this transaction, Softlead shall change its name to Sysorex Global Holding Corp. and will also seek to change its trading symbol to reflect the name change. Pending FINRA approval and any further filing obligations, the parties to this Agreement, agree to implement such changes promptly after the Closing Date.

1.4 After the Closing, Softlead (and upon its name change, Sysorex Global Holding Corp) shall control 100% of the holdings previously held by SCI in the Sysorex Operational Business Units. The Parties agree that the Sysorex Operational Business Units will retain their own federal tax identification numbers. Softlead will cooperate in all matters required to prove that it is a successor-in-interest and that the employees of the Sysorex Operational Business Units who are being employed or sponsored will continue to be employees of the company that sponsors them.

1.5 The pre-Closing officers and directors of Softlead shall resign from their positions as Officers and Directors of Softlead, effective as of the Closing.

2.0 Representations of SCI.

SCI represents and warrants to Softlead as follows:

2.1 SCI is a corporation duly organized, validly existing and in good standing under the laws of the State of California and the Sysorex Operational Business Units are duly organized, validly existing and in good standing under the laws of Virginia(SGS), Delaware(SFI) and Saudi Arabia(SAL). SCI has full corporate power and authority to own, lease and operate its assets and properties and to carry on its business as now being conducted, as and in the places where its assets and properties are now owned, leased or operated and where such business are being conducted.

2.2 SCI has the full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All corporate proceedings on the part of SCI necessary to authorize this Agreement and the transactions contemplated hereby, including authorization by its Board of Directors and Shareholders, have been or by the Closing will be duly and validly taken. This Agreement has been duly and validly executed and delivered by SCI and constitutes the legal, valid and binding agreement and obligation of SCI, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies.

2.3 Except as set forth in Schedule 2.3 of the Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of the Articles of Incorporation or Bylaws of SCI; (ii) require any consent, approval, authorization or permit of, or filing with or notification to, any agency or other third party ; (iii) result in a breach of the provisions or a termination of any agreement which is a part of this acquisition; (iv) conflict with or result in a violation of any provision of (A) any statute, rule, regulation or ordinance; or (B) any material order, writ, injunction, judgment, award or license applicable to SCI or to this acquisition; or (v) result in or require the creation or imposition of any lien upon SCI or with respect to this acquisition, provided all the information during due diligence process.

2.4 The assets of the Sysorex Operational Business Units are listed in Schedule 2.4 represent all of the assets used in and necessary for the conduct of the business conducted by the Sysorex Operational Business Units. The Sysorex Operational Business Units have or will have at the Closing Date good and marketable title to all of its assets, free and clear of any security interests, claims, liens, pledges, charges or other encumbrances of any nature whatsoever, except encumbrances which do not, individually or in the aggregate, materially detract from the value or interfere with the use of the properties affected thereby ("Permitted Encumbrances") as itemized in Exhibit B.

2.5 Except as set forth in Schedule 2.5, there is no dispute, claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the knowledge of the Sysorex Operational Business Units' management, threatened, against or relating to or against or relating to this Agreement or the transactions contemplated by this Agreement.

2.7 Except as set forth in Schedule 2.7, SCI and the Sysorex Operational Business Units have no agreements with any third parties which create a liability or a potential liability for Softlead.

3.0 Representations of the Shareholders SCI.

Each of the Shareholders for himself, herself or itself alone hereby represents and warrants that:

3.1 Shares held in the Sysorex Operational Business Units by SCI's Shareholders have been duly authorized by the appropriate corporate action of the Sysorex Operational Business Unit(s) and are validly outstanding and issued for lawful and proper consideration.

3.2 The shares held in the Sysorex Operational Business Units are begin transferred free and clear of all liens, security interests, pledges, encumbrances, charges, restrictions, demands and claims, of any kind and nature whatsoever, whether direct or indirect or contingent.

3.3 Shareholder has no equitable or beneficial interest in the ownership of or proceeds from sales of the shares owned by other Shareholders.

3.4 There is no "stop transfer" or similar instructions on file with the Company's transfer agent concerning the shares of the Shareholders.

3.5 Shareholder has adequate means of providing for current needs and contingencies, has no need for liquidity in the investment, and is able to bear the economic risk of an investment in the Softlead Shares of the size contemplated. Shareholder represents that Shareholder is able to bear the economic risk of the investment and at the present time could afford a complete loss of such investment. Shareholder has had a full opportunity to inspect the books and records of Softlead and to make any and all inquiries of Softlead officers and directors regarding Softlead and its business as Shareholder has deemed appropriate.

3.6 Shareholder is an “Accredited Investor” as defined in Regulation D of Act and Shareholder, either alone or with Shareholder’s professional advisers who are unaffiliated with, have no equity interest in and are not compensated by Softlead or any affiliate or selling agent of Softlead, directly or indirectly, has sufficient knowledge and experience in financial and business matters that Shareholder is capable of evaluating the merits and risks of an investment in the Softlead Shares and of making an informed investment decision with respect thereto and has the capacity to protect Shareholder’s own interests in connection with Shareholder’s proposed investment in the Shares.

3.7 Shareholder is acquiring the Softlead Shares solely for Shareholder’s own account as principal, for investment purposes only and not with a view to the resale or distribution thereof, in whole or in part, and no other person or entity has a direct or indirect beneficial interest in such Shares.

3.8 Shareholder will not sell or otherwise transfer the Softlead Shares without registration under the Act or an exemption there from and fully understands and agrees that Shareholder must bear the economic risk of Shareholder’s purchase for an indefinite period of time because, among other reasons, the Shares have not been registered under the Act or under the securities laws of any state and, therefore, cannot be resold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Act and under the applicable securities laws of such states or unless an exemption from such registration is available.

3.9 Shareholder is acting alone for Shareholder’s own benefit in connection with the transfer of Shareholders’ Sysorex Operational Business Unit(s) Shares under this Agreement.

4.0 Representations of Softlead.

Softlead represents and warrants as follows:

4.1 Softlead, a publicly traded company, is a corporation duly organized, validly existing and in good standing under the laws of Nevada and has full corporate power and authority to own, lease and operate its assets and properties and to carry on its business as now being conducted, as and in the places where its assets and properties are now owned, leased or operated and where such business is now being conducted.

4.2 Softlead has the full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. All corporate proceedings on the part of Softlead necessary to authorize this Agreement and the transactions contemplated hereby, including authorization by its Board of Directors, have been or by the Closing will be duly and validly taken. This Agreement has been duly and validly executed and delivered by Softlead and constitutes the legal, valid and binding agreement and obligation of Softlead, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies.

4.3 There is no dispute, claim, legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the knowledge of Softlead, threatened, against or relating to Softlead or against or relating to this Agreement or the transactions contemplated by this Agreement, and Softlead does not know or have reason to be aware of any basis for the same. Softlead's assets and liabilities are set forth in Exhibit C.

4.4 Softlead is a United States publicly traded company, currently in good standing with all relevant regulatory authorities, except as set forth in Exhibit 4.4 hereto. Softlead's books, government filings, tax returns and any other requirements which Softlead may have as a publicly traded company and as a corporation are up to date and in full compliance of local, state and federal laws as of the date of this Agreement. All SOFTLEAD's assets and liabilities are itemized in Exhibit C.

5.0 Covenants.

5.1 The Parties understand and agree that SCI's existing management team will continue to be valuable after the consummation of the transactions contemplated herein. Therefore, in connection with the Closing, Mr. Salam Qureishi and all key management executives will execute an Employment Agreement with Softlead which shall provide, among other things, for the employment of Mr. Salam Qureishi as the CEO of Softlead (Sysorex Global) and other Key management executives for a minimum of two years from the Closing Date. The compensation and terms of such employment with Softlead shall, at a minimum, meet all terms as specified in his existing Employment Agreement with SCI. Softlead agrees to nominate Mr. Salam Qureishi for election to the board of directors as well as the Chairman of the Board of Directors of Softlead for the period of 1 year beginning at the closing on or after June 30, 2011.

5.2 Until the Closing Date or the earlier termination of this Agreement as provided herein, no Party shall work with or assist any third party other than each other in connection with the development of potential business development contract(s) and sales opportunities. In the event there is no Closing, the portion of any such contracts or sales opportunities which are within Sysorex Operational Business Unit(s)' areas of business will remain the responsibility of the Sysorex Operational Business Unit(s), and Softlead and Sysorex Operational Business Units shall work together in connection with the development of such prospective business, but shall be responsible for their own expenses unless they both agree otherwise in writing.

5.3 At the Closing, all employees of the Sysorex Operational Business Units shall continue in their employment under their existing employment agreements or arrangements with the Sysorex Operational Business Units. Any Softlead employees on existing payroll of Softlead shall be terminated at Closing. All hiring of new employees after the Closing Date for either the Sysorex Operational Business Units or Softlead, if and when needed, shall be conducted by the new management .

5.4 During the period from the date of this Agreement to the Closing Date, except as specifically contemplated by this Agreement, the Sysorex Operational Business Units and Softlead will conduct their respective operations in the ordinary course of business and consistent with past practices, and both the Sysorex Operational Business Units and Softlead will use all reasonable efforts to preserve intact their respective assets, prospects and advantageous business relationships, to keep available the services of their respective employees needed for the operation of their respective businesses and to maintain satisfactory relationships with their respective suppliers, contractors, distributors, customers and others having business relationships with them. Without limiting the generality of the foregoing, the Sysorex Operational Business Units and Softlead will not, without the prior written consent of authorized signatories of each, take or undertake or incur or permit to exist any of the following acts, transactions, events or occurrences:

(a) Incur, create, assume or guarantee any obligation, liability or indebtedness, absolute, accrued, contingent, or otherwise, whether due or to become due;

(b) Make any capital expenditures or capital additions;

(c) Enter into any transaction, contract or commitment (including any acquisition of assets) or pay any other expenses, other than normal sales contracts and service agreements as they relate to profitable sales revenue generation for the respective companies; and

(d) Make any payments or other distributions to their Shareholders, other than the payment of the salaries, business expenses etc. Currently being paid as employees of the respective companies.

5.5 Between the date of this Agreement and the Closing Date, Softlead and the Sysorex Operational Business Units each agree to give each other and each other's representatives full access to their premises and books and records and agree to furnish and to cause the officers of both companies to furnish each other such financial and operating data and other information with respect to the business and properties of both companies as the Sysorex Operational Business Units and Softlead, individually and or jointly shall from time to time request between the date of this Agreement and the Closing date; provided, however, that any such investigation shall be conducted in such manner as not to interfere unreasonably with the operation of the respective businesses of the companies.

5.6 Prior to Closing, the parties will not, directly or indirectly, solicit, initiate or encourage submission of proposals or offers from any person or third party relating to any acquisition or purchase of any equity interest in, or all or a Substantial Portion (as defined below) of the assets of either Softlead or of the Sysorex Operational Business Units. "Substantial Portion" is defined as material interest exceeding 5% of the total equity of the respective companies.

5.7 Softlead shall not register with the United States Securities and Exchange Commission or otherwise cause any additional newly issued securities to become free-trading for a period of six month from the Closing Date.

6.0 Closing. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, the closing of the acquisition contemplated by this Agreement (the "Closing") is anticipated to take place at 488 Madison Avenue, 19 th floor, New York, NY 10022 Gabriel Del Virginia's Law offices at 405 Clyde Ave., Mountain View , CA 94043 as decided by A. Salam Qureishi on June 30, 2010, or such other time and place as the Parties may agree upon via written correspondence which includes email communication. The date and time at which the Closing actually occurs is herein referred to as the "Closing Date."

7.0 Closing Conditions.

7.1 The obligations of SCI to perform this Agreement and its obligations hereunder are subject to the satisfaction of each of the following conditions at or prior to the Closing Date, unless waived in writing by SCI.

(a) All representations and warranties of Softlead contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and on and as of the Closing Date as though made on and as of the Closing Date, and a certificate shall be delivered to SCI so confirming;

(b) Satisfactory completion of due diligence;

(c) Confirmation of the approvals of FINRA sought by Softlead in connection with the terms of this Agreement.

(d) Submitting preclosing officer's and Director's resignation of Softlead

(e) Issuance of Share certificates to SCI or SCI shareholder's.

(f) Management allocated stock options as agreed by Softlead majority shareholder's and Board

as per Appendix B

7.2 The obligations of Softlead to perform this Agreement and its obligations hereunder are subject to the satisfaction of each of the following conditions at or prior to the Closing Date, unless waived by Softlead:

(a) All covenants, agreements and obligations required by the terms of this agreement to be performed by SCI its Shareholders, as may be required, at or before the Closing shall have been duly and properly performed in all material respects.

(b) Receipt of a certificate executed by an officer of SCI, dated as of the Closing Date, certifying that the provisions of the Agreement have been fulfilled.

8.0 Termination.

This Agreement may be terminated at any time prior to the Closing by any of the following:

8.1 The mutual consent of the parties to this Agreement.

8.2 If either SCI, or SCI's Shareholders, or the Sysorex Operational Business Units or Softlead, shall have materially breached or failed in any material respect to comply with any of their material obligations under this Agreement, or any material representation or warranty of either SCI, SCI share holders, or the Sysorex Operational Business Units or Softlead contained in this Agreement shall have been inaccurate when made in any material respect, the non-breaching Party shall have the right to terminate this Agreement.

9.0 Survival of Representations. All representations and warranties of the Parties and the indemnification provisions contained in this Agreement or in any agreements, documents or other papers delivered pursuant to or in connection with this Agreement shall survive the Closing and/or termination of this Agreement.

