

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

FORM 8-K

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

Date of Report (Date of earliest event reported): December 29, 2011

**Parametric Sound Corporation**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or Other Jurisdiction of  
Incorporation)

**000-54020**

(Commission  
File Number)

**27-2767540**

(I.R.S. Employer  
Identification No.)

**1941 Ramrod Avenue, Suite #100  
Henderson, Nevada 89014**

(Address of Principal Executive Offices)

**888-477-2150**

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

**Item 1.01. Entry into a Material Definitive Agreement.**

Stock Option Plan

On December 29, 2011, the Board of Directors of Parametric Sound Corporation (the “Company”) approved the Parametric Sound Corporation 2012 Stock Option Plan (the “2012 Plan”) and accompanying Stock Option Grant Notice and Stock Option Agreement. The 2012 Plan provides for authority to grant options to purchase 1,265,000 shares of common stock remaining available for issuance under the Company’s 2010 Stock Option Plan (“2010 Plan”) and new authority to grant options to purchase an additional 3,000,000 shares of common stock. Options on a total of 1,735,000 shares of common stock were previously granted under the 2010 Plan that is now terminated with respect to new option grants. Any outstanding option grants that expire or terminate, other than through exercise or share settlement, under the 2010 Plan will also become eligible for grant under the 2012 Plan.

Under the 2012 Plan, the granting of options, exercise prices and terms are determined by the Company’s Board, or a committee designated by the Board to administer the 2012 Plan. The term of options granted under the 2012 Plan may not exceed 10 years. No options granted under the 2012 Plan may be exercised prior to the earlier of stockholder approval of the 2012 Plan or one year after the grant date. If such stockholder approval is not obtained within one year, then options granted under the 2012 Plan shall be of the same force and effect as if such approval was obtained except that all ISOs granted shall be treated as NQSOs. This summary of the 2012 Plan is qualified in its entirety by reference to the complete terms and conditions of the 2012 Plan and the form of Stock Option Grant Notice and Stock Option Agreement under the 2012 Plan filed as Exhibits 10.1 and 10.2 hereto, respectively.

Consulting Arrangement and Stock Option Grant

As described in Item 5.02(d) below the Company has appointed Kenneth F. Potashner as a director. Mr. Potashner has also been engaged as a consultant and advisor to the Company and has agreed in principle to become the Company’s full-time Executive Chairman at a future date to be agreed between Mr. Potashner and the Company’s Board of Directors but expected to be before March 15, 2012.

The consultancy, unless amended or extended, will terminate on the earlier of March 15, 2012 or his formal appointment as Executive Chairman. Other than the grant of stock options described below, Mr. Potashner will not receive any cash remuneration for his consulting and advisory services.

Mr. Potashner was granted a stock option, pursuant to the 2012 Plan, to purchase 2,050,000 shares of the Company’s common stock with an exercise price of \$0.65 per share equal to the fair value of the Company’s common stock on the date of grant in accordance with the 2012 Plan. The option has a five-year term and 10% of the options vested on grant with the balance becoming exercisable quarterly commencing March 31, 2012 over eight quarters subject to the terms of the 2012 Plan. This option grant is in addition to the options granted for Mr. Potashner’s role as a director as described in Item 5.02(d) below.

### Assignment Agreement

On December 29, 2011 the Company entered into an Assignment Agreement (“Assignment”) with Syzygy Licensing, LLC (“Syzygy”) whereupon the Company acquired all technology and intellectual property covered by the License and Royalty Agreement (“License”) dated September 27, 2010 previously executed by the parties. The Assignment terminated the License and all future royalty obligations. Pending patent applications comprising part of the intellectual property were assigned to the Company. The Company is no longer obligated to make future royalty payments of up to 5% of licensed products nor obtain Syzygy permission regarding future third party license agreements. In consideration the Company issued 1,500,000 shares of common stock to Syzygy and has agreed to pay \$250,000 by June 30, 2012. This summary of the Assignment is qualified in its entirety by reference to the complete terms and conditions of the Assignment filed as Exhibits 10.3.

Syzygy is owned by the Company’s two executive officers. Elwood G. Norris, CEO and President, owns 65% and James A. Barnes, Chief Financial Officer, Treasurer and Secretary, owns 35% of Syzygy and serves as its managing member.

### **Item 3.02. Unregistered Sales of Equity Securities.**

Effective December 29, 2011, the Company granted stock options on an aggregate of 2,805,000 shares of common stock pursuant to the terms of the 2012 Plan to six individuals including one director and five consultants of our Company. These stock options provide each holder the right to purchase shares of the Company’s common stock for a term of five years subject to certain conditions and have an exercise price of \$0.65 per share. We issued the stock options relying on exemptions from registration provided by Section 4(2) of the Securities Act of 1933.

See Item 1.01 and Item 5.02(d) for further information, including vesting, on the stock options described in the foregoing paragraph that were granted to our director. Of the balance of 705,000 options, 75,000 vested on grant and the balance vest quarterly over two years starting March 31, 2012, subject to continued service. No options granted under the 2012 Plan are exercisable until the earlier of stockholder approval of the 2012 Plan or one year after the grant date.

