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ALAN SANDERSON, DONATO BUCCELLA and :
MARK SILVERMAN, on behalf of themselves and all :
others similarly situated, :

Plaintiffs, :

v. :

VERDASYS, INC., TORONTO-DOMINION CAPITAL, :
n/k/a FAIRHAVEN CAPITAL PARTNERS, LLC, :
SPECIAL SITUATIONS FUND III, L.P., SPECIAL :
SITUATIONS TECHNOLOGY FUND, L.P., SPECIAL :
SITUATIONS PRIVATE EQUITY FUND, L.P., :
SPECIAL SITUATIONS TECHNOLOGY FUND II, L.P., :
VERDASYS INC. INVESTMENT TRUST, VERDASYS :
INC. SERIES B CONVERTIBLE PREFERRED :
INVESTMENT TRUST, VERDASYS INC. SERIES C :
CONVERTIBLE PREFERRED INVESTMENT TRUST, :
DANIEL KESHIAN, ADAM STETTNER, HUGH :
WARREN, ALLEN MICHELS, and SETH BIRNBAUM, :

CIVIL ACTION NO.

SUCV2012-00621-BLS1

Defendants. :

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PROOF OF CLAIM AND RELEASE

To recover from the Net Settlement Fund as a member of the Settlement Class in the action captioned *Sanderson, et al. v. Verdasys, et al.*, (Civ. A. No. SUCV2012-00621-BLS1) (Ma. Sup. Ct.) (“Action”), you must fully complete Parts I and II below, fully review Part III below, and sign this Proof of Claim and Release form (“Proof of Claim”) on Page 8 below. YOU MUST ELECTRONICALLY SUBMIT OR MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM POSTMARKED ON OR BEFORE OCTOBER 14, 2014, ADDRESSED AS FOLLOWS:

Sanderson, et al. v. Verdasys, et al.
Claims Administrator
c/o Berman DeValerio
One Liberty Square
Boston, MA 02109
info@bermandevalerio.com

DO NOT MAIL OR DELIVER YOUR PROOF OF CLAIM TO THE COURT, THE PARTIES TO THIS ACTION, OR THEIR COUNSEL. SUBMIT YOUR PROOF OF CLAIM ELECTRONICALLY OR BY MAIL TO THE ADDRESS SET FORTH ABOVE.

If you need help completing this claim form, you may contact the Claims Administrator for assistance: telephone: 1-617-542-8300; or email: info@bermandevalerio.com.

If you fail to submit a timely, properly completed, and addressed Proof of Claim, your claim may be rejected and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action. Submission of this Proof of Claim, however, does not ensure that you will share in the proceeds of the proposed Settlement. The distribution of the Net Settlement Fund will be governed by the Plan of Allocation set forth in the Full Notice, if it is approved by the Court, or by such other plan of allocation as the Court approves.

If you are NOT a Settlement Class member (as defined in the Full Notice), DO NOT submit a Proof of Claim. You may not, directly or indirectly, participate in the Settlement if you are not a Settlement Class member. Thus, if you are excluded from the Settlement Class, any Proof of Claim form that you submit, or that may be submitted on your behalf, will be rejected.

If you are a Settlement Class member, you will be bound by the terms of any judgments or orders entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM. As described in the Full Notice, the Judgment will release and enjoin the filing or continued prosecution of the Released Plaintiffs' Claims against any of the Released Defendants.

GENERAL INSTRUCTIONS

1. It is necessary that you completely read and understand the Notice of Class Action, Proposed Settlement, Motion for Attorneys' Fees and Settlement Hearing ("Full Notice"), including the Plan of Allocation of the Net Settlement Fund set forth in the Full Notice. The Full Notice describes the proposed Settlement, how Settlement Class members are affected by the Settlement, and how the Net Settlement Fund will be distributed if the Settlement and Plan of Allocation are approved by the Court. The Full Notice and the Stipulation (defined in the Full Notice) also contain the definition, and further explanation, of many of the defined terms used in this Proof of Claim (which are indicated by initial capital letters). By signing and submitting this Proof of Claim, you will be certifying that you have read and that you understand the Full Notice, including the terms of the release of claims described in the Full Notice.