10.0 Confidentiality

10.1 The Parties will hold and will cause their respective representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process, or, in the opinion of its counsel, by other requirements of law, all documents and information concerning the other furnished to them in connection with the transactions contemplated by this Agreement (the "Confidential Information") and will not release or disclose such information to any other Person, except, in connection with this Agreement, to their auditors, attorneys, financial advisors and other consultants and advisors.

10.2 The provisions of Section 10.1 shall not apply to any information which (I) is or becomes publicly known or readily ascertainable by the public through no wrongful act of the party receiving the Confidential Information; (ii) is independently developed by or for the receiver of the Confidential Information; (iii) the recipient of the Confidential Information receives it from a third party, if the recipient does not know of any restrictions on the disclosure of that information; or (iv) the owner of the Confidential Information discloses the Confidential Information to a third party without similar restrictions.

10.3 If a particular portion or aspect of Confidential Information becomes subject to any of the foregoing exceptions, all other portions or aspects of such information shall remain subject to all of the provisions of this Agreement.

10.4 If the transactions contemplated by this Agreement are not consummated, such Confidential Information shall be maintained and, if requested by the other party will be destroyed or returned to the owner of the Confidential Information.

10.5 In the event that any Party is ordered to disclose another Party's Confidential Information pursuant to a judicial or governmental request, requirement or order, the Party ordered shall promptly notify the Party owning the Confidential Information and those Parties shall take reasonable steps to assist each other in contesting such request, requirement or order or in otherwise in protecting each others rights prior to disclosure.

11.0 Indemnification.

Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party (the "Indemnified Party") from and against any and all claims, damages, and liabilities, including any and all expense and costs, legal or otherwise, incurred by the Indemnified Party in the investigation and defense of any claim, demand, or action, including breach by the Indemnifying Party of this Agreement, caused by the negligent act or omission of the Indemnifying Party, its subcontractors, agents, or employees. The Indemnifying Party shall not be liable for any claims, damages, or liabilities caused by the sole negligence of the Indemnified Party, its subcontractors, agents, or employees.

The Indemnified Party shall notify promptly the Indemnifying Party of the existence of any claim, demand, or other matter to which the Indemnifying Party's indemnification obligations would apply, and shall give them a reasonable opportunity to settle or defend the same at their own expense and with counsel of their own selection, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense. If the Indemnifying Party, within a reasonable time after this notice, fails to take appropriate steps to settle or defend the claim, demand, or the matter, the Indemnified Party shall, upon written notice, have the right, but not the obligation, to undertake such settlement or defense and to compromise or settle the claim, demand, or other matter on behalf, for the account, and at the risk, of the Indemnifying Party.

The rights and obligations of the Parties under this section shall be binding upon and inure to the benefit of any successors, assigns, and heirs of the Parties.

12.0 Miscellaneous

12.1 This Agreement shall be governed by and construed in accordance with the laws of the State of California as applied to residents of the State of California entering into contracts to be wholly performed therein, without giving effect to principles of conflict of laws. The venue of any legal proceeding shall be the County of Santa Clara, State of California. The prevailing party in any legal proceeding shall be entitled to reasonable attorneys' fees.

12.2 This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder, shall be assigned by any Party hereto without the prior written consent of all other Parties. This Agreement is not intended to confer upon any third person or entity, except the Parties hereto, any rights or remedies hereunder.

12.3 This Agreement and the additional documents called for herein together contain the entire agreement among Softlead, the Sysorex Operational Business Units, and the Shareholders with respect to the transactions contemplated hereby and supersede all prior arrangements or understandings with respect thereto.

12.4 Except as otherwise provided in this Agreement, the Parties shall be responsible for and shall pay their respective expenses incurred in connection with this Agreement and the transactions contemplated hereby.

12.5 All notices, consents, requests, instructions, approvals and other communications provided for herein shall be validly given, made or served, if in writing and delivered personally, sent by registered or certified mail, postage prepaid, sent by established overnight delivery service, or transmitted by facsimile (except for legal process) to:

If to Softlead:

Softlead, Inc.

Attn.: CEO and President

114 N. Glendora Ave, Suite: 131

Glendora, CA 91741

FAX: (626) 609-0339

If to: SCI

Mr.Salam Qureishi, Chairman

405, Clyde Avenue

Mountain View, CA 94043

With a copy to:

Kiski Law, P.C.

Attn: Chelsea M. Bonini

1025 Alameda de Las Pulgas

Suite 112

Belmont, CA 94002

or to such other address or fax number or email address as any party hereto may, from time to time, designate in a written notice given in a like manner. Notice given by mail as set out above shall be deemed delivered three days after the date it is postmarked. Notice given by overnight delivery service shall be deemed delivered when received. Notice given by facsimile or email shall be deemed given when transmitted, provided that the sender retains a written confirmation of such transmission and mails an original thereof to the other party within one business day after said transmission.

12.6 This Agreement may be executed in any number of counterparts, each of which independently shall have the same effect as if it were the original and all of which taken together shall constitute one and the same document. Executed signature pages which are transmitted by facsimile to the other party shall be deemed to have been delivered on the date so transmitted provided that an originally executed signature is delivered to the other party within three business days thereafter.

12.7 The Parties acknowledge that this Agreement has been negotiated by all Parties and that neither this Agreement nor any of its provisions should be interpreted for or against any Party on the basis said Party or its attorney drafted the Agreement or the provision in question.

12.8 The Parties have consulted with their respective legal counsel and other advisors with regard to the negotiation and execution of this Agreement and neither have relied in any manner upon the advice of the other's legal counsel or advisors.

12.9 Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date and year first above written.

For SCI:
SCI, Inc. A California Corporation

/s/ Salam Qureishi
BY: Chairman & CEO – Mr.Salam Qureishi
Date June 27, 2011

For SOFTLEAD:
SOFTLEAD, Inc. A Nevada Corporation

/s/ Arshad Waheed
BY: President and Chairman, Arshad Waheed

EXHIBIT A SHARE HOLDER LIST PRIOR TO ACQUISTION/ POST ACQUISTION

SHARES OF SOFTLEAD POST SPLIT – POST AND PRE ACQUISITION

PRE ACQUSITION POST SPLIT

	Post split Basis –PreAcqusition of Sysorex	shares	Type of Shares	
	100 %	2,650,353	Free Trading	Per Share Holder List
Total	100%	2,650,353		

POST ACQUSITION SHARES OF SOFTLEAD

	Post Acquisition of Sysorex	shares	Type of Shares	
		2,650,353	Free Trading Common shares	Per-Acquisition Share Holders
		14,600,000	Restricted Common shares	Sysorex Share holders
Total	100%	17,250,353		

LIST OF EXHIBITS [Revise to include ONLY items reference in the Agreement -- and add DISCLOSURE SCHEDULE]

EXHIBIT A SHARE HOLDER LIST PRIOR TO ACQUISTION/ POST ACQUISTION

EXHIBIT B: ORGANIZATIONAL DIAGRAM OF SYSOREX COMPANIES

EXHIBIT B1: PERMITED ENCUMBERANCES OF SYSOREX COMPANIES

EXHIBIT B2: PERMITTED ENCUMBERANCES OF SOFTLEAD

EXHIBIT C1: ASSETS AND LAIBILITIES AND FINANCIAL STATEMENTS OF SYSOREX COMPANIES

EXHIBIT C1: ASSETS AND LAIBILITIES AND FINANCIAL STATEMENTS OF SOFTLEAD

EXHIBIT D: STOCK OF SYSOREX COMPANIES

EXHIBIT E: CERTIFICATE OF SYSOREX OFFICERS

EXHIBIT F: CERTIFICATE OF SOFTLEAD OFFICERS

EXHIBIT G: FINANCIAL STATEMENT OF SYSOREX COMPANIES

EXHIBIT H: FINANCIAL STATEMENT OF SOFTLEAD

EXHIBIT I: CERTIFICATE OF GOOD STANDING OF SOFTLEAD

EXHIBIT J: CERTIFICATE OF GOOD STANDING OF SYSOREX COMPANIES

EXHIBIT K: SHARE HOLDER AUTHORIZATION OF SOFTLEAD

EXHIBIT L: SHARE HOLDER AUTHORIZATION OF SYSOREX COMPANIES'

EXHIBIT M: BUSINESS PLAN OF SYSOREX – PROJECTIONS

EXHIBIT N: CERTIFIED HISTORY OF SOFTLEAD

EXHIBIT O: OPINION LETTER OF ATTORNEY REGARDING SYSOREX

EXHIBIT P: LIST OF SYOREX SHARE HOLDERS FOR STOCK TRANSFER AND ADDRESS

EXHIBIT Q: LIST OF KEY EMPLOYEES OF SYSOREX & RESUME'S

EXHIBIT R: FULL LIST AND DUE DILLEGENCE MATERIAL OF SYSOREX COMPANIES

EXHIBIT S: FULL LIST AND DUE DILLEGENCE MATERIAL OF SOFTLEAD

EXHIBIT T: DUE DILLEGENCE MATERIAL ON SOFTLEAD DIRECTORS AND SHARE HOLDERS

EXHIBIT U: POST TRANSACTION DUE DILLEGENCE MATERIAL ON SYOREX DIRECTORS AND SHARE HOLDERS

Exhibit 4.5

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

WARRANT TO PURCHASE STOCK

Issuer: Sysorex Global Holdings Corp., a Nevada corporation (the “Company”)

Number of Shares: 112,500, as the same may be from time to time adjusted pursuant to Article 2 hereof.

Class of Stock: Common Stock (the "Shares")

Exercise Price: $1.20, as the same may be from time to time adjusted pursuant to Article 2 hereof.

Issue Date: August 29, 2013

Expiration Date: The later of (i) August 29, 2020 and (ii) six (6) months after the expiration date of the Lock-Up Period (defined in Section 1.1).

THIS WARRANT CERTIFIES THAT, for the agreed upon value of $1.00 and for other good and valuable consideration, BRIDGE BANK, NATIONAL ASSOCIATION ("Holder") is entitled to purchase the number of fully paid and nonassessable Shares of the Company at the Exercise Price per Share set forth, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1 EXERCISE.

1.1 Method of Exercise. This Warrant is exercisable, in whole or in part, at any time and from time to time commencing on August 29, 2013 until and including the Expiration Date set forth above. Notwithstanding the foregoing, for the six (6) month period commencing upon the effective date of the registration statement for the first secondary public offering by the Company following the Issue Date (the “Lock-Up Period”), the Holder shall not be permitted to exercise this Warrant. Holder may exercise this Warrant by delivering a duly executed Notice of Exercise, in substantially the form attached as Appendix 1, to the principal office of Company. Unless Holder is exercising the conversion right set forth in Section 1.2, Holder shall also deliver to Company a check for the aggregate Exercise Price for Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant as specified in Section 1.1, Holder may from time to time convert this Warrant, in whole or in part, into a number of Shares determined by dividing (a) the aggregate fair market value of Shares or other securities otherwise issuable upon exercise of this Warrant minus the aggregate Exercise Price of such Shares by (b) the fair market value of one Share. The fair market value of Shares shall be determined pursuant to Section 1.3.

1.3 Fair Market Value. If the Shares are traded in a public market, the fair market value of the Shares shall be the closing price of the Shares (or the closing price of the Company's stock into which the Shares are convertible) reported for the business day immediately before Holder delivers its Notice of Exercise to the Company. If the Shares are not traded in a public market, the Board of Directors of Company shall determine fair market value in its reasonable good faith judgment. The foregoing notwithstanding, if Holder advises the Board of Directors in writing that Holder disagrees with such determination, then Company and Holder shall promptly agree upon a reputable investment banking firm to undertake such valuation. If the valuation of such investment banking firm is greater than that determined by the Board of Directors, then all fees and expenses of such investment banking firm shall be paid by Company. In all other circumstances, such fees and expenses shall be paid by Holder.

1 . 4 Delivery of Certificate and New Warrant. Promptly after Holder exercises or converts this Warrant, Company shall deliver to Holder certificates for Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new Warrant representing Shares not so acquired.

1 . 5 Replacement of Warrants. On receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and amount to Company or, in the case of mutilation, on surrender and cancellation of this Warrant, Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1 . 6 Repurchase on Sale, Merger, or Consolidation of Company. For the purpose of this Warrant, "Acquisition" means any sale, license, or other disposition of all or substantially all of the assets of Company, or any reorganization, consolidation, or merger of Company where the holders of Company's securities before the transaction beneficially own less than 50% of the outstanding voting securities of the surviving entity after the transaction. Upon the closing of any Acquisition, the successor entity shall assume the obligations of this Warrant, and this Warrant shall be exercisable for the same securities, cash, and property as would be payable for Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on the record date for the Acquisition and subsequent closing, and the Exercise Price shall be adjusted accordingly; provided that if pursuant to such Acquisition the entire outstanding class of Shares issuable upon exercise of the unexercised portion of this Warrant are cancelled and the total consideration payable to the holders of such class of Shares consists entirely of cash, then, upon payment to the holder of this Warrant of an amount equal to the amount such holder would receive if such holder held Shares issuable upon exercise of the unexercised portion of this Warrant and such Shares were outstanding on the record date for the Acquisition less the aggregate Exercise Price of such Shares, this Warrant shall be cancelled.

ARTICLE 2 ADJUSTMENTS.