On December 29, 2011 the Company issued 1,500,000 shares of common stock to Syzygy, a company controlled by our two executive officers, in consideration of the sale of intellectual property held by Syzygy. See Item 1.01 incorporated herein by reference. We issued the common stock relying on exemptions from registration provided by Section 4(2) of the Securities Act of 1933.

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

**(b) Resignation of Director**

On December 29, 2011, the Company accepted the resignation of Daniel W. Hunter as a member of the Company's Board of Directors and the Audit Committee. Mr. Hunter's decision to resign was not the result of any disagreement with the Company or its management.

**(d) Election of Director**

On December 29, 2011 the Board of Directors of the Company appointed Kenneth F. Potashner to fill the vacancy caused by the resignation of Mr. Hunter and serve as a board member until his successor is appointed or his earlier resignation or removal. A copy of the press release announcing his appointment to the Company's Board of Directors is attached as Exhibit 99.1 to this Current Report on Form 8-K, and is incorporated by reference into this Item.

The following is biographical information on new director Mr. Potashner:

***Kenneth F. Potashner***, age 54, was elected to the Board of Newport Corporation (NASDAQ:NEWP) in 1998 and from August 2003 to August 2006 served as the Board's Lead Independent Director. In September 2007, he was appointed as Chairman of the Board of Newport. He also serves on the boards of directors of a number of private technology companies. From May 2003 to present, Mr. Potashner has been an independent investor.

From 1996 to May 2003, he was Chairman of the Board of Directors of Maxwell Technologies, Inc. (MXWL), a manufacturer of ultracapacitors, microelectronics and high voltage capacitors, and he also served as President and Chief Executive Officer from 1996 to October 1998. From November 1998 to August 2002, he was President, Chief Executive Officer and Chairman of SONICblue Incorporated (formerly S3 Incorporated), a supplier of digital media appliances and services. He was Executive Vice President and General Manager of Disk Drive Operations for Conner Peripherals, a manufacturer of storage systems, from 1994 to 1996. From 1991 to 1994, he was Vice President, Worldwide Product Engineering for Quantum Corporation, a manufacturer of disk drives. From 1981 to 1991, he held various engineering management positions with Digital Equipment Corporation, a manufacturer of computers and peripherals, culminating with the position of Vice President of Worldwide Product Engineering in 1991. Mr. Potashner received his bachelor's degree in electrical engineering at Lafayette College in 1979 and a masters' degree in electrical engineering from Southern Methodist University in 1981.

The Company's Board of Directors has previously set the cash director fees for non-employee/non-executive officer directors at \$3,000 per fiscal quarter plus reasonable out of pocket expenses with such fee inclusive of any committee roles or meetings until and unless otherwise so designated by the Board. Mr. Potashner will accordingly be paid \$3,000 per fiscal quarter commencing for the quarter ending March 31, 2012 or until his appointment as Executive Chairman (see Item 1.01). Mr. Potashner was granted a stock option, pursuant to the 2012 Plan, to purchase 50,000 shares of the Company's common stock with an exercise price of \$0.65 per share equal to the fair value of the Company's common stock on the date of grant in accordance with the 2012 Plan. The option has a five-year term and vest and become exercisable quarterly commencing December 31, 2011 over eight quarters subject to the terms of the 2012 Plan.

There is no arrangement or understanding between the Company and Mr. Potashner and/or any other persons or entities pursuant to which either was appointed as a director.

Since the beginning of the Company's current 2012 fiscal year, Mr. Potashner nor any immediate family member has been a party to any transaction or currently proposed transaction that is reportable under Item 404(a) of Regulation S-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	2012 Stock Option Plan dated December 29, 2011
10.2	Form of Stock Option Grant Notice and Stock Option Agreement under the 2012 Stock Option Plan
10.3	Assignment Agreement between the Company and Syzygy Licensing, LLC dated December 29, 2011
99.1	Press Release dated January 3, 2012

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: January 3, 2012

Parametric Sound Corporation

By: /s/ James A. Barnes

James A. Barnes

Chief Financial Officer, Treasurer and Secretary

**2012 STOCK OPTION PLAN  
OF  
PARAMETRIC SOUND CORPORATION**

**1. Purposes of the Plan**

The purposes of the 2012 Stock Option Plan (the "Plan") of Parametric Sound Corporation, a Nevada corporation (the "Company"), are to:

(a) Encourage selected employees, directors and consultants to improve operations and increase profits of the Company;

(b) Encourage selected employees, directors and consultants to accept or continue employment or association with the Company or its Subsidiaries; and

(c) Increase the interest of selected employees, directors and consultants in the Company's welfare through participation in the growth in value of the common stock of the Company (the "Shares").

Options granted under the Plan ("Options") may be "incentive stock options" ("ISOs") intended to satisfy the requirements of Section 422 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"), or "non-qualified stock options" ("NQSOs").

The Plan supersedes the Company's existing 2010 Stock Option Plan (the "Prior Plan") with respect to future Options, and on and after the Effective Date, no further grants shall be made under the Prior Plan, which plan shall remain in effect solely as to outstanding Options thereunder.