2. This Proof of Claim is directed to all Persons that owned pre-Recapitalization common or preferred shares of Verdasys on April 8, 2011.

3. Excluded from the Settlement Class are the Defendants; the Officers and Directors of Verdasys during the Class Period; the members of the Immediate Families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant has a majority interest; the legal representatives, heirs, successors-in-interest, or assigns of any such excluded Person.

4. As set forth in the Plan of Allocation, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund, except that no distributions will be made to Settlement Class members that are entitled to receive less than \$10 because of the administrative expenses of processing and mailing such checks.

5. If the Court approves the Settlement, payments to Authorized Claimants under the Plan of Allocation (or any other plan of allocation that the Court approves) will be made after any appeals are resolved, and after the completion of all claims processing. The claims process could take substantial time to complete fully and fairly. Please be patient.

IDENTIFICATION OF CLAIMANT

Use Part I of this form entitled "CLAIMANT IDENTIFICATION" to identify each owner of Verdasys pre-Recapitalization common or preferred stock as of April 8, 2011, who seeks recovery. THIS CLAIM MUST BE SUBMITTED BY THE ACTUAL OWNER(S) OR AUTHORIZED OR LEGAL REPRESENTATIVE(S) OF SUCH OWNER(S) OF VERDASYS COMMON OR PREFERRED STOCK THAT SEEKS RECOVERY.

All joint beneficial owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of Persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of one of the beneficial owner(s) may be used in verifying this claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of your claim.

IDENTIFICATION OF OWNERSHIP

Use Part II of this form entitled "SCHEDULE OF OWNERSHIP OF VERDASYS PRE-RECAPITALIZATION COMMON OR PREFERRED STOCK" to supply all required details of your ownership of Verdasys's pre-Recapitalization common or preferred stock as of April 8, 2011. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

On the schedules, provide all of the requested information with respect to *all* of your holdings of Verdasys securities as of April 8, 2011. Failure to report all such holdings may result in the rejection of your claim.

If you agree with the holdings total listed in your individualized Proof of Claim form, you DO NOT need to submit any documentation with your executed Proof of Claim form. If, however, you disagree with the holdings total listed on your individualized Proof of Claim form, you ARE REQUIRED to submit genuine and sufficient documentation for *all* of your holdings in Verdasys's securities as of April 8, 2011. **DO NOT SEND ORIGINALS. PLEASE KEEP COPIES OF ALL DOCUMENTS THAT YOU SEND TO THE CLAIMS ADMINISTRATOR.** Do not highlight the documents. If such documents are not in your possession, please

obtain copies or equivalent contemporaneous documents. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

The Claim Administrator also may request additional information to calculate your losses efficiently and reliably. If you need help, you may ask the Claims Administrator for assistance: telephone: 1-617-542-8300; or e-mail: info@bermandevalerio.com. Although the Claims Administrator does not have information about your transactions in Verdasy's securities, someone may be able to help you with the process of locating your information.

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Joint Beneficial Owner's Name (First, Middle, Last)

Street Address

City State Zip Code

Foreign Province Foreign Country

Social Security Number OR Taxpayer Identification Number

Check appropriate box:

- Individual or Sole Proprietor
- Corporation
- IRA
- Pension Plan
- Partnership
- Trust
- Other _____ (please specify)

Telephone Number (work) Telephone Number (home)

Email address Facsimile Number

Were your shares held in "street name" (*i.e.*, in the name of a stock broker or other nominee)? If so, that broker or nominee is the Record Owner. Please fill in the following line.

Record Owner's Name (if different from beneficial owner listed above); *e.g.* brokerage firm, bank, nominee, etc.

PART II: SCHEDULE OF HOLDINGS IN VERDASYS'S COMMON OR PREFERRED STOCK

A. Number of shares of common stock held on April 8, 2011:

B. Number of shares of preferred stock held on April 8, 2011:

YOU ARE NOT FINISHED YET. YOU MUST FULLY REVIEW PART III BELOW AND SIGN THE COMPLETED FORM ON PAGE 8. FAILURE TO SIGN THE RELEASE AND CERTIFICATION WILL RESULT IN A DELAY IN PROCESSING AND/OR THE REJECTION OF YOUR CLAIM.