2 . 1 Stock Dividends, Splits, Etc. If Company declares or pays a dividend on its common stock (or Shares if Shares are securities other than common stock) payable in common stock or other securities, subdivides the outstanding common stock into a greater amount of common stock, or, if Shares are securities other than common stock, subdivides Shares in a transaction that increases the amount of common stock into which Shares are convertible, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned Shares of record as of the date the dividend or subdivision occurred.

2.2 Reclassification, Recapitalization, Exchange or Substitution. Except in the case of an Acquisition to which Section 1.6 is applicable, upon any reclassification, recapitalization, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for Shares if this Warrant had been exercised immediately before such reclassification, recapitalization, exchange, substitution, or other event. Company or its successor shall promptly issue to Holder a new Warrant for such new securities or other property. The new Warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Exercise Price and to the number of securities or property issuable upon exercise of the new Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, recapitalizations, exchanges, substitutions, or other events.

2 . 3 Adjustments for Combinations, Etc. If the outstanding Shares are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Exercise Price shall be proportionately increased and the number of Shares as to which this warrant is exercisable shall be proportionately decreased.

2 . 4 Adjustment for Pay-to-Play Transactions. In the event that the Company's Articles (Certificate) of Incorporation provides, or is amended to so provide, for the amendment or modification of the rights, preferences or privileges of the Shares, or the reclassification, conversion or exchange of the outstanding shares of the Class of Stock, in the event that a holder of shares thereof fails to participate in an equity financing transaction (a "Pay-to-Play Provision"), and in the event that such Pay-to-Play Provision becomes operative in a transaction occurring after the date hereof, this Warrant shall automatically and without any action required become exercisable for that number and type of shares of equity securities as would have been issued or exchanged, or would have remained outstanding, in respect of the Shares issuable hereunder had this Warrant been exercised in full prior to such event, and had the Holder participated in the equity financing to the maximum extent permitted.

2 . 5 No Impairment. Company shall not, by amendment of its Articles/Certificate of Incorporation or through a reorganization, 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 under this Warrant by Company, but shall at all times in good faith assist in carrying out of all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article against impairment. If Company takes any dilutive action affecting Shares or its common stock other than as described above that adversely affects Holder's rights under this Warrant, the Exercise Price shall be adjusted downward and the number of Shares issuable upon exercise of this Warrant shall be adjusted upward in such a manner that such dilutive action is offset and the aggregate Exercise Price of this Warrant is unchanged.

2.6 Fractional Shares. No fractional Shares shall be issuable upon exercise or conversion of the Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of the Warrant, Company shall eliminate such fractional share interest by paying Holder an amount computed by multiplying the fractional interest by the fair market value of a full Share.

2 . 7 Certificate as to Adjustments. Upon each adjustment of the Exercise Price, Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate of its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. Company shall, upon written request, furnish Holder a certificate setting forth the Exercise Price in effect upon the date thereof and the series of adjustments leading to such Exercise Price.

ARTICLE 3 COVENANTS OF COMPANY.

3.1 Valid Issuance. Company shall take all steps necessary to insure that all Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws.

3.2 Notice of Certain Events. If Company proposes at any time (a) to declare any dividend or distribution upon its common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of common stock; (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; or (e) offer holders of registration rights the opportunity to participate in an underwritten public offering of the company's securities for cash, then, in connection with each such event, Company shall give Holder (1) in the case of the matters referred to in (a) and (b) above at least 10 days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of common stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (c) and (d) above; (2) in the case of the matters referred to in (c) and (d) above at least 10 days prior written notice of the date when the same will take place (and specifying the date on which the holders of common stock will be entitled to exchange their common stock for securities or other property deliverable upon the occurrence of such event); and (3) in the case of the matter referred to in (e) above, the same notice as is given to the holders of such registration rights.

3.3 Information. So long as the Holder holds this Warrant and/or any of the Shares, Company shall deliver to Holder (a) promptly, copies of all notices or other written communications to which Holder would be entitled if it held Shares as to which this Warrant was then exercisable and (b) such other financial statements required under and in accordance with any loan documents between Holder and Company, or if there are no such requirements or if the subject loan(s) are no longer are outstanding, then within 45 days after the end of each of the first three quarters of each fiscal year, Company's quarterly, unaudited financial statements and within 90 days after the end of each fiscal year, Company's annual, audited financial statements.

3.4 Notice of Expiration. Company shall give Holder written notice of Holder's right to exercise this Warrant in the form attached as Appendix 2 not more than 90 days and not less than 15 days before the Expiration Date and, in the case of an Acquisition to which the proviso of Section 1.6 shall be applicable not less than 15 days' prior to such Acquisition. If the notice is not so given, the Expiration Date shall automatically be extended until 15 days after the date Company delivers the notice to Holder.

3.5 Registration Rights. The Shares shall have the registration rights set forth in the Registration Rights Agreement of even date herewith between the Company and Holder.

ARTICLE 4 MISCELLANEOUS.

4.1 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of Shares, if any) shall be imprinted with a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR PURSUANT TO RULE 144 OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

4.2 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to Company, as reasonably requested by Company). Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder or if there is no material question as to the availability of current information as referenced in Rule 144(c), Holder represents that it has complied with Rule 144(d) and (e) in reasonable detail, the selling broker represents that it has complied with Rule 144(f), and the Company is provided with a copy of Holder's notice of proposed sale.

4.3 Transfer Procedure. Subject to the provisions of Section 4.2, Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of Shares, if any) at any time to any other transferee acceptable to Company (which acceptance shall not be unreasonably withheld or delayed) by giving Company notice of the portion of the Warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this Warrant to Company for reissuance to the transferee(s) (and Holder if applicable). Unless Company is filing financial information with the SEC pursuant to the Securities Exchange Act of 1934, Company shall have the right to refuse to transfer any portion of this Warrant to any person who directly competes with Company.

4.4 Notices. All notices and other communications from Company to Holder, or vice versa, shall be in writing and shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, or by overnight courier, at such address as may have been furnished to Company or Holder, as the case may be, in writing by Company or such Holder from time to time.

4.5 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

4.6 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

[Signature page follows]

IN WITNESS WHEREOF, Company has caused this Warrant to be duly executed by its authorized officers, all as of the day and year first above written.

COMPANY

SYSOREX GLOBAL HOLDINGS CORP.

By /s/ Nadir Ali
Name: Nadir Ali
Title: President

APPENDIX 1

Notice of Exercise

[Strike paragraph that does not apply.]

1. The undersigned hereby elects to purchase shares of the Common Stock of Sysorex Global Holdings Corp. pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

1. The undersigned hereby elects to convert the attached Warrant into Shares in the manner specified in the Warrant. This conversion is exercised with respect to _____ of the Shares covered by the Warrant.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

Name:_____

Address:_____

_____

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws.

_____
(Signature)

_____
(Date)

APPENDIX 2

Notice that Warrant Is About to Expire

[Insert Date of Notice]

To: Bridge Bank, National Association
Attn: Lee A. Shodiss
55 Almaden Boulevard
San Jose, California 95113

The Warrant issued to you described below will expire on _____, ____.

Issuer:

Class of Security Issuable:

Number of Shares Issuable:

Issue Date:

Exercise Price per Share:

Procedure for Exercise:

Please contact _____ at (___) ___-____ with any questions you may have concerning exercise of the Warrant. This is your only notice of pending expiration.

_____
(Name of Issuer)

By_____

Its:_____

Exhibit 4.6

**AMENDMENT NUMBER ONE TO BUSINESS FINANCING AGREEMENT,
WAIVER OF DEFAULTS AND CONSENT**

This AMENDMENT NUMBER ONE TO BUSINESS FINANCING AGREEMENT, WAIVER OF DEFAULTS AND CONSENT (this "**Amendment**"), dated as of August 29, 2013, is entered into by and among BRIDGE BANK, NATIONAL ASSOCIATION ("**Lender**"), on the one hand, and LILIEN SYSTEMS, a California corporation ("**Lilien**"), and SYSOREX GOVERNMENT SERVICES, INC., a Virginia corporation ("**SGSI**") (Lilien and SGSI are sometimes collectively referred to herein as "**Borrowers**" and each individually as a "**Borrower**"), on the other hand, with reference to the following facts:

A. Borrowers and Lender previously entered into that certain Business Financing Agreement, dated as of March 15, 2013 (the "**Agreement**");

B. Events of Default have occurred and are continuing as listed on Schedule 1 attached hereto (collectively the "**Existing Defaults**");

C. Borrowers have informed Lender that Parent desires to acquire all of the capital stock of Shoom, Inc., whereupon Shoom, Inc. will become a wholly-owned subsidiary of Parent (the "**Subject Transaction**");

D. The Subject Transaction is prohibited by Section 4.13 of the Agreement; and

E. Borrowers have requested that Lender waive the Existing Defaults and consent to the Subject Transaction, and Lender has agreed with such requests, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto hereby agree as follows:

1 . **Defined Terms**. All initially capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement.

2. **Amendments to Sections 1.11, 1.12, and 1.13**. Sections 1.11, 1.12, and 1.13 of the Agreement are hereby amended in their entirety as follows:

1.11 **Overadvances**. Upon any occurrence of an Overadvance, Borrowers shall immediately pay down the Revolving Advances such that, after giving effect to such payments, no Overadvance exists.

1.12 **Term Advance**. Subject to the terms and conditions hereof, Lender agrees to make a term loan ("**Term Advance**") to Borrowers on the Term Advance Closing Date, in an amount equal to the Term Advance Commitment. As used herein, "**Term Advance Closing Date**" means the date when each of the conditions to effectiveness of the First Amendment has been fulfilled to the satisfaction of Lender, and Lender has deposited the proceeds of the Term Advance into Borrowers' deposit account maintained with Lender.

1.13 **Amortization**. Borrowers shall pay equal monthly principal reduction payments on the Term Advance, each in the amount of $41,667. Each such principal payment shall be due and payable on the first day of each month commencing on the first day of the sixth month following the Term Advance Closing Date and continuing on the first day of eachsucceeding month; provided that during such six month period during which no principal payments are due, Borrowers shall continue to pay the Finance Charge on the Term Advance in accordance with Section 2.1 of this Agreement On the Term Advance Maturity Date, Borrowers shall pay the entire remaining outstanding principal balance of the Term Advance in full. Borrowers may prepay the Term Advance at any time, in whole or in part, without penalty or premium, except as otherwise provided in Section 2.2(a). All principal amounts so repaid or prepaid may not be reborrowed. All prepayments shall be applied toward scheduled principal reductions payments owing under this Section 1.13 in inverse order of maturity.

3. **Amendment to Section 4.12**. Section 4.12 of the Agreement is hereby amended in its entirety as follows:

4.12 Maintain Borrowers' combined financial condition as follows in accordance with GAAP, with compliance determined commencing with Borrowers' financial statements for the period ended February 28, 2013:

(a) Asset Coverage Ratio not at any time less than (i) 1.0 to 1.0, tested as at the end of each month, commencing with the month ended July 31, 2013, and (ii) 1.4 to 1.0, tested as at the end of each month, commencing with the month ending September 30, 2013.

(b) Combined revenues and Net Income not to deviate by more than 20% or $100,000 from the projections of combined revenues and Net Income approved by Borrowers' boards of directors with respect to the rolling three month period ended on the date of determination, tested as at June 30, 2013, September 30, 2013, and the end of each month thereafter, commencing with the month ending October 31, 2013.

4. **Amendments to Section 12.1**.

(a) The following definitions set forth in Section 12.1 of the Agreement are hereby amended in their entirety as follows:

"**Credit Limit**" means $6,000,000, which is intended to be the maximum amount of Revolving Advances at any time outstanding.

"**Term Advance Maturity Date**" means August 27, 2016 or such earlier date as Lender shall have declared the Obligations immediately due and payable pursuant to Section 7.2.

(b) The following new definition is hereby added to Section 12.1 of the Agreement in alphabetical order:

"**First Amendment**" means that certain Amendment Number One to Business Financing Agreement, Waiver of Defaults, and Consent, dated as of August 29, 2013, among Borrowers and Lender, amending this Agreement.

(c) The following definitions set forth in Section 12.1 of the Agreement are hereby deleted: “Debt Service Coverage Ratio,” “EBITDA,” “Enhanced Covenant Period,” and “Term Advance Reserve”.

5 . **Replacement Exhibit A**. Exhibit A attached to the Agreement is hereby replaced with Exhibit A attached to this Amendment.

6 . **Waiver of Existing Defaults**. Upon the terms and subject to the conditions set forth in this Amendment, Lender hereby waives the Existing Defaults. This waiver of the Existing Defaults shall be effective only in this specific instance and for the specific purpose for which it is given, and shall not entitle Borrowers to any other or further waiver in any similar or other circumstances.

7 . **Consent to Subject Transaction**. Upon the terms and subject to the conditions set forth in this Amendment, Lender hereby consents to the Subject Transaction; provided that Borrowers provide to Lender, as soon as practicable but in no event later than September 30, 2013, evidence satisfactory to Lender that all deposit accounts of Shoom, Inc. (other than deposit accounts maintained at Lender) have been closed, and all funds on deposit therein have been transferred to deposit accounts maintained at Lender. In the event that Borrower’s fail to fulfill the condition set forth in the proviso to the prior sentence to the satisfaction of Lender on or before the due date indicated, such failure shall constitute an Event of Default. This consent to the Subject Transaction shall be effective only in this specific instance and for the specific purpose for which it is given, and shall not entitle Borrowers to any other or further consent or waiver in any similar or other circumstances.