**2. Eligible Persons**

Every person who at the date of grant of an Option is an employee of the Company or of any Subsidiary (as defined below) of the Company is eligible to receive NQSOs or ISOs under the Plan. Every person who at the date of grant is a consultant to, or non-employee director of, the Company or any Subsidiary (as defined below) of the Company is eligible to receive NQSOs under the Plan. The term "Subsidiary" as used in the Plan means a subsidiary corporation as defined in the applicable provisions (currently Sections 424(f), respectively) of the Code. The term "employee" (within the meaning of Section 3401(c) of the Code) includes an officer or director who is an employee of the Company. The term "consultant" includes persons employed by, or otherwise affiliated with, a consultant to the Company.

**3. Stock Subject to the Plan; Maximum Number of Grants**

Subject to the provisions of Section 6(a)(i) of the Plan, the total number of Shares which may be issued under Options granted pursuant to the Plan shall not exceed the sum of (a) three million (3,000,000) Shares plus (b) any Shares that were authorized for issuance under the Prior Plan that, as of the Effective Date, remain available for issuance under the Prior Plan (not including any Shares that are subject to outstanding Options under the Prior Plan or any Shares that were issued pursuant to Options granted under the Prior Plan) plus (c) any Shares subject to outstanding Options under the Prior Plan that on or after the Effective Date cease for any reason to be subject to such Options (other than by reason of exercise or settlement of the Options to the extent they are exercised for or settled in vested and nonforfeitable shares). The Shares covered by the portion of any grant under the Plan which expires unexercised shall become available again for grants under the Plan.

#### 4. Administration

(a) The Plan shall be administered by either the Board of Directors of the Company (the “Board”) or by a committee (the “Committee”) to which administration of the Plan, or of part of the Plan, may be delegated by the Board (in either case, the “Administrator”). The Board shall appoint and remove members of such Committee, if any, in its discretion in accordance with applicable laws. If necessary in order to comply with Rule 16b-3 under the Exchange Act and Section 162(m) of the Code, the Committee shall, in the Board’s discretion, be comprised solely of “non-employee directors” within the meaning of said Rule 16b-3 and “outside directors” within the meaning of Section 162(m) of the Code. The foregoing notwithstanding, the Administrator may delegate nondiscretionary administrative duties to such employees of the Company as it deems proper, and the Board, in its absolute discretion, may at any time and from time to time exercise any and all rights and duties of the Administrator under the Plan.

(b) Subject to the other provisions of the Plan, the Administrator shall have the authority to, in its discretion: (i) grant Options; (ii) determine the fair market value of the Shares subject to Options; (iii) determine the exercise price of Options granted; (iv) determine the persons to whom, and the time or times at which, Options shall be granted, and the number of shares subject to each Option; (v) interpret the Plan; (vi) prescribe, amend and rescind rules and regulations relating to the Plan; (vii) determine the terms and provisions of each Option granted (which need not be identical), including but not limited to, the time or times at which Options shall be exercisable; (viii) with the consent of the optionee, to modify or amend any Option; (ix) defer (with the consent of the optionee) the exercise date of any Option; (x) authorize any person to execute on behalf of the Company any instrument evidencing the grant of an Option; and (xi) make all other determinations deemed necessary or advisable for the administration of the Plan. The Administrator may delegate nondiscretionary administrative duties to such employees of the Company as it deems proper.

(c) All questions of interpretation, implementation, and application of the Plan shall be determined by the Administrator. Such determinations shall be final and binding on all persons.

#### 5. Granting of Options; Option Agreement

(a) No Options shall be granted under the Plan after 10 years from the date of adoption of the Plan by the Board.

(b) Each Option shall be evidenced by a written stock option agreement, in form satisfactory to the Administrator, executed by the Company and the person to whom such Option is granted.

(c) The stock option agreement shall specify whether each Option it evidences is an NQSO or an ISO.

#### 6. Terms and Conditions of Options

Each Option granted under the Plan shall be subject to the terms and conditions set forth in Section 6(a). NQSOs shall also be subject to the terms and conditions set forth in Section 6(b), but not those set forth in Section 6(c). ISOs shall also be subject to the terms and conditions set forth in Section (c), but not those set forth in Section 6(b).

(a) Terms and Conditions to Which All Options Are Subject. All Options granted under the Plan shall be subject to the following terms and conditions:

(i) *Changes in Capital Structure.* Subject to Section 6(a)(ii), if the stock of the Company is changed by reason of a stock split, reverse stock split, stock dividend, or recapitalization, combination or reclassification, appropriate adjustments shall be made by the Board in (1) the number and class of shares of stock subject to the Plan and each Option outstanding under the Plan, and (2) the exercise price of each outstanding Option; provided, however, that the Company shall not be required to issue fractional shares as a result of any such adjustments. Each such adjustment shall be subject to approval by the Board in its sole discretion.

(ii) *Corporate Transactions.* In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each optionee at least 30 days prior to such proposed action. To the extent not previously exercised, all Options will terminate immediately prior to the consummation of such proposed action; provided, however, that the Administrator, in the exercise of its sole discretion, may permit exercise of any Options prior to their termination, even if such Options were not otherwise exercisable. In the event of a merger or consolidation of the Company with or into another corporation or entity in which the Company does not survive, or in the event of a sale of all or substantially all of the assets of the Company in which the stockholders of the Company receive securities of the acquiring entity or an affiliate thereof, all Options shall be assumed or equivalent options shall be substituted by the successor corporation (or other entity) or a parent or subsidiary of such successor corporation (or other entity); provided, however, that if such successor does not agree to assume the Options or to substitute equivalent options therefor, the Administrator, in the exercise of its sole discretion, may permit the exercise of any of the Options prior to consummation of such event, even if such Options were not otherwise exercisable.