PART III: RELEASE OF CLAIMS AND CERTIFICATION

I (We) hereby expressly acknowledge that, upon the Effective Date of the Settlement, pursuant to the terms set forth in the Stipulation, I (we), on behalf of myself (ourselves) and each and all of my (our) successors in interest, predecessors, representatives, trustees, executors, administrators, age, attorneys, heirs, estates, assignees, or transferees, immediate and remote, and any other Person that has the right, ability, standing, or capacity to assert, prosecute, or maintain any of the Released Plaintiffs' Claims (or to obtain the proceeds of any recovery therefrom) on my (our) behalf:

- have and shall be deemed to have fully, finally, and forever waived, released, relinquished, discharge, and dismissed each and every one of the Released Plaintiffs' Claims against each and every one of the Released Defendants;
- have and be deemed to have covenanted not to sue, directly or indirectly, any of the Released Defendants with respect to any and all of the Released Plaintiffs' Claims; and
- shall forever be barred and enjoined from directly or indirectly filing, commencing, instituting, prosecuting, maintaining, intervening in, participating in (as a class member or otherwise), or receiving any benefits or other relief from any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, whether in the United States or elsewhere, on their own behalf or in a representative capacity, that is based upon, arises out of, or relates to any and all of the Released Plaintiffs' Claims against any and all of the Released Defendants or any other Person who may seek to claim any form of contribution or indemnity from any Released Party.

By signing and submitting this Proof of Claim form, the claimant(s), or the person(s) acting on behalf of the claimant(s), certify (certifies), that:

1. I (We) submit this Proof of Claim under the terms of the Stipulation described in the Full Notice;
2. I (We) hereby warrant and represent that I (we) am (are) not excluded by definition from the Settlement Class as set forth in the Full Notice and in Paragraph 3 on page 3 of this Proof of Claim form;
3. I (We) have read and understand the contents of the Full Notice and this Proof of Claim, including the releases provided for in the Settlement and the terms of the Plan of Allocation;
4. I (We) submit to the jurisdiction of the Massachusetts Superior Court with respect to my (our) claim as a Settlement Class member and for purposes of enforcing the release on Page 10 above, in the Full Notice, and in the Stipulation;
5. I (We) acknowledge that I (we) will be bound by and subject to any judgments or orders that may be entered in the Action;
6. I (We) waive the right to jury trial, to the extent that it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made through this Proof of Claim;
7. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof;
8. I (We) hereby warrant and represent that I (we) have included information about all of my (our) ownership in Verdasy's securities requested above and the number of securities held by me (us) on the relevant date;
9. The number(s) shown on this form is (are) the correct Social Security Number and/or Taxpayer Identification Number; and
10. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding. (**NOTE:** If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out this Item 10.)
11. I (We) have not submitted any other claim covering the same holdings of Verdasy's securities and know of no other Person having done so on my (our) behalf; and
12. I (We) agree to furnish additional information regarding this Proof of Claim that the Claims Administrator, Lead Counsel, or the Court may require.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED BY ME (US) ON THIS PROOF OF CLAIM FORM IS TRUE, CORRECT, AND COMPLETE, AND THAT THE DOCUMENTS SUBMITTED HEREWITH ARE TRUE AND CORRECT COPIES OF WHAT THEY PURPORT TO BE.

Executed this _____ day of _____, in _____, _____.
(Month / Year) (City) (State/Country)

Signature of Claimant

Print Name of Claimant

Date

Signature of Joint Claimant,
if any

Print Name of Joint Claimant

Date

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

Reminder Checklist:

1. Please sign the above Release and Certification.
2. Remember to attach only copies of supporting documentation.
3. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
4. Keep a copy of the completed Proof of Claim and documentation for your records.
5. The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 60 days. **Your claim is not deemed filed until you receive an acknowledgement postcard.** If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator.
6. If you move, please send the Claims Administrator your new address.
7. If you have any questions or concerns regarding your Proof of Claim, please contact the Claims Administrator at 1-617-542-8300, or email info@bermandevalerio.com.

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(Back Cover)

Proof of Claim and Release

Re:

Alan Sanderson, et al v. Verdasy's, Inc., et al

Commonwealth of Massachusetts

Suffolk Superior Court

Civil Action No. SUCV2012-00621-BLS1