8 . **Conditions Precedent to Effectiveness of Amendment**. The effectiveness of this Amendment, and the waiver of the Existing Defaults set forth in Section 6 above, and the consent to the Subject Transaction set forth in Section 7 above, are subject to and contingent upon the fulfillment of each and every one of the following conditions to the satisfaction of Lender:

(a) Lender shall have received (i) this Amendment, duly executed by Borrowers, (ii) the Acknowledgment and Agreement of Guarantors attached hereto, duly executed by each Guarantor, and (iii) the Acknowledgment and Agreement of Creditors attached hereto, duly executed by each Creditor;

(b) Lender shall have received a warrant by Parent in favor of Lender to purchase a number of common shares equal to $135,000 divided by the lower of the 10 day average closing share price prior to the date of this Amendment, or the price per share on the day prior to the date of this Amendment, which will have a six (6) month lock-up period from the effective date of the registration statement for the first secondary public offering by the Parent following the Closing Date (the "**Lock-Up Period**"), and will be exercisable until the later of (1) seven (7) years from the issue date and (2) six (6) months after the expiration of the Lock-Up Period. The exercise price for such warrant shall be the lower of the 10 day average closing share price prior to the date of this Amendment, or the price per share on the day prior to the date of this Amendment;

(c) Lender shall have received (i) a pro-rated Facility Fee in the amount of $1,458.33 for the increase in the Credit Limit, (ii) a pro-rated facility fee in the amount of $1,093.75 for the Term Advance, (iii) a waiver fee in the amount of $2,000, and (iv) an amendment fee in the amount of $2,000; which fees shall be fully-earned and non-refundable;

(d) After giving effect to this Amendment, no Event of Default or Default shall have occurred and be continuing; and

(e) After giving effect to this Amendment, all of the representations and warranties set forth herein and in the Agreement shall be true, complete and accurate in all respects as of the date hereof (except for representations and warranties which are expressly stated to be true and correct as of the date of the Agreement).

9. **Representations and Warranties**. In order to induce Lender to enter into this Amendment, each Borrower hereby represents and warrants to Lender that:

(a) After giving effect to this Amendment, no Event of Default or Default is continuing;

(b) After giving effect to this Amendment, all of the representations and warranties set forth in the Agreement and in the Agreement are true, complete and accurate in all respects (except for representations and warranties which are expressly stated to be true and correct as of the date of the Agreement); and

(c) This Amendment has been duly executed and delivered by Borrowers, and the Agreement continues to constitute the legal, valid and binding agreements and obligations of Borrowers, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, and similar laws and equitable principles affecting the enforcement of creditors' rights generally.

10. **Counterparts; Telefacsimile Execution**. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile also shall deliver a manually executed counterpart of this Amendment but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

11. **Integration**. The Agreement as amended by this Amendment constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and thereof, and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof and thereof.

12. **No Other Waiver**. The execution of this Amendment and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default (other than the Existing Defaults), whether or not known to Lender and whether or not existing on the date of this Amendment.

13. **Release**.

(a) Each Borrower, each Guarantor signing the Acknowledgment and Agreement of Guarantors set forth below, and each Creditor signing the Acknowledgment and Agreement of Creditors set forth below, hereby absolutely and unconditionally releases and forever discharges Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which such Borrower, such Guarantor, or such Creditor, has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown. Each Borrower, each Guarantor signing the Acknowledgment and Agreement of Guarantors set forth below, and each Creditor signing the Acknowledgment and Agreement of Creditors set forth below, certifies that it has read the following provisions of California Civil Code Section 1542:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

(b) Each Borrower, each Guarantor signing the Acknowledgment and Agreement of Guarantors set forth below, and each Creditor signing the Acknowledgment and Agreement of Creditors set forth below, understands and acknowledges that the significance and consequence of this waiver of California Civil Code Section 1542 is that even if it should eventually suffer additional damages arising out of the facts referred to above, it will not be able to make any claim for those damages. Furthermore, each Borrower, each Guarantor signing the Acknowledgment and Agreement of Guarantors set forth below, and each Creditor signing the Acknowledgment and Agreement of Creditors set forth below, acknowledges that it intends these consequences even as to claims for damages that may exist as of the date of this release but which it does not know exist, and which, if known, would materially affect its decision to execute this Agreement, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

14. **Reaffirmation of the Agreement**. The Agreement as amended hereby and the Loan Documents remain in full force and effect.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment as of the date first hereinabove written.

LILIEN SYSTEMS,
a California corporation

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chairman

SYSOREX GOVERNMENT SERVICES, INC.,
a Virginia corporation

By: /s/ Wendy Loundermon
Name: Wendy Loundermon
Title: President and Chief Financial Officer

BRIDGE BANK, NATIONAL ASSOCIATION

By: /s/ Lee A. Shodiss
Name: Lee A. Shodiss
Title: Senior Vice President / Group Manager

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

The undersigned, as guarantors of the obligations of LILIEN SYSTEMS, a California corporation ("**Lilien**"), and SYSOREX GOVERNMENT SERVICES, INC., a Virginia corporation ("**SGSI**") (Lilien and SGSI are sometimes collectively referred to herein as "**Borrowers**" and each individually as a "**Borrower**"), to BRIDGE BANK, NATIONAL ASSOCIATION ("**Lender**"), pursuant to the separate Guaranty of each of the undersigned (each, a "**Guaranty**"), hereby (i) acknowledges receipt of the foregoing Amendment; (ii) consents to the terms (including without limitation the release set forth in Section 13 of the Amendment) and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of his Guaranty; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Loan Documents and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the obligations of the undersigned under her or her Guaranty.

SYSOREX FEDERAL, INC.,
a Delaware corporation

By: /s/ Nadir Ali
Name: Nadir Ali
Title: President

SYSOREX GLOBAL HOLDINGS CORP.,
a Nevada corporation

By: /s/ Nadir Ali
Name: Nadir Ali
Title: President

ACKNOWLEDGMENT AND AGREEMENT OF CREDITORS

The undersigned, as creditors of LILIEN SYSTEMS, a California corporation ("**Lilien**"), and SYSOREX GOVERNMENT SERVICES, INC., a Virginia corporation ("**SGSI**") (Lilien and SGSI are sometimes collectively referred to herein as "**Borrowers**" and each individually as a "**Borrower**"), subordinated to the obligations of Borrowers owing to BRIDGE BANK, NATIONAL ASSOCIATION ("**Lender**"), pursuant to the separate Subordination Agreement of each of the undersigned (each, a "**Subordination Agreement**"), hereby (i) acknowledges receipt of the foregoing Amendment; (ii) consents to the terms (including without limitation the release set forth in Section 13 of the Amendment) and execution thereof; (iii) reaffirms all obligations to Lender pursuant to the terms of his Subordination Agreement; and (iv) acknowledges that Lender may amend, restate, extend, renew or otherwise modify the Loan Documents and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the obligations of the undersigned under her or her Subordination Agreement.

SYSOREX CONSULTING, INC.,
a California corporation

By: /s/ A. Salam Qureishi
Name: A. Salam Qureishi
Title: Chairman

/s/ Abdus Salam Qureishi
Abdus Salam Qureishi, trustee of **QUREISHI 1998 FAMILY TRUST**

/s/ BRET R. OSBORN
BRET R. OSBORN

/s/ DHRUV GULATI
DHRUV GULATI

/s/ GEOFFREY I. LILIEN
GEOFFREY I. LILIEN

SCHEDULE 1
TO
AMENDMENT NUMBER ONE TO BUSINESS FINANCING AGREEMENT,
WAIVER OF DEFAULTS AND CONSENT

EXISTING DEFAULTS

Section of Agreement	**Required Performance**	**Actual Performance**
Section 4.12(a) – Asset Coverage Ratio	not at any time less than 1.4 to 1.0, tested as at the end of each month.	1.23 to 1.0 as at April 30, 2013
Section 4.12(b) – Performance to Plan	Combined revenues and Net Income not to deviate by more than 20% or $100,000 from the projections of combined revenues and Net Income approved by Borrowers' boards of directors with respect to the rolling three month period ended on the date of determination, tested as at the end of each month	Default as at June 30, 2013 for the rolling three month period ended on that date

Exhibit A to Amendment Number One to Business Financing Agreement<
Waiver of Defaults and Consent

Form of Compliance Certificate

Exhibit 10.6

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "**Agreement**") is made effective as of August 29, 2013, by and between Sysorex Global Holdings Corp., a Nevada corporation (the "**Company**"), and Bridge Bank, N.A., and its assignees (the "**Holder**" or "**Purchasers**").

RECITALS

WHEREAS, the Purchaser has entered into a Credit Facility on the date hereof with the Company and, among other things, received a common stock purchase warrant (the "**Warrant**") to purchase 112,500 shares of Common Stock, $.001 par value; and

WHEREAS, as a condition of the Credit Facility, the Company is required to execute and deliver this Agreement to the Purchaser to provide for certain registration rights with respect to Common Stock underlying the Warrants ("**Underlying Shares**") upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of these premises and the mutual promises and covenants hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1 . Definitions. In addition to the terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings. Capitalized terms used and not otherwise defined herein that are defined in the Subscription Agreement shall have the meanings given such terms in the Subscription Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or legal holiday in the State of California.

"**Effectiveness Date**" means, with respect to the Registration Statement to be filed pursuant to Section 2(a), the date on which the SEC declares the Registration Statement effective.

"**Effectiveness Period**" is defined in Section 2(a).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Filing Date**" means, with respect to the Registration Statement to be filed hereunder, the date on which the Company files its next registration statement other than an S-4 or S-8 Registration Statement or the S-1 registration statement pending on the date hereof.

"**Holder**" or "**Holders**" means the holder or holders, as the case may be, from time to time of Registrable Securities (including any permitted assignee).

"**Holders' Representative**" means Bridge Bank, N.A., or any other person that has been appointed by the Holders of a majority of the Registrable Securities to act as representative of the Holders for purposes of this Agreement.

"**Indemnified Party**" is defined in Section 5(c).

"**Indemnifying Party**" is defined in Section 5(c).

"**Losses**" is defined in Section 5(a).

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

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

"**Prospectus**" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Registrable Securities**" means the Underlying Shares issuable upon exercise of warrants provided, that the Company shall have the right to reduce the number of Registrable Securities if in the reasonable opinion of counsel to the Company, the Registration Statement could not be declared effective by the SEC without such reduction as a result of SEC guidance pursuant to Rule 415 promulgated under the Securities Act. Any such reduction shall be pro rata among all Holders. In addition, Registrable Securities shall also include any shares of Common Stock issuable pursuant to Section 2(b) of this Agreement.

"**Registration Statement**" means the registration statements required to be filed hereunder, including (in each case) the Prospectus, amendments and supplements to the registration statement or Prospectus, including pre and post effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in the registration statement.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar Rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**Rule 415**" means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar Rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar Rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Selling Shareholder Questionnaire**" is defined in Section 2(e).

"**Trading Day**" means (i) a day on which Common Stock is traded or quoted on a Trading Market, or (ii) if Common Stock is not traded or quoted on a Trading Market, a day on which Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting price); provided, that in the event that Common Stock is not traded or quoted as set forth in (i), and (ii) hereof, that Trading Day shall mean a Business Day.

"**Trading Market**" means the following markets or exchanges on which Common Stock is listed or quoted for trading on the date in question: the NASDAQ Capital Market, the New York Stock Exchange, the NYSE MKT, LLC, NASDAQ Global Market, the NASDAQ Global Select Market or the OTC PINK marketplace.

2. Registration.

(a) Required Registration. No later than the Filing Date, the Company shall prepare and file with the SEC the Registration Statement covering the resale of all of the Registrable Securities which a Holder has requested to be included in such Registration Statement (subject to the proviso set forth in the definition of "Registrable Securities" above) and for which such Holder has provided the Company with a completed Selling Shareholder Questionnaire, which offering shall be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form S-1 (or other applicable form at the discretion of the Company). The Registration Statement shall contain (except if otherwise directed by the Holders) the "**Plan of Distribution**" substantially in the form attached hereto as **Annex A** (which may be modified as required by the Securities Act and the rules and regulations thereunder and to respond to comments, if any, received from the SEC). The Company shall cause the Registration Statement to be declared effective under the Securities Act prior to the Effectiveness Date and shall use its reasonable best efforts to keep the Registration Statement continuously effective under the Securities Act until the date when all Registrable Securities covered by the Registration Statement (a) have been sold pursuant to the Registration Statement or an exemption from the registration requirements of the Securities Act or (b) may be sold without any volume or manner of sale restrictions pursuant to Rule 144 (the "**Effectiveness Period**").

(b) Sufficient Number of Shares Registered. The Registration Statement filed pursuant to Section 2(a) shall include a number of shares of Common Stock sufficient to cover all of the Registrable Securities. In the event the number of shares of Common Stock covered under a Registration Statement filed pursuant to Section 2(a) is insufficient to cover all of the Registrable Securities which such Registration Statement is required to cover (subject to the proviso set forth in the definition of "Registrable Securities" above), the Company shall use its reasonable best efforts to amend the Registration Statement, or file a new Registration Statement, or both, so as to cover at least 100% of the Registrable Securities, in each case, as soon as practicable. The Company shall use its reasonable best efforts to cause such amendment and/or new Registration Statement to become effective as soon as practicable following the filing thereof.

(c) Participation in Underwritten Registrations. If the registration of which Company gives notice to Holder is for a registered public offering involving an underwriting, Company shall so advise Holder as part of the written notice given to Holder. No Holder may participate in any underwritten registration with respect to the Registrable Securities unless such Holder completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents reasonably required under the terms of such underwriting agreements.