(iii) *Time of Option Exercise.* Subject to Section 5 and Section 6(c)(iii), Options granted under the Plan shall be exercisable in accordance with a schedule as specified in the written stock option agreement relating to such Option. In any case, no Option shall be exercisable until a written stock option agreement in form satisfactory to the Company is executed by the Company and the optionee.

(iv) *Option Grant Date.* The date of grant of an Option under the Plan shall be the date as of which the Administrator approves the grant.

(v) *Nontransferability of Option Rights.* Except with the express written approval of the Administrator which approval the Administrator is authorized to give only with respect to NQSOs, no Option granted under the Plan shall be assignable or otherwise transferable by the optionee except by will, by the laws of descent and distribution or pursuant to a qualified domestic relations order. During the life of the optionee, an Option shall be exercisable only by the optionee.

(vi) *Payment.* Except as provided below, payment in full, in cash, shall be made for all stock purchased at the time written notice of exercise of an Option is given to the Company, and proceeds of any payment shall constitute general funds of the Company. The Administrator, in the exercise of its absolute discretion, may authorize any one or more of the following additional methods of payment:

(1) delivery by the optionee of Shares already owned by the optionee for all or part of the Option price, provided the fair market value (determined as set forth in Section 6(a)(x)) of such Shares being delivered is equal on the date of exercise to the Option price, or such portion thereof as the optionee is authorized to pay by delivery of such stock;

(2) the surrender of Shares then issuable upon exercise of the Option, provided the fair market value (determined as set forth in Section 6(a)(x)) of such Shares is equal on the date of exercise to the Option price, or such portion thereof as the optionee is authorized to pay by surrender of such stock;

(3) cancellation of indebtedness of the Company to the optionee or waiver of compensation due or accrued to optionee for services rendered; and

(4) if and so long as the Shares are registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, delivery of a properly executed exercise agreement or notice, together with irrevocable instructions to a brokerage firm designated or approved by the Administrator to deliver promptly to the Company the aggregate amount of proceeds to pay the option exercise price and any withholding tax obligations that may arise in connection with the exercise, all in accordance with the regulations of the Federal Reserve Board.

(vii) *Termination of Employment or Service.* If for any reason other than death or permanent and total disability, an optionee ceases to be employed by, a consultant to, or non-employee director of the Company or any of its Subsidiaries (such event being called a “Termination”), Options held at the date of Termination (to the extent then exercisable) may be exercised in whole or in part at any time within three months of the date of such Termination, or such other period of not less than 30 days after the date of such Termination as is specified in the Option Agreement or by amendment thereof (but in no event after the Expiration Date); provided, however, that if such exercise of the Option would result in liability for the optionee under Section 16(b) of the Exchange Act, then such three-month period automatically shall be extended until the tenth day following the last date upon which optionee has any liability under Section 16(b) (but in no event after the Expiration Date). If an optionee dies or becomes permanently and totally disabled (within the meaning of Section 22(e)(3) of the Code) while employed by a consultant to, or non-employee director of the Company or a Subsidiary or within the period that the Option remains exercisable after Termination, Options then held (to the extent then exercisable) may be exercised, in whole or in part, by the optionee, by the optionee’s personal representative or by the person to whom the Option is transferred by devise or the laws of descent and distribution, at any time within twelve months after the death or twelve months after the permanent and total disability of the optionee or any longer period specified in the Option Agreement or by amendment thereof (but in no event after the Expiration Date). For purposes of this Section 6(a)(vii), an optionee’s employment, consultancy or directorship shall not be deemed to terminate by reason of sick leave, military leave or other leave of absence approved by the Administrator, if the period of any such leave does not exceed 90 days or, if longer, if the optionee’s right to employment, consultancy or directorship by the Company or any Subsidiary following such leave is guaranteed either contractually or by statute.

(viii) *Withholding and Employment Taxes.* At the time of exercise of an Option and as a condition thereto, or at such other time as the amount of such obligations becomes determinable (the “Tax Date”), the optionee shall remit to the Company in cash all applicable federal and state withholding and employment taxes. Such obligation to remit may be satisfied, if authorized by the Administrator in its sole discretion, after considering any tax, accounting and financial consequences, by the optionee’s (1) delivery of a promissory note in the required amount on such terms as the Administrator deems appropriate, (2) tendering to the Company previously owned Shares or other securities of the Company with a fair market value equal to the required amount, or (3) agreeing to have Shares (with a fair market value equal to the required amount) which are acquired upon exercise of the Option withheld by the Company.

(ix) *Other Provisions.* Each Option granted under the Plan may contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator, and each ISO granted under the Plan shall include such provisions and conditions as are necessary to qualify the Option as an “incentive stock option” within the meaning of Section 422 of the Code.