(d) Other Requirements. In connection with any Registration Statement under Section 2(a), Holders whose Registrable Securities are included therein shall provide such information and shall execute and deliver to the Company such documents, including, but not limited to, a selling shareholder questionnaire in customary form and substance reasonably satisfactory to the Company ("**Selling Shareholder Questionnaire**"), as the Company may reasonably request in order to effect such registration pursuant to this Agreement and in accordance with applicable securities laws.

(e) Piggy-Back Registrations. If at any time during the Effectiveness Period there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the stock option or other employee benefit plans, then the Company shall send to each Holder a written notice of such determination and, if within fifteen (15) days after the date of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered, subject to customary underwriter cutbacks applicable to all holders of registration rights on a *pro rata* basis, provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to such Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay expenses in accordance with Section 4 hereof), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section for the same period as the delay in registering such other securities. Notwithstanding the foregoing, the Company shall not be required to register any Registrable Securities pursuant to this Section that are eligible for resale pursuant to Rule 144(b) promulgated under the Securities Act or that are the subject of a then effective Registration Statement. Notwithstanding the foregoing, nothing herein shall be construed of relieving the Company of its obligations under this Agreement.

3 . Registration Procedures. In connection with the Company's registration obligations hereunder, the Company shall use reasonable best efforts to:

(a) Not less than three (3) Trading Days prior to the filing of the Registration Statement or of any related Prospectus or any amendment or supplement thereto, (i) furnish to the Holders' Representative copies of all such documents substantially in the form proposed to be filed (including documents incorporated or deemed incorporated by reference to the extent requested by such Person) which documents will be subject to the review of the Holders' Representative, and (ii) subject, if appropriate, to the execution of confidentiality agreements in form reasonably acceptable to the Company, cause its officers and directors, counsel and independent certified public accountants to respond to such inquiries as shall be reasonably necessary, in the reasonable opinion of respective counsel to conduct a reasonable investigation within the meaning of the Securities Act.

(b) (i) Prepare and file with the SEC such amendments, including post effective amendments, to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep the Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; and (iii) respond as promptly as reasonably practicable to any comments received from the SEC with respect to the Registration Statement or any amendment thereto and, as promptly as reasonably practicable, upon request, provide the Holders' Representative true and complete copies of all correspondence from and to the SEC relating to the Registration Statement (subject, if appropriate, to the execution of confidentiality agreements in form acceptable to the Company).

(c) Notify the Holders of Registrable Securities to be sold as promptly as reasonably possible (and, in the case of (i) (A) below, not less than three (3) Trading Days prior to such filing) and (if requested by any such Person) confirm such notice in writing promptly following the day (i)(A) when a Prospectus or any Prospectus supplement or post effective amendment to the Registration Statement is proposed to be filed; (B) when the SEC notifies the Company whether there will be a "review" of the Registration Statement and whenever the SEC comments in writing on the Registration Statement (the Company shall upon request provide true and complete copies thereof and all written responses thereto to the Holders' Representative, subject, if appropriate, to the execution of confidentiality agreements in form acceptable to the Company); and (C) with respect to the Registration Statement or any post effective amendment, when the same has become effective; (ii) of any request by the SEC or any other federal or state governmental authority during the period of effectiveness of the Registration Statement for amendments or supplements to the Registration Statement or Prospectus or for additional information; (iii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes the financial statements included in the Registration Statement ineligible for inclusion therein or any statement made in the Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the Registration Statement, Prospectus or other documents so that, in the case of the Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of the Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) Promptly deliver to each Holder no later than five (5) business days after the Effectiveness Date, without charge, two (2) copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto (and, upon the request of the Holder such additional copies as such Persons may reasonably request in connection with resales by the Holder of Registrable Securities). The Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(c)(ii)-(v).

(f) Prior to any resale of Registrable Securities by a Holder, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statement; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(g) If requested by the Holders, cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Subscription Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request.

(h) Upon the occurrence of any event contemplated by Section 3(c), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare and file a supplement or amendment, including a post effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company will use, in good faith, its commercially reasonable reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. In accordance with the provisions of Section 6(o), the Company shall be entitled to exercise its right under this Section 3(h) to suspend the availability of a Registration Statement and Prospectus.

(i) Comply in all material respects with all applicable rules and regulations of the SEC relating to the registration of the Registrable Securities pursuant to the Registration Statement or otherwise.

(j) The Company shall not be required to include in any Registration Statement the Registrable Securities of any Holder that does not complete a Selling Shareholder Questionnaire.

(k) Make all documents, files, books, records, officers, directors and employees of the Company reasonably available to the Holders' Representative, legal counsel to the Holders and accountants retained by the Holders (collectively, the "**Inspectors**"), and make such other accommodations as are reasonably necessary for the Inspectors, if any, to perform a due diligence review of the Company; provided, however, that all such information ("**Confidential Information**") will be kept confidential and not utilized by the Inspectors except as contemplated herein and except as required by law or court order. The term Confidential Information also includes any information included in a draft Registration Statement or any related Prospectus or any amendment or supplement thereto provided to a Holder pursuant to Section 3(a); for the avoidance of doubt, however, the Company shall not furnish to Holders, without their prior approval, any information that constitutes or might constitute material, non-public information. The term Confidential Information does not include information that (a) is already in possession of such other party (other than that which is subject to another confidentiality agreement or unless obtained from a third party where the receiving party knows that the third party was subject to a confidentiality agreement), (b) becomes generally available to the public other than by disclosure in violation of this Agreement or any other agreement to which a Holder is a party, or (c) becomes available on a non-confidential basis from a source other than the Company unless obtained from a third party where the receiving party knows that the third party was subject to a confidentiality agreement. Each Holder agrees that it shall, upon learning that disclosure of such Confidential Information is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, the information deemed confidential.

(l) Hold in confidence and not make any disclosure of information concerning any Holder provided to the Company unless (a) such information is already in possession of the Company, (b) such information becomes available to the Company on a non-confidential basis from a person other than such Holder who is not known by the Company to be otherwise bound by a confidentiality or comparable agreement with such Holder, (c) disclosure of such information is necessary to comply with federal or state securities laws, (d) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or Prospectus, (e) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, (f) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement to which the Company is a party, or (g) such Holder consents to the form and content of any such disclosure (the Holders shall be deemed to consent to the inclusion of any information provided in the Selling Shareholder Questionnaire, in the Registration Statement, any Prospectus related thereto, and any amendments or supplements thereto). The Company agrees that it shall, upon learning that disclosure of such information concerning any Holder is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Holder and allow such Holder, at the Holder's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(m) File the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder so long as the Holders own any Registrable Securities, but in no event longer than two (2) years; provided, however, the Company may delay any such filing but only pursuant to Rule 12b-25 under the Exchange Act, and the Company shall use commercially reasonable efforts to take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

(n) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company (including, without limitation, fees and expenses of counsel for the Holders' Representative with respect to the review of the Registration Statement, "**Holders' Representative Counsel**") shall be borne by the Company whether or not any Registrable Securities are sold pursuant to the Registration Statement, other than fees and expenses of counsel (other than the Holder's Representative Counsel referenced above) or any other advisor retained by the Holders and discounts, fees and commissions with respect to the sale of any Registrable Securities by the Holders. The fees and expenses to referred to in the foregoing sentence to be borne by the Company shall include, without limitation, (i) all registration filing and qualification fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the Trading Market on which Common Stock is then listed for trading, and (B) to effect compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing Prospectuses), (iii) fees and disbursements of counsel for the Company, (iv) expenses of any special audits incidental to or required by registration, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or other trading market as required hereunder. All expenses of any registered offering not otherwise borne by Company shall be borne pro rata among Holders participating in the Offering and Company.

5. Indemnification

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents and employees, of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (including the cost (including without limitation, reasonable attorneys' fees) and expenses relating to an Indemnified Party's actions to enforce the provisions of this Section 5) (collectively, "**Losses**"), as incurred, to the extent arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, any form of prospectus, in any amendment or supplement thereto, in any preliminary prospectus, offering circular or other document incident to a registration, qualification or compliance, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (1) such untrue (or alleged untrue) statements or omissions (or alleged omissions) are based solely upon information regarding such Holder furnished (or in the case of an omission, results from the failure of such Holder to fully or accurately complete the Selling Shareholder Questionnaire) in writing to the Company by or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and which proposed method was reviewed by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that the Holder has reviewed **Annex A** hereto for this purpose), (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(c), or (3) the failure of the Holder to deliver a Prospectus as amended or supplemented prior to the confirmation of a sale. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based upon: any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is contained in any information so furnished (or in the case of an omission, results from the failure of such Holder to fully or accurately complete the Selling Shareholder Questionnaire) in writing by or on behalf of such Holder to the Company specifically for inclusion in the Registration Statement or such Prospectus or (ii) to the extent that (1) such untrue statements or omissions are based solely upon information regarding such Holder furnished (or in the case of an omission, results from the failure of such Holder to fully or accurately complete the Selling Shareholder Questionnaire) in writing to the Company by or on behalf of such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and which proposed method was reviewed by such Holder expressly for use in the Registration Statement (it being understood that the Holder has reviewed Annex A hereto for this purpose), such Prospectus or such form of Prospectus or in any amendment or supplement thereto, or (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(c), or (3) the failure of the Holder to deliver a Prospectus as amended or supplemented prior to the confirmation of a sale. In no event shall the liability of any selling Holder hereunder be greater in amount than the gross proceeds received by the Holder with respect to the sale of its Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that such failure shall have materially prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in (but not control) the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed to assume the defense of such Proceeding in a timely manner and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel in writing that a conflict of interest would exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of one separate counsel for all Indemnified Parties in any matters related on a factual basis shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding affected without its written consent, not to be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within fifteen (15) Business Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is not entitled to indemnification hereunder, determined based upon the relative faults of the parties.

(d) Contribution. If a claim for indemnification under Section 5(a) or Section 5(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 5(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

(e) The parties hereto agree that it would not be just and equitable if contribution pursuant to Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in Section 5(d). Notwithstanding the provisions of Section 5(d), no Holder shall be required to indemnify or contribute, in the aggregate, pursuant to this Article 5, any amount in excess of the amount by which the proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, except in the case of fraud by such Holder. The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties. No party guilty of fraudulent misrepresentation pursuant to Section 11(f) of the Securities Act shall be entitled to contribution from any other party.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to the Registration Statement.

(c) Discontinued Disposition. Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c)(ii)-(v), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "**Advice**") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(d) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holder whereupon such amendment, modification, supplement or waiver shall be binding on all Holders; provided, however, that no consideration shall be offered or paid to any Holder to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration (on a pro-rata basis) is also offered to all of the Holders under this Agreement.

(e) Notices. All notices that are required or may be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, or by registered or certified mail, postage prepaid, to the parties at the following addresses (or to the attention of such other person or such other address as any party may provide to the other parties by notice in accordance with this section):

If to the Company:

Sysorex Global Holdings Corp.
3375 Scott Blvd., Suite 440
Santa Clara, CA 95054
Attention: Nadir Ali, President
Tel: (703) 880-7219
Email: ali@sysorex.com

With a copy to:

Davidoff Hutcher & Citron LLP
605 Third Avenue, 34th Floor
New York, NY 10158
Attention: Elliot H. Lutzker, Esq.
Telephone: (212) 286-1884
Email: ehl@dhclegal.com

If to Purchaser:

Bridge Bank, N.A.
Bridge Capital Finance Group
55 Almaden Boulevard, Suite 150
San Jose, CA 95113
Attention: Lee A. Shodiss, Senior Vice President, Group Manager
Telephone: (408) 556-6502
Email: Lee.Shodiss@bridgebank.com

With a copy (which shall not constitute notice) to:

Buchalter Nemer
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attention: Robert Willner, Esq.
Telephone: (213) 891-5107
Email: rwillner@buchalter.com

Any such notice or other communication will be deemed to have been given and received (whether actually received or not) on the day it is personally delivered or delivered by courier or overnight delivery service or, if mailed, when actually received.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and permitted assigns.

(g) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without regard to the conflicts of laws principles thereof. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. All actions arising out of or relating to this Agreement shall be heard and determined exclusively in any federal court sitting in the Northern District of California; provided, however, that if such federal court does not have jurisdiction over such action, such action shall be heard and determined exclusively in any California state court sitting in Santa Clara County, California. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the County of California for the purpose of any action arising out of or relating to this Agreement brought by any party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

(i) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6(i).

(j) Cumulative Remedies. Subject to the first sentence of Section 6(a), the remedies provided herein are cumulative and not exclusive of any remedies provided by law.

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

(l) Interpretation. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. References to Sections mean Sections of this Agreement unless otherwise stated. Any term defined in this Agreement shall be deemed to include derivations of such term (e.g., the term "**Indemnified Party**" shall include "**Indemnified Parties**").

(m) Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser hereunder is several and not joint with the obligations of any other Purchaser hereunder, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. EACH PURCHASER REPRESENTS THAT IS HAS BEEN REPRESENTED BY ITS OWN SEPARATE LEGAL COUNSEL IN ITS REVIEW AND NEGOTIATION OF THIS AGREEMENT. The Company has elected to provide all Purchasers with the same terms and documents for the convenience of the Company and not because it was required to do so by the Purchasers.

(n) Assignment of Registration Rights. The rights of any Holder under this Agreement shall be automatically assignable by such Holder to any transferee of all or any portion of Registrable Securities (other than pursuant to a public sale or Rule 144) if: (1) such Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company promptly after such assignment; (2) the Company is, promptly after such transfer or assignment, furnished with written notice of (i) the name and address of such transferee or assignee, and (ii) the securities with respect to which such registration rights are being transferred or assigned; and (3) the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein.

(o) Deferral Period. With respect to any Registration Statement filed or to be filed pursuant to Section 2, if the Company determines that, in its good faith judgment, it would (because of the existence of, or in reasonable anticipation of, any acquisition or corporate reorganization or other transaction, financing activity, stock repurchase or other material development involving the Company or any subsidiary, or the unavailability for reasons beyond the Company's control of any required financial statements or other material information, or any other event or condition material to the Company or any subsidiary) be materially disadvantageous to the Company to proceed with such Registration Statement or that the Company is required by applicable law, rules or regulations not to proceed with the Registration Statement or to suspend its effectiveness (a "**Material Development Condition**"), then the Company shall, notwithstanding any other provisions of this Agreement, be entitled, upon the giving of a written notice that a Material Development Condition has occurred (a "**Delay Notice**") from an officer of the Company to the Holders' Representative, as the representative of the Purchasers, (i) to cause sales of Registrable Securities by the Purchasers pursuant to such Registration Statement to cease, (ii) to cause such Registration Statement to be withdrawn and the effectiveness of such Registration Statement suspended, or (iii) in the event no such Registration Statement has yet been filed or declared effective, to delay filing or effectiveness of any such Registration Statement until, in the good faith judgment of the Company, such Material Development Condition shall be disclosed or no longer exists (notice of which the Company shall promptly deliver to the Holders' Representative, as the representative of the Purchasers). Notwithstanding the foregoing provisions of this Section 6(o), in the event a Registration Statement is filed and subsequently withdrawn by reason of any existing or anticipated Material Development Condition as provided above, the Company shall use commercially reasonable efforts to cause a new Registration Statement covering the Registrable Securities to be filed with the SEC as soon as reasonably practicable, but no later than the expiration of ninety (90) days from the Delay Notice.

(p) Entire Agreement. This Agreement, any annexes hereto and any writings incorporated herein by reference set forth the entire understanding of the parties hereto with respect to the subject matter hereof. The recitals hereto are a material part of this Agreement and are incorporated in this Agreement by reference as if fully set forth herein.

(q) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in the initial Registration Statement other than the Registrable Securities, and the Company shall not, during the period beginning on the date hereof and ending on the Trading Day immediately following the actual effective date of such initial Registration Statement, enter into any agreement providing any such right to any of its security holders. Notwithstanding the foregoing, however, the Company may grant piggyback registration rights to third parties during the aforementioned period; provided, however, that such rights would expressly exclude the initial Registration Statement contemplated by this Agreement. The Company shall not file any other registration statements until the initial Registration Statement required hereunder is declared effective by the Commission.

(r) No Inconsistent Agreements. The Company has entered, as of the date hereof, nor shall the Company, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as disclosed in the Offering Documents, neither the Company nor any of its subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any person that have not been satisfied in full.

[*Signature page(s) to follow*]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

SYSOREX GLOBAL HOLDINGS CORP.

By: /s/ Nadir Ali
Nadir Ali,
President

(SUBSCRIBER'S SIGNATURE PAGE TO REGISTRATION RIGHTS AGREEMENT)

Name of Subscriber: _____

Name of Authorized Signatory (if different from Subscriber): _____

Title of Authorized Signatory: _____

Signature of Authorized Signatory or Subscriber: _____

EIN or Social Security Number: _____

Email Address of Subscriber: _____

Facsimile Number of Subscriber: _____

Address for Notice to Subscriber:

REGISTRATION RIGHTS AGREEMENT

ANNEX A

Plan of Distribution

The Selling Stockholders and any of their pledgees, donees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The Selling Stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker/dealer solicits purchasers;
- block trades in which the broker/dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker/dealer as principal and resale by the broker/dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- put or call options transactions;
- settlement of short sales;
- broker/dealers may agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted by applicable law.

The Selling Stockholders may also sell shares under Rule 144 under the Securities Act of 1933, if available, rather than under this prospectus.

Broker/dealers engaged by the Selling Stockholders may arrange for other brokers/dealers to participate in sales. Broker/dealers may receive commissions from the Selling Stockholders (or, if any broker/dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The Selling Stockholders do not expect these commissions to exceed what is customary in the types of transactions involved.

The Selling Stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the donees, pledgees or secured parties may offer and sell the shares of common stock from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of Selling Stockholders to include the donee, pledgee, transferee or other successors in interest as Selling Stockholders under this prospectus.

The Selling Stockholders and any broker/dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker/dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions under the Securities Act of 1933. The Selling Stockholders have informed the Company that they do not have any agreement or understanding, directly or indirectly, with any person to distribute common stock.

At the time a particular offering of securities is made, to the extent required, a prospectus supplement will be distributed which will set forth the number of securities being offered and the terms of the offering, including the purchase price or the public offering price, the name or names of any underwriters, dealers or agents, the purchase price paid by any underwriters for securities purchased from the Selling Stockholders, any discounts, commissions and other items constituting compensation from the selling security holders and any discounts, commissions or concessions allowed or reallowed or paid to dealers.

Because Selling Stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the Selling Stockholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the shares may be resold by the Selling Stockholders without registration and without regard to any volume limitations by reason of Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Pursuant to applicable rules and regulations under the Securities Exchange Act of 1934, any person engaged in the distribution of the securities offered under this prospectus may not simultaneously engage in market activities for the shares of common stock for a period of five business days prior to the commencement of such distribution. In addition, each Selling Stockholder and any other person who participates in a distribution of the securities will be subject to applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and may affect the marketability of the securities and the ability of any person to engage in market activities for the shares of commonstock.

The Company is required to pay all fees and expenses incident to the registration of the shares. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act of 1933.

Exhibit 10.7

EXECUTION COPY

EMPLOYMENT AND NON-COMPETITION AGREEMENT

SYSOREX GROUP

NADIR ALI

Dated July l, 2010

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This Amended and Restated Employment and Non-Competition Agreement (this "Agreement"), dated as of July 1, 2010 (the "**Effective Date**") is entered into between Sysorex Group., consisting of (Sysorex Federal Inc., Sysorex Govt. Systems, Inc., & Sysorex Consulting Inc.) a Delaware and California a Delaware corporation ("**Employer**"), and Nadir Ali ("Employee") as an amendment and restatement in the entirety of that certain Employment and Non-Competition Agreement, dated as of August 1, 2002, between Employer and Employee (the "Prior Agreement");

W I T N E S S E T H:

WHEREAS, Employer desires to continue to employ Employee upon the terms and conditions set forth herein; and

WHEREAS, Employee is willing to continue to provide services to Employer upon the terms and conditions set forth herein;

A G R E E M E N T S:

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Employer and Employee hereby agree as follows:

1. **EMPLOYMENT**

Employer will employ Employee and Employee will accept employment by Employer as a President reporting to the Chairman & CEO of Employer. Employee will have the authority, subject to Employer's Certificate of Incorporation and Bylaws, as may be granted from time to time by the President or the Board of Directors of Employer. Employee will perform such duties as may be assigned from time to time by the Board of Directors or President of Employer, which relate to the business of Employer, its subsidiaries or its parent corporation.

2. **ATTENTION AND EFFORT**

Employee will devote all of his entire productive time, ability, attention and effort to Employer's business and will skillfully serve its interests during the term of this Agreement. Notwithstanding anything to the contrary in the preceding sentence, Employee may devote reasonable periods of time outside of normal business hours to participation in charitable, civic, community, writing, publishing and/or private investment activities; provided, however, that such activities are permissible only if: (x) any such activity would not otherwise be prohibited by Section 9 hereof, (y) any such activity does not interfere with Employee's duties under this Agreement, and (z) Employee continues to perform his duties (and no outside activities) at Employer's facilities for an average of 40 hours each week during normal business hours.

3. **TERM**

Employee is an at will employee whose employment can be terminated by either party at any time for any reason with or without advance notice.

4. **COMPENSATION**

During the term of this Agreement, Employer agrees to pay or cause to be paid to Employee, and Employee agrees to accept in exchange for the services rendered hereunder by him, the following compensation which shall consist of an annual salary of Two Hundred Forty Thousand dollars ($240,000) before all customary payroll deductions. Such annual salary shall be paid in substantially equal installments and at the same interVals as other officers of Employer are paid (but in no event less frequently than once per month). Employee will also be entitled to customary benefits, housing allowance, stock options and management bonus provided the company meets its financial goals, sales and profit targets as provided in quarterly projections.

5. **BENEFITS**

During the term of this Agreement, Employee will be entitled to participate, subject to and in accordance with applicable eligibility requirements and other terms and conditions thereof, in the fringe benefit programs as per Company HR policies.

6. **STOCK OPTION**

Nothing in this Agreement shall affect or modify in any way the terms and conditions of that certain Notice of Option Grant, dated as of August I, 2002 by and between Sysorex Consulting, Inc. and Employee.

7. **TERMINATION**

Employment of Employee pursuant to this Agreement may be terminated as follows, but in any case, the provisions of Section 8 hereof shall survive the termination of this Agreement and the termination of Employee's employment hereunder:

7.1 **By Employer**

With or without Cause (as defined below in Section 8.6), Employer may terminate the employment of Employee at any time during the term of employment upon giving Notice of Termination (as defined below).

7.2 **By Employee**

For any reason or for no reason, Employee may terminate his employment at any time, for any reason, upon giving Notice of Termination.

7.3 **Automatic Termination**

This Agreement and Employee's employment hereunder shall terminate automatically upon the death or total disability of Employee. The term "total disability" as used herein shall mean Employee's inability to perform the duties set forth in Section I hereof for a period or periods of 60 consecutive calendar days in any 12-month period as a result of physical or mental illness, loss of legal capacity or any other cause beyond Employee's control, unless Employee is granted a leave of absence by the Board of Directors of Employer. Employee and Employer hereby acknowledge that Employee's ability to perform the duties specified in Section I hereof is of the essence of this Agreement. Termination hereunder shall be deemed to be effective (a) at the end of the calendar month in which Employee's death occurs or (b) at the end of the calendar month in which Employee becomes totally disabled (as defined above).

7.4 **Notice**

The term "Notice of Termination" shall mean written notice of termination of Employee's employment. The effective date of the termination of Employee's employment hereunder shall be the date on which the Notice of Termination is delivered to the other party to this Agreement.

8. **TERMINATION PAYMENTS**

In the event of termination of the employment of Employee, all compensation and benefits set forth in this Agreement shall terminate except as specifically provided in this Section 8.

8.1 **Termination Resulting in Termination Payments**

If Employer terminates Employee's employment without Cause, Employee shall be entitled to receive (a) termination payments equal to his base salary at the then current rate and levels for six (12) months from the date of termination, and (b) any unpaid annual salary which has accmed for services already performed as of the date termination of Employee's employment becomes effective. If Employee is terminated by Employer for Cause, Employee shall not be entitled to receive any of the foregoing benefits, other than those set forth in clause (b) above.

8.2 **Termination Not Resulting In Termination Payments**

In the case of the termination of Employee's employment with the Employer by either party under any circumstances other than those specified in Section 8.1, Employee shall not be entitled to any payments hereunder, other than those set forth in clause (b) of Section 8.1 hereof.

8.3 **Termination Because of Death or Total Disability**

In the event of a termination of Employee's employment because of his death or total disability, Employee shall not be entitled to any payments hereunder, other than those set forth in clause (b) of Section 8.1 hereof

8.4 **Payment Schedule**

All termination payments under this Section 8 shall be made to Employee at the same interval as payments of salary were made to Employee immediately prior to termination, provided, however, that if Employer defaults in its valid obligation to make such a payment, and fails to cure such default within thirty (30) days after written notice thereof from the Employee, all remaining termination payments shall accelerate and shall thereupon become due and payable in full.

8.5 **Cause**

Wherever reference is made in this Agreement to termination being with or without Cause, "Cause" shall include, without limitation, the occurrence of one or more of the following events:

(a) Failure or refusal to carry out the lawful duties of Employee described in Section 1 hereof or any reasonable directions of the Board of Directors or President of Employer made in good faith which failure or refusal, if curable, is not cured within thirty (30) days after written notice thereof from the Employer;

(b) The commission by Employee of any act of gross negligence, fraud or dishonesty causing material harm to the Employer, Sysorex, or any entities in which Sysorex owns a majority of the voting securities (collectively, the "**Affiliates**");

(c) The procurement by Employee of personal gain or profit at the expense of the Employer or from any transaction in which the. Employee has an interest which is adverse to the interest of the Employer or any Affiliate, unless Employee shall have obtained the prior consent of the President or Board of Directors of the Employer;

(d) Unauthorized use or disclosure of the confidential information or trade secrets of the Employer, except as may be required by law (in which event Employee shall promptly provide the Employer with written notice of such legal requirement which shall be advance written notice where practicable);

(e) A material breach by Employee of this Agreement, which breach is not cured within thirty (30) days after written notice from the Employer;

(f) Conviction of, or a plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof;

(g) Acts of violence directed at any present, fanner or prospective employee, independent contractor, vendor, customer or business partner of the Employer;

(h) The sale, possession or use of illegal drugs on the premises of the Employer or a client of the Employer;

(i) Misappropriation of the assets of the Employer or other acts of dishonesty related to the business of the Employer and resulting in a material adverse effect on the Employer; or

(j) Employee, on behalf of himself or the Employer, violates or orders the violation of any laws or governmental regulations applicable to the business of the Employer, resulting in a material adverse effect on the Employer.