(x) *Determination of Value.* For purposes of the Plan, the fair market value of Shares or other securities of the Company shall be determined as follows:

(1) Fair market value shall be the closing price of such stock on the date before the date the value is to be determined on the principal recognized securities exchange or recognized securities market on which such stock is reported, but if selling prices are not reported, its fair market value shall be the mean between the high bid and low asked prices for such stock on the date before the date the value is to be determined (or if there are no quoted prices for such date, then for the last preceding business day on which there were quoted prices).

(2) In the absence of an established market for the stock, the fair market value thereof shall be determined in good faith by the Administrator, with reference to the Company's net worth, prospective earning power, dividend-paying capacity and other relevant factors, including the goodwill of the Company, the economic outlook in the Company's industry, the Company's position in the industry, the Company's management and the values of stock of other corporations in the same or similar line of business.

(xi) *Option Term.* Subject to Section 6(c)(iii), no Option shall be exercisable more than 10 years after the date of grant, or such lesser period of time as is set forth in the stock option agreement (the end of the maximum exercise period stated in the stock option agreement is referred to in the Plan as the "Expiration Date").

(b) Terms and Conditions to Which Only NQSOs Are Subject. Options granted under the Plan which are designated as NQSOs shall be subject to the following terms and conditions:

(i) *Exercise Price.*

(1) To the extent required by applicable laws, rules and regulations and except as set forth in Section 6(b)(i)(2), the exercise price of an NQSO shall be not less than 85% of the fair market value (determined in accordance with Section 6(a)(x)) of the stock subject to the Option on the date of grant.

(2) To the extent required by applicable laws, rules and regulations, the exercise price of a NQSO granted to any person who owns, directly or by attribution under the Code (currently Section 424(d)), stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or of any Subsidiary (a "Ten Percent Stockholder") shall in no event be less than 110% of the fair market value (determined in accordance with Section 6(a)(x)) of the stock covered by the Option at the time the Option is granted.

(c) Terms and Conditions to Which Only ISOs Are Subject. Options granted under the Plan which are designated as ISOs shall be subject to the following terms and conditions:

(i) *Exercise Price.*

(1) Except as set forth in Section 6(c)(i)(2), the exercise price of an ISO shall be determined in accordance with the applicable provisions of the Code and shall in no event be less than the fair market value (determined in accordance with Section 6(a)(x)) of the stock covered by the Option at the time the Option is granted.

(2) The exercise price of an ISO granted to any Ten Percent Stockholder shall in no event be less than 110% of the fair market value (determined in accordance with Section 6(a)(x)) of the stock covered by the Option at the time the Option is granted.

(ii) *Disqualifying Dispositions.* If stock acquired by exercise of an ISO granted pursuant to the Plan is disposed of in a "disqualifying disposition" within the meaning of Section 422 of the Code (a disposition within two years from the date of grant of the Option or within one year after the transfer such stock on exercise of the Option), the holder of the stock immediately before the disposition shall promptly notify the Company in writing of the date and terms of the disposition and shall provide such other information regarding the Option as the Company may reasonably require.

(iii) *Shares Initially Exercisable During Any Year.* The aggregate fair market value (determined as set forth in Section 6(a)(x) with respect to each ISO at the time such ISO is granted) of the Shares with respect to which an ISO is exercisable for the first time by an optionee during any calendar year (under this Plan or any other plan of the Company or an affiliate thereof) shall not exceed \$100,000.

(iv) *Term.* Notwithstanding Section 6(a)(xi), no ISO granted to any Ten Percent Stockholder shall be exercisable more than five years after the date of grant.

## **7. Manner of Exercise**

(a) An optionee wishing to exercise an Option shall give written notice to the Company at its principal executive office, to the attention of the officer of the Company designated by the Administrator, accompanied by payment of the exercise price and withholding taxes as provided in Sections 6(a)(vi) and 6(a)(viii). The date the Company receives written notice of an exercise hereunder accompanied by payment of the exercise price will be considered as the date such Option was exercised.

(b) Promptly after receipt of written notice of exercise of an Option and the payments called for by Section 7(a), the Company shall, without stock issue or transfer taxes to the optionee or other person entitled to exercise the Option, deliver to the optionee or such other person a certificate or certificates for the requisite number of shares of stock. An optionee or permitted transferee of the Option shall not have any privileges as a stockholder with respect to any shares of stock covered by the Option until the date of issuance (as evidenced by the appropriate entry on the books of the Company or a duly authorized transfer agent) of such shares.

## **8. Employment or Consulting Relationship**

Nothing in the Plan or any Option granted hereunder shall interfere with or limit in any way the right of the Company or of any of its Subsidiaries to terminate any optionee's employment or consulting at any time, nor confer upon any optionee any right to continue in the employ of, or consult with, the Company or any of its Subsidiaries.

## **9. Conditions Upon Issuance of Shares**

Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended (the "Securities Act").

## **10. Non-Exclusivity of the Plan**

The adoption of the Plan shall not be construed as creating any limitations on the power of the Company to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options other than under the Plan.

## **11. Amendments to the Plan**

The Board may at any time amend, alter, suspend or discontinue the Plan. Without the consent of an optionee, no amendment, alteration, suspension or discontinuance may adversely affect outstanding Options except to conform the Plan and ISOs granted under the Plan to the requirements of federal or other tax laws relating to incentive stock options. No amendment, alteration, suspension or discontinuance shall require stockholder approval unless (a) such amendment seeks to reduce the exercise price of outstanding Options or the price at which Options may be granted below the price provided for in Section 6, (b) stockholder approval is required by law or under applicable listing requirements or to preserve incentive stock option treatment for federal income tax purposes, or (c) the Board otherwise concludes that stockholder approval is advisable.

**12. Effective Date of Plan; Termination**

This Plan was adopted by the Board and became effective as of December 29, 2012, (the "Effective Date"); provided, however, that no Option shall be exercisable unless and until written consent of the stockholders of the Company, or approval of stockholders of the Company voting at a validly called stockholders' meeting, is obtained within twelve months after adoption by the Board. If such stockholder approval is not obtained within such time, Options granted hereunder shall be of the same force and effect as if such approval was obtained except that all ISOs granted hereunder shall be treated as NQSOs. Options may be granted and exercised under the Plan only after there has been compliance with all applicable federal and state securities laws. The Plan shall terminate within ten years from the date of its adoption by the Board.

PARAMETRIC SOUND CORPORATION  
2012 STOCK OPTION PLAN

STOCK OPTION GRANT NOTICE  
AND STOCK OPTION AGREEMENT

Parametric Sound Corporation, a Nevada corporation (the "Company"), pursuant to its 2012 Stock Option Plan (the "Plan"), hereby grants to the holder listed below ( "Holder"), an option to purchase the number of shares of the Company's Common Stock set forth below (the "Option"). This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as Exhibit A (the "Stock Option Agreement") and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Stock Option Agreement.

Holder  
Grant No.  
Date of Grant  
Shares Subject to Option  
Exercise Price Per Share                   \$\_\_\_\_\_ per share  
Expiration Date  
Type of Option                                Non-Qualified Stock Option  
                                                      Incentive Stock Option (within the meaning of Section 422 of the Code)  
Vesting Schedule:  
Vesting Date                                Number of Shares Vested

By his or her signature and the Company's signature below, Holder agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement and this Grant Notice. Holder has reviewed the Stock Option Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Stock Option Agreement and the Plan. Holder hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Option.

Parametric Sound Corporation:  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Holder:  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A  
TO STOCK OPTION GRANT NOTICE**

**PARAMETRIC SOUND CORPORATION  
STOCK OPTION AGREEMENT**

Pursuant to the Stock Option Grant Notice ("Grant Notice") to which this Stock Option Agreement (this "Agreement") is attached, Parametric Sound Corporation, a Nevada corporation (the "Company"), has granted you an Option under the Company's 2012 Stock Option Plan (the "Plan") to purchase the number of shares of the Company's common stock ("Stock") indicated in the Grant Notice at the exercise price indicated in the Grant Notice. Capitalized terms not explicitly defined in this Agreement shall have the meanings specified in the Plan and the Grant Notice.

**1. Vesting.** Except as otherwise provided in the Plan, this Option will become vested and exercisable in such amounts and at such times as provided in the Grant Notice.

**2. Exercise of the Option.**

**2.1 Method of Exercise.** You may exercise the vested portion of this Option at any time prior to the expiration of the Option by delivering a notice of exercise in such form as may be designated by the Company from time to time together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours and prior to the expiration of the Option, together with such additional documents as the Company may then require pursuant to the terms of the Plan. Notwithstanding anything to the contrary herein, if the Plan previously has not been approved by the Company's stockholder, the Option is granted subject to stockholder approval of the Plan and shall not be exercisable prior to such stockholder approval.

**2.2 Method of Payment.** Payment of the exercise price may be by: (a) cash (or check); [(b) delivery of Stock already owned by you for all or part of the Option price, provided the fair market value (determined as set forth in the Plan) of such Stock being delivered is equal on the date of exercise to the Option price, or such portion thereof as you are authorized to pay by delivery of such Stock;] [(c) the surrender of Shares then issuable upon exercise of the Option, provided the fair market value (determined as set forth in the Plan) of such Shares is equal on the date of exercise to the Option price, or such portion thereof as you are authorized to pay by surrender of such Stock;] [(d) cancellation of indebtedness of the Company to you or waiver of compensation due or accrued to you for services rendered;] [(e) if and so long as the Shares are registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, delivery of a properly executed exercise agreement or notice, together with irrevocable instructions to a brokerage firm designated or approved by the Administrator to deliver promptly to the Company the aggregate amount of proceeds to pay the option exercise price and any withholding tax obligations that may arise in connection with the exercise, all in accordance with the regulations of the Federal Reserve Board;] or (f) a combination of the above methods, as the Company may designate from time to time.

**2.3 Tax Withholding.** By exercising this Option you agree that as a condition to any exercise of this Option, the Company may withhold from your pay and any other amounts payable to you, or require you to enter an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (1) the exercise of this Option; (2) the lapse of any substantial risk of forfeiture to which the Stock is subject at the time of exercise; or (3) the disposition of Stock acquired upon such exercise.