In order to constitute "Cause" the termination of Employee's employment must occur within SO days of the date that any member of the Board of .Directors or President of the Employer has actual knowledge of the existence one of the events described in Sections 8.6 (a) or (e) or within 20 days of the date that any member of the Board of Directors or the President of Employer has actual acknowledge of the existence of one of the other events which may give rise to "Cause" here under. If Employer delivers written notice of one of the grounds for Cause described in Section 8.6(a) or (e) and the Employee effects a cure of such grounds for Cause then Employee's employment shall continue here under in accordance with the terms and conditions of this Agreement. If Employer desires to terminate Employee's employment as a result of subsequent grounds for Cause under Sections 8.6 (a) or (e) (regardless of whether or not such grounds occur under the same subsection of this Section 8.6 as a previous grounds for Cause), then the Employer shall be required to tender a new written notice and afford the Employee another cure opportunity pursuant to this Section 8.6.

9. NONCOMPETITION AND NONSOLICITATION

9.1 Applicability

Except as provided in the final sentence of this Section 9.1, this Section 9 shall survive the termination of Employee's employment with Employer or the expiration of the term of this Agreement. "***Covenant Term***" as used in this Section 9 shall mean the period of time beginning on the Effective Date and ending on the later of: (a) the date on which Employee's employment or consulting relationship with Employer terminates; and (b) August 1, 2004. If Employer terminates Employee's employment without Cause, then effective upon the date of such termination, Employee shall be released from the non-competition obligation contained in Section 9.2, but shall continue to be subject to and restricted by the non-solicitation provision contained in Section 9.5 and by the remaining provisions of this Section 9, to the extent that they may relate to the interpretation and/or enforcement of Section 9.5.

9.2 Scope of Competition

Employee agrees that he will not, directly or indirectly, during the Covenant Term be employed by, consult with or otherwise perform services for, own, manage, operate, join, control or participate in the ownership, management, operation or control of or be connected with, in any manner, any Competitor. A " ***Competitor***" shall mean any entity which, directly or indirectly, competes with Employer or an Affiliate or produces, markets, distributes or otherwise derives benefit from the production, marketing or distribution of products or services which compete with products then produced or services then being provided or marketed, by Employer or an Affiliate or the feasibility for production of which Employer or an Affiliate is then actually studying to the knowledge of Employee, or which is preparing to market or is developing products or services that will be in competition with the products or services then produced or being studied or developed by Employer or an Affiliate to the knowledge of Employee, in each case within the geographical area described in Section 9.3 hereof, unless released from such obligation in writing by Employer's Board of Directors. Employee sha11 be deemed to be related to or connected with a Competitor if such Competitor is (a) a partnership in which he is a general or limited partner or employee, (b) a corporation or association of which he is a shareholder, officer, employee or director, or (c)a partnership, corporation or association of which he is a member, consultant or agent; provided, however, that nothing herein shall prevent the purchase or ownership by Employee of shares which constitute less than two percent of the outstanding equity securities of a publicly held corporation, if Employee had no other relationship with such corporation.

9.3 **Geographical Scope**

The geographical areas in which the restrictions provided for in this Section 9 apply include all cities, counties and states of the United States, and all other countries, in which during the Covenant Term, Employee has provided services to or on behalf of the Employer or any of its Affiliates. The agreement not to compete in each such geographic subdivision is a separate and severable agreement from all such other agreements. Employee acknowledges that the scope and period of restrictions and the geographical area to which the restrictions imposed in this Section apply are fair and reasonable and are reasonably required for the protection of the Employer.

9.4 **Severability**

The parties intend that the covenants contained in this Section 9 shall be construed as a series of separate covenants, one for each county of each state of the United States of America, and each nation. Except for geographic coverage, each such separate covenant shall be deemed identical in terms of the covenants contained in this Agreement. If, in m1y judicial proceeding, a court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in this Section 9, then such unenforceable covenant (or such part) shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 9 should ever be deemed to exceed the time or geographic limitations, or the scope of these covenants, as permitted by applicable law, then such provisions shall be reformed to the maximum time or geographic limitations, as the case may be, permitted by applicable laws.

9.5 **Scope of Non-solicitation**

Employee shall not during the Covenant Term directly or indirectly solicit, influence or entice, or attempt to solicit, influence or entice, any employee or consultant of Employer or an Affiliate to cease his or her relationship with Employer or such Affiliate or solicit, influence, entice or in any way divert any customer, distributor, partner, joint venturer or supplier of Employer or an Affiliate to do business or in any way become associated with any Competitor.

9.6 **Equitable Relief**

Employee acknowledges that the provisions of this Section 9 are essential to Employer, that Employer would not enter into this Agreement if it did not include this Section 9 and that damages sustained by Employer as a result of a breach of this Section 9 cannot be adequately remedied by damages, and Employee agrees that Employer, notwithstanding any other provision of this Agreement, including, without limitation, Section 16 hereof, and in addition to any other remedy it may have under this Agreement or at law, shall be entitled to injunctive and other equitable relief to prevent or curtail any breach of any provision of this Agreement, including, without limitation, this Section 9.

9.7 **Effect of Violation**

Employee and Employer acknowledge and agree that additional consideration has been given for Employee entering into this Section 9, such additional consideration including, without limitation, certain provisions for termination payments pursuant to Section 8 of this Agreement Violation by Employee of this Section 9 shall relieve Employer of any obligation it may have to make such termination payments, but shall not relieve Employee of his obligations, as required hereunder, not to compete.

10. **CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT**

10.1 **Assignment of Intellectual Property**

All concepts, designs, machines, devices, uses, processes, technology, trade secrets, works of authorship, customer lists, plans, embodiments, inventions, improvements or related work product (collectively "**Intellectual Property**") which Employee develops, conceives or first reduces to practice during the term of his employment hereunder , whether working alone or with others, shall be the sole and exclusive property of Employer, together with any and all Intellectual Property rights, including, without limitation, patent or copyright rights, related thereto, and Employee hereby assigns to Employer all of such Intellectual Property. "Intellectual Property" shall include only such concepts, designs, machines, devices, uses, processes, technology, trade secrets, customer lists, plans, embodiments, inventions, improvements and work product which (a) relate to Employee's performance of services under this Agreement, to Employer's field of business or to Employer's actual or demonstrably anticipated research or development, whether or not developed, conceived or first reduced to practice during normal business hours or with the use of any equipment, supplies, facilities or trade secret information or other resource of Employer or (b) are developed in whole or in part on Employer's time or developed using Employer's equipment, supplies, facilities or trade secret information, or other resources of Employer, whether or not the work product relates to Employer's field of business or Employer's actual or demonstrably anticipated research.

10.2 **Disclosure and Protection of Inventions**

Employee shall disclose in writing all concepts, designs, processes, technology, plans, embodiments, inventions or improvements constituting Intellectual Property to Employer promptly after the development thereof. At Employer's request and at Employer's expense, Employee will assist Employer or its designee in efforts to protect all rights relating to such Intellectual Property. Such assistance may include, without limitation, the following: (a) making application in the United States and in foreign countries for a patent or copyright on any work products specified by Employer; (b) executing documents of assignment to Employer or its designee of all of Employee's right, title and interest in and to any work product and related intellectual property rights; and (c) taking such additional action (including, without limitation, the execution and delivery of documents) to perfect, evidence or vest in Employer or its designee all right, title and interest in and to any Intellectual Property and any rights related thereto.

10.3 **Nondisclosure; Return of Materials**

Employee understands, acknowledges, and agrees that during the course of his employment and the term of any consulting relationship with Employer, he will be exposed to or has access to Employer's Trade Secrets and Confidential Information. As used in this Section I 0.3, "Trade Secrets" has the same definition as "trade secret" contained in Virginia Code §59.1- 336 (200 I) and any successor provision thereof. As used in this Section I 0.3, "Confidential information" means any information that is not a Trade Secret but is (a) any confidential or other proprietary information, whether of a technical, business or other nature that is of value to the owner of such information and is treated as confidential (including, without limitation, information about employees, customers, marketing strategies, services, business or technical plans and proposals, in any form); (b) any other information identified by a Employer as "Confidential Information"; or (c) any other information relating to Employer that is or should be reasonably understood to be confidential or proprietary. During the term of his employment by Employer and thereafter for a period ending on the date which is five (5) years following the date of termination of such employment, Employee shall not disclose any Confidential Information to any third party, except as stated in this Section 10.3. Further, at no time shall Employee disclose any Trade Secret to a third party in contravention of the Uniform Trade Secrets Act, as adopted by the Commonwealth of Virginia at Virginia Code §59.1-366, et seg. (2001). Employee may only disclose Confidential Information to a third party (a) if required to be disclosed pursuant to law, provided the Employee uses reasonable efforts to give Employer reasonable notice of such required disclosure, and cooperates in any attempts by Employer to obtain a protective order or other similar protection against disclosure of the Confidential Information; or (b) if disclosed with the prior written consent of Employer. Employee may disclose relevant aspects of Confidential Information or Trade Secrets to other of Employer's officers, employees, and consultants on a need-to-know basis, as determined by Employee in his reasonable judgment. In the event of the termination of his employment with Employer or the expiration of this Agreement, Employee, within fifteen (15) days of such termination or expiration, shall return to Employer all documents, data and other materials of whatever nature related to Employer's Trade Secrets, Confidential Information, and Intellectual Property, including, without limitation, drawings, specifications, research, reports, embodiments, software, and manuals, then in Employee's direct or indirect possession. Employee shall not retain or cause or allow any third party to retain photocopies or other reproductions of the foregoing. Notwithstanding anything to the contrary in this Section 10.3, information publicly known that is generally employed by the trade at or after the time that Employee first learns of such information (other than as a result of Employee's breach of this Agreement), shall not be deemed "Confidential Information".

11. **REPRESENTATIONS AND WARRANTIES**

In order to induce Employer to enter into this Agreement, Employee represents and warrants to Employer as follows:

11.1 **No Violation of Other Agreements**

Neither the execution nor the performance of this Agreement by Employee will violate or conflict in any way with any other agreement by which Employee may be bound, or with any other duties imposed upon Employee by corporate or other statutory or common law.

11.2 **Patents, Etc.**

Employee has prepared and attached hereto as Schedule 11.2 a list of all inventions, patent applications and patents made or conceived by Employee prior to the date hereof, which are subject to prior agreement or which Employee desires to exclude from this Agreement, or, if no such list is attached, Employee hereby represents and warrants to Employer that there are no such inventions, patent applications or patents.

12. **NOTICE AND CURE OF BREACH**

Whenever a breach of this Agreement by either party is relied upon as justification for any action taken by the other party pursuant to any provision of this Agreement, other than pursuant to the definition of "Cause" set forth in Section 8.6 hereof, before such action is taken, the party asserting the breach of this Agreement shall give the other party at least ten days' prior written notice of the existence and the nature of such breach before taking further action hereunder and shall give the party purportedly in breach of this Agreement the opportunity to correct such breach during the ten-day period.

13. **FORM OF NOTICE**

Except as may be otherwise provided in this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be conclusively deemed to have been duly given to a party (a) when hand delivered to that party; (b) when received when sent by e-mail or facsimile (provided, however, that notices given by e-mail or facsimile shall not be effective unless either (i) a duplicate copy of such e-mail or facsimile notice is promptly given by one of the other methods described in this Section 13 or (ii) the receiving Party delivers a written confirmation of receipt for such notice either by e-mail, facsimile or any other method described in this Section 13; (c) three (3) business days after deposit in the U.S. mail with first class, registered or certified mail postage prepaid, return receipt requested and addressed to the other Party as set forth below; or (d) the next business day after deposit with a national overnight delivery service, postage prepaid, addressed to that party as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

TO EMPLOYER: Sysorex Group
c/o Sysorex Consulting, Inc.
405 Clyde Ave
Mountain View, CA 94043
Facsimile: (650) 967-9327
Attention: Subhash Sachdeva
E-mail: ssachdev@sysorex.com

A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 13 by giving the other party written notice of the new address in the manner set forth above.

14. **ASSIGNMENT**

This Agreement is personal to Employee and shall not be assignable by Employee. Employer may assign its rights hereunder to (a) any corporation resulting from any merger, consolidation or other reorganization to which Employer is a party or (b) any corporation, partnership, association or other person to which Employer may transfer all or substantially all of the assets and business of Employer existing at such time. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

15. **WAIVERS**

No delay or failure by any party hereto in exercising, protecting or enforcing any of its rights, titles, interests or remedies hereunder, and no course of dealing or performance with respect thereto, shall constitute a waiver thereof. The express waiver by a party hereto of any right, title, interest or remedy in a particular instance or circumstance shall not constitute a waiver thereof in any other instance or circumstance. All rights and remedies shall be cumulative and not exclusive of any other rights or remedies.

16. **ARBITRATION**

Subject to the provisions of Section 9.6 hereof, any controversies or claims arising out of or relating to this Agreement shall be fully and finally settled by arbitration held in Fairfax County, Virginia in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect (the "***AAA Rules***"), conducted by one arbitrator either mutually agreed upon by Employer and Employee or chosen in accordance with the AAA Rules, except that the parties thereto shall have any right to discovery as would be permitted by the Federal Rules of Civil Procedure for a period of 90 days following the commencement of such arbitration and the arbitrator thereof shall resolve any dispute which arises in connection with such discovery. The prevailing party shall be entitled to costs, expenses and reasonable attorneys' fees, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding anything to the contrary in this Section 16, Employer may seek provisional injunctive relief from a court of competent jurisdiction in the Commonwealth of Virginia in aid of the arbitration, to prevent any award from being rendered ineffectual or to protect its Trade Secrets and/or Confidential Information. Seeking such relief shall not be a waiver of Employer's right to compel arbitration.