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**2.4 Responsibility for Exercise.** You are responsible for taking any and all actions as may be required to exercise this Option in a timely manner and for properly executing any such documents as may be required for exercise in accordance with such rules and procedures as may be established from time to time. By signing this Agreement you acknowledge that information regarding the procedures and requirements for this exercise of the Option is available to you on request. The Company shall have no duty or obligation to notify you of the expiration date of this Option.

**2.5 Special Tax Consequences.** If you have been granted an Incentive Stock Option, you acknowledge that, to the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code), including the Option, are exercisable for the first time by you during any calendar year (under the Plan and all other incentive stock option plans of the Company and any Subsidiary) exceeds \$100,000, such options shall be treated as not qualifying under Section 422 of the Code but rather shall be taxed as non-qualified options. You further acknowledge that the rule set forth in the preceding sentence shall be applied by taking options into account in the order in which they were granted. For purposes of these rules, the fair market value of stock shall be determined as of the time the option with respect to such stock is granted.

**3. Securities Law Compliance.** Notwithstanding anything to the contrary contained herein, this Option may not be exercised unless the Stock issuable upon exercise of this Option is then registered under the Securities Act or, if such Stock is not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. In addition, you acknowledge that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

**4. Termination of the Option.** The term of this Option commences on the Date of Grant (as specified in the Grant Notice) and expires and shall no longer be exercisable upon the earliest of: (a) the Expiration Date indicated in the Grant Notice; (b) the tenth (10th) anniversary of the Date of Grant; (c) if you owned (within the meaning of Section 424(d) of the Code), at the time the Option was granted, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, the fifth (5<sup>th</sup>) anniversary of the Date of Grant, (d) the last day for exercising the Option following termination of your service as described in the Plan; or (e) a change of control, to the extent provided in the Plan.

**5. Option Not a Service Contract.** This Option is not an employment or service contract and nothing in this Agreement, the Grant Notice or the Plan shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company, or of the Company to continue your service with the Company. In addition, nothing in your Option shall obligate the Company, its stockholders, board of directors, officers or employees to continue any relationship which you might have as a director or consultant for the Company.

**6. Representations.** By executing the Grant Notice to which this Agreement is attached, you hereby warrant and represent that you are acquiring this Option for your own account and that you have no intention of distributing, transferring or selling all or any part of this Option except in accordance with the terms of this Agreement. You also hereby warrant and represent that you have either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect your own interests in connection with the grant of this Option by virtue of the business or financial expertise of any of your professional advisors who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

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7. **Notices.** Any notices provided for in this Agreement, the Grant Notice or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

8. **Governing Law.** This Agreement shall be administered, interpreted and enforced under the laws of the State of Nevada without regard to conflicts of laws thereof. Should any provisions of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

9. **Amendment.** The Board may amend the Option at any time, provided no such amendment may adversely affect the Option or any unexercised portion of the Option without your consent unless such amendment is necessary to comply with any applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing or in such electronic form as may be designated by the Company.

10. **Governing Plan Document.** Your Option is subject to this Agreement, the Grant Notice and all the provisions of the Plan, which are hereby made a part of this Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement, the Grant Notice and those of the Plan, the provisions of the Plan shall control.

11. **Rights as Stockholder.** You shall not be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon exercise of any part of the Option unless and until such shares shall have been issued by the Company to you.

12. **Shares to Be Reserved.** The Company shall at all times during the term of the Option reserve and keep available such number of shares of Common stock as will be sufficient to satisfy the requirements of the Option.

**SYZYGY LICENSING LLC – PARAMETRIC SOUND CORPORATION**

**ASSIGNMENT AGREEMENT**

THIS ASSIGNMENT AGREEMENT (“Agreement”) is made as of the day and year last written below (the “Effective Date”) by and between **Syzygy Licensing, LLC**, a Nevada limited liability company having an address of 8617 Canyon View Drive, Las Vegas, Nevada 89117 (“Assignor”), and **Parametric Sound Corporation**, a Nevada corporation having a business address of 1941 Ramrod Avenue, Suite 100, Henderson, Nevada 89014 (“Assignee”). Assignor and Assignee are sometimes collectively referred to herein as “the Parties.”

**RECITALS**

WHEREAS, Assignor has developed or owns certain technology relating to improved systems and methods of processing media input to create parametric sound output (the “Technology”), and is the owner of certain intellectual property in connection with this technology;

WHEREAS, Assignee has previously licensed and now desires to acquire, and Assignor desires to grant and sell, Assignor’s entire right, title and interest in the Technology.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. DEFINITIONS**

1.1: “Intellectual Property” shall include the pending patent applications or issued patents listed in Exhibit A hereto and all inventions, developments, improvements, specifications, trade secrets, practices and procedures, and know-how owned or developed by Assignor that relate(s) to or cover(s) the Technology as well as any improvements thereto.

**2. ASSIGNMENT**

2.1: Assignor agrees to assign, and hereby does assign, the Intellectual Property including, without limitation, the patent applications listed in Exhibit A. The parties agree that a separate writing or writings may be recorded in any appropriate patent office to effectuate this assignment. The parties agree to cooperate with one another in executing any documentation necessary to codify this assignment in any country.

2.2: Any trademarks or trade dress used by Assignor in connection with the Intellectual Property is hereby assigned to Assignee. All good will associated with any trademark or trade dress is also hereby assigned by Assignor to Assignee.