17. **AMENDMENTS IN WRITING**

No amendment, modification, waiver, termination or discharge of any provision of this Agreement, nor consent to any departure therefrom by either party hereto, shall in any event be effective unless the same shall be in writing, specifically identifying this Agreement and the provision intended to be amended, modified, waived, terminated or discharged and signed by Employer and Employee, and each such amendment, modification, waiver, termination or discharge shall be effective only in the specific instance and for the specific purpose for which given. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by Employer and Employee.

18. **APPLICABLE LAW**

This Agreement shall in all respects, including all matters of construction, validity and performance, be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia without regard to any rules governing conflicts of laws.

19. **HEADINGS**

All headings used herein are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, this Agreement.

20. **COUNTERPARTS**

This Agreement, and any amendment or modification entered into pursuant to Section 17 hereof, may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same instrument.

21. **ENTIRE AGREEMENT**

This Agreement on and as of the date hereof constitutes the entire agreement between Employer and Employee with respect to the subject matter hereof and all prior or contemporaneous oral or written communications, understandings or agreements (including without limitation the Prior Agreement) between Employer and Employee with respect to such subject matter are hereby superseded and nullified in their entireties.

22. **SEVERABILITY**

If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants deemed included in this Agreement, then such unenforceable covenant shall be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants to be enforced.

IN WITNESS. WHEREOF, the parties have executed and entered into this Agreement on the date set forth above.

EMPLOYEE:

/s/ Nadir Ali

EMPLOYER:

SYSOREX GROUP

By: /s/ Abdus Salam Qureishi

Its CEO

Exhibit 10.7(b)

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is entered into September 1, 2011 (the "Effective Date") by and among the Sysorex Group, consisting of Sysorex Federal Inc., Sysorex Government Services, Inc., and Sysorex Consulting Inc., which are Delaware, California, and Delaware corporations, respectively (together, "Assignor"), Sysorex Global Holdings Corp., a Nevada corporation ("Assignee"), and Nadir Ali, an individual ("Employee").

WITNESSETH:

WHEREAS, Assignor and Employee entered into that certain Employment Agreement on July 1, 2010 ("Employment Agreement");

WHEREAS, pursuant to an Acquisition and Share Exchange Agreement Assignee acquired the business and operations of Assignor on July 29, 2011;

WHEREAS, pursuant to Section 14 of the Employment Agreement, Assignor is permitted to assign its interests thereunder to any corporation resulting from any merger, consolidation, or reorganization to which Assignor is a party, or to which Assignor had transferred all or substantially all of its assets and business; and

WHEREAS, Assignor wishes to assign substantially all rights and obligations it has under the Employment Agreement, and to transfer the Employment Agreement to Assignee, and Assignee wishes to assume the Employment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby covenant and agree as follows and take the following actions:

1. Assignor does hereby assign, transfer, set over and deliver the Employment Agreement, together with all rights and obligations it has under the Employment Agreement, to the Assignee.

2. Assignee hereby accepts said assignment of the Employment Agreement and assumes all rights and obligations under the Employment Agreement, in each case, as of the Effective Date.

3. Employee hereby assents to this Assignment.

4. This Assignment shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the State of California, without regard to the application of choice of law principles. If any one or more of the provisions of this Assignment is held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, then such provision or provisions only will be deemed to be null and void and of no force or effect and will not affect any other provision of this Assignment, and the remaining provisions of this Assignment will remain operative and in full force and effect and will in no way be affected, prejudiced or disturbed.

5. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Further, a facsimile signature is acceptable and shall be treated as an original.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as the date first above written.

ASSIGNOR:

SYSOREX GROUP

BY: SYSOREX FEDERAL INC.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

BY: SYSOREX GOVERNMENT SERVICES, INC.

By: /s/ Wendy Loundermon
Name: Wendy Loundermon
Title: President

BY: SYSOREX CONSULTING, INC.

By: /s/ Abdus Salam Qureishi
Name: Abdus Salam Qureishi
Title: President

ASSIGNEE:

SYSOREX GLOBAL HOLDINGS CORP.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: Chief Executive Officer

Agreed to and Acknowledged by:

/s/ Nadir Ali
Nadir Ali

Exhibit 10.8

SYSOREX GLOBAL HOLDINGS CORP
3375 SCOTT BLVD, SUITE 440
SANTA CLARA, CALIFORNIA 95054

Mr. Abdulaziz Al-Salloum
Duroob Technology
P.O. Box 18560, Riyadh, 11425
Kingdom of Saudi Arabia

As of March 31, 2013

Re: Equity Exchange

Gentlemen:

Reference is made to those certain [**services and loans**?] (the "Obligations") in the aggregate amount of $1,774,865 provided over time by the undersigned ("Duroob") to Sysorex Arabia LLC, a Saudi Arabian limited liability company ("Arabia") and wholly owned subsidiary of Sysorex Global Holdings Corp., a Nevada corporation (the Company"). The parties acknowledge that the Obligations remain outstanding as of the date hereof.

1. This agreement (the "Agreement") will serve to confirm our agreement that the Company shall issue to Duroob 887,433 shares (the "Shares") of common stock, par value $.001 per share (the "Common Stock"), of the Company, in consideration for full satisfaction and release of the Obligations. The issuance of the Shares shall be effective as of the date of this Agreement and the Company shall cause to be delivered to Duroob a stock certificate evidencing the Shares promptly after the execution of this Agreement.

2. Representations & Warranties:

2.1 Authority; Enforceability. Each person executing this Agreement hereby represents and warrants that he is a duly authorized and appointed representative of the party on whose behalf he is executing the Agreement, that he has carefully read this Agreement, and that he has the full right, power, and authority to execute this Agreement. In addition, each party represents and warrants to the other parties that: (A) the execution and delivery of this Agreement by such party and such party's performance of its obligations hereunder (i) are within such party's corporate or other entity powers; (ii) require no action by or with respect to, or filing with, any governmental body, court, agency or official; and (iii) have been duly authorized by all necessary corporate or other entity action; (iv) do not contravene or constitute a default under any provision of, (a) its governing documents, (b) any law, rule or regulation applicable to such party, or (c) any agreement, judgment, injunction, order, decree, or other instrument binding upon the party or to which such party's assets are subject; and (B) this Agreement constitutes the legal, valid, and binding obligation of such party, enforceable against such Party in accordance with its terms.

2.2 As a condition to the issuance of the Shares, Duroob hereby represents, warrants, and acknowledges to and covenants and agrees with the Company and Arabia as follows:

(a) The undersigned is a Non-U.S. Person as such term is defined under Regulation S promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or an accredited investor as such term is defined under Regulation D promulgated pursuant to the Securities Act.

(b) Duroob is acquiring the Shares for the Duroob's own account, for investment only and not with a view to, or for sale in connection with, a distribution thereof or any part thereof, within the meaning of the Securities Act, and the rules and regulations promulgated thereunder, or any applicable state Blue Sky laws;

(c) Duroob is not a party or subject to or bound by any contract, undertaking, agreement or arrangement with any person to sell, transfer or pledge the Shares or any part thereof to any person, and has no present intention to enter into such a contract, undertaking, agreement or arrangement;

(d) The Company has advised Duroob that none of the Shares have been registered under the Securities Act or under the laws of any state;

(e) As a result of such lack of registration under the Securities Act and any applicable state Blue Sky laws, the Shares may not be resold or otherwise transferred or disposed without registration pursuant to or an exemption therefrom available under the Securities Act and such applicable State Blue Sky laws;

(f) Each and every certificate representing any of the Shares shall bear the restrictive legend substantially in the following form:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THESE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES AND NOT WITH A VIEW OF DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH SHARES UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SHARES TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT AND SUCH STATE SECURITIES LAWS;"

(g) Duroob has evaluated the merits and risks of acquiring the Shares and has such knowledge and experience in financial and business matters that Duroob is capable of evaluating the merits and risks of such acquisition, is aware of and has considered the financial risks and financial hazards of acquiring the Shares and is able to bear the economic risk of acquiring the Shares, including the possibility of a complete loss with respect thereto;

(h) Duroob has had access to such information regarding the business and finances of the Company and has been provided the opportunity to discuss with the Company's management the business, affairs and financial condition of the Company and such other matters with respect to the Company as would concern a reasonable person considering the transactions contemplated by this Agreement;

(i) It has never been represented, guaranteed or warranted to Duroob by the Company, or any of its officers, directors, agents, representatives or employees, or any other person, expressly or by implication, that:

(i) any gain will be realized by Duroob from Duroob's acquisition of the Shares;
(ii) there will be any approximate or exact length of time that Duroob will be required to remain as a holder of the Shares, except as provided by federal and state securities laws and regulations; or
(iii) the past performance or experience on the part of the Company or any of its officers, directors or other affiliates, its predecessors or of any other person, will in any way indicate any future results of the Company;

(j) Except as set forth in this Agreement, Arabia and the Company have not made any representation, warranty, covenant or agreement with respect to the matters contained herein;

3. Upon receipt of Shares, Duroob releases, acquits, holds harmless and forever discharges and covenants not to sue Arabia or the Company, together with each of its past, present or future officers, directors, employees, shareholders, administrators, partners, members, managers, family members, agents, attorneys, accountants, insurers, parents, subsidiaries, related or affiliated persons or entities, successors and assigns, from any and all claims, demands, or suits, known or unknown, fixed or liquidated or unliquidated of any nature whatsoever, whether based in common law, statutory law, contract, quasi-contract or tort (including negligence), that have been raised or that could have been raised from the beginning of time through the date hereof that arise from all actions, business or dealings relating to the Obligations.

4. All notices, including change of address notices, required or permitted to be given by either party to the other under this Agreement shall sent to the physical or electronic addresses set forth below, and shall be sufficient if sent by: (a) hand delivery or courier service, with signature confirmation; (b) certified mail, return receipt requested; or (c) telegram, facsimile or e-mail (i.e., electronically), with electronic confirmation of receipt to the sender. (The foregoing, sent as indicated herein, "notice"). Facsimile or other electronic signatures of the undersigned parties will have the same force and effect as original signatures.

If to the Company or Arabia, to:

Sysorex Global Holdings Corp.
3375 Scott Blvd.
Suite 440
Santa Clara, CA 95054
Attention: Nadir Ali
Facsimile: 650-649-1940
Email: ali@sysorex.com

With a copy to:

Davidoff Hutcher & Citron LLP
605 3rd Avenue, 34th Floor
New York, New York 10158
Attention: Elliot H. Lutzker
Facsimile: 212-286-1884
Email: ehl@dhclegal.com

If to Duroob:

Duroob Technology
abdulaziz@duroob.com

5. This Agreement constitutes the entire agreement and understanding of the parties hereto and no amendment, modification or waiver of any provision herein shall be effective unless in writing, executed by the party charged therewith. This Agreement shall survive the termination of the relationship between the parties.

6. This Agreement shall be construed, interpreted and enforced in accordance with and shall be governed by the laws of the State of California applicable to agreements to be wholly performed therein, other than those which would defer to the substantive laws of another jurisdiction. If any provision of this Agreement is found to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall, nevertheless, be binding upon the parties with the same force and effect as though the unenforceable part has been severed and deleted. The provisions of this Agreement will be binding upon, and will inure to the benefit of, the respective heirs, legal representatives, successors and permitted assigns of the parties hereto. This Agreement is personal in its nature and the parties hereto shall not, without the consent of the other parties, assign or transfer this Agreement or any rights or obligations hereunder. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and which when taken together shall constitute one and the same agreement.

If the foregoing accurately sets forth your agreement with respect to the issuance of the Shares in consideration for surrendering $1,774,865 debt owed by the Company pursuant to the Obligations, please indicate such by signing where indicated below

[SIGNATURE PAGE TO FOLLOW]

SYSOREX GLOBAL HOLDINGS CORP.

By: /s/ Nadir Ali
Name: Nadir Ali
Title: CEO

SYSOREX ARABIA, LLC

By: /s/ Nadir Ali
Name: Nadir Ali
Title: President

Accepted and agreed
as of the date first set forth above:

DUROOB TECHNOLOGY

By: /s/ Abdulaziz Al-Salloum
Name: Abdulaziz Al-Salloum
Title: CEO

EXHIBIT 21

SUBSIDIARIES

NAME	JURISDICTION OF INCORPORATION	PERCENTAGE OWNERSHIP
Lilien Systems	California	100%
Sysorex Federal, Inc.	Delaware	100%
Sysorex Government Services, Inc.	Virginia	100%
Sysorex Arabia LLC	Saudi Arabia	50.2%
Shoom, Inc.	California	100%

EXHIBIT 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Sysorex Global Holdings Corp on Form S-1 of our report dated August 12, 2013, with respect to our audits of the consolidated financial statements and related consolidated financial statement of Sysorex Global Holdings Corp as of December 31, 2012 and 2011, and for the years then ended, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading"Experts" in such Prospectus.

/s/ Marcum llp

Marcum llp
New York, New York
October 9, 2013

EXHIBIT 23.2

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Sysorex Global Holdings Corp. on Form S-1 of our report dated August 12, 2013, with respect to our audits of the consolidation financial statements of Lilien LLC and Subsidiaries as of December 31, 2012 and 2011 and for the years then ended, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
New York, New York
October 9, 2013