**3. REVOCATION OF PREVIOUS LICENSE AND TERMS THEREUNDER**

3.1: Termination of Previous License: as of the Effective Date, the License Agreement entered into by Assignor and Assignee on September 27, 2010 (entitled “**SYZYGY LICENSING LLC – PARAMETRIC SOUND CORPORATION LICENSE AND ROYALTY AGREEMENT**”) is terminated in full. The parties agree that no further writing shall be necessary to effectuate this License termination, and that no further royalties under the License Agreement shall be due as of the Effective Date.

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#### 4. CONSIDERATION

4.1: In consideration for the rights conveyed by this Agreement, Assignee shall pay to Assignor the following:

4.1.1: One million five hundred thousand (1,500,000) shares of common stock of Parametric Sound, having a par value of \$0.001 ("Shares"); and \$250,000 USD.

4.1.2: The parties agree that the issuance and delivery of stock shall be due upon execution of this agreement. The parties further agree that payment of the \$250,000 shall be due in full on or before June 30, 2012. Assignor acknowledges that the shares are restricted securities and subject to substantial restrictions on resale.

#### 5. INDEMNIFICATION

5.1: Assignee agrees to release, indemnify and hold harmless Assignor, its managers, its officers, employees, and agents against any and all losses, expenses, claims, actions, lawsuits, judgments and damages (including attorney's fees through the appellate level) which may be brought against either party, its managers, its officers, employees, and agents as a result of or arising out of any claim of infringement with respect to the use, manufacture, sale, distribution, or importation or exportation by Assignee of products covered by the Intellectual Property. This section shall continue after the termination of this Agreement.

5.2: Assignee agrees to release, indemnify and hold harmless Assignor, its managers, its officers, employees, and agents against any and all losses, expenses, claims, actions, lawsuits, judgments and damages (including attorney's fees through the appellate level) which may be brought against either party, its managers its officers, employees, and agents as a result of or arising out of any product liability claim with respect to the use, manufacture, sale, distribution, or importation or exportation by Assignee of the products covered by the Intellectual Property. This section shall continue after the termination of this Agreement.

#### 6. REPRESENTATIONS AND WARRANTIES OF ASSIGNOR:

6.1: Assignor makes no representations or warranties to Assignee relating to patentability of the Technology, or potential infringement of any third-party intellectual property that may occur by practicing the Technology.

#### 7. GOVERNING LAW

7.1: This Agreement, and all matters relating hereto, including any matter or dispute arising out of the Agreement, shall be interpreted, governed, and enforced according to the laws of the United States of America and the State of Nevada, where applicable, and the parties hereto consent to the jurisdiction of any appropriate federal or state court in and for the State of Nevada to resolve such disputes.

#### 8. ATTORNEYS' FEES

8.1: In the event that any party hereto shall be in default or breach of this Agreement, said party shall be liable to pay all reasonable attorneys' fees, court costs, and other related collection costs and expenses incurred by the non-defaulting or non-breaching party in prosecuting its rights hereunder.

#### 9. BINDING EFFECT

9.1: This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, legatees, agents, representatives, officers, directors, successors and assigns.

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## 10. CAPTIONS

10.1: The captions and paragraph headings of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

## 11. SEVERABILITY

11.1: The parties agree that if any part, term, or provision of this Agreement shall be found illegal or in conflict with any valid controlling law, the validity of the remaining provisions shall not be affected thereby. In the event of the legality of any provision of this Agreement is brought into question because of a decision by a court of competent jurisdiction, the parties agree that either the parties (by written amendment) or the court may narrow the provision in question or delete it entirely so as to comply with the decision of said court.

## 12. ENTIRE AGREEMENT

12.1: This Agreement expresses and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes and replaces any prior agreements between the parties with respect thereto. Except as expressly provided in this Agreement, there are no agreements, understanding, inducements or arrangements between the parties relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this agreement shall be binding upon either party unless reduced in writing and signed by them.

## 13. PREPARATION OF AGREEMENT

13.1: The parties acknowledge and agree that they have both participated in the preparation of this Agreement and, in the event that any question arises regarding its interpretation, no presumption shall be drawn in favor of or against any party hereto with respect to the drafting hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement and have made it effective as of the day and year first written below:

**Syzygy Licensing, LLC**

Assignor:

By: /s/ JAMES A. BARNES  
(signature)

Title: Manager  
Printed Name: James A. Barnes  
Date: December 29, 2011

**Parametric Sound Corporation**

Assignee:

By: /s/ ROBERT M. KAPLAN  
(signature)

Title: Director  
Printed Name: Robert M. Kaplan  
Date: December 29, 2011

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**Exhibit A (Intellectual Property):**

Title	TNW Docket Number
Parametric Transducer and Signal Processing Systems and Methods	01184-001.PROV
Parametric Signal Processing Systems and Methods	01184-006.NP1
Parametric Transducers and Related Methods	01184-006.NP2
Parametric Transducer Systems and Related Methods	01184-006.NP3
Improved Parametric Signal Processing and Emitter Systems and Related Methods	01184-006.PCT
Parametric Transducer System and Related Methods	01184-006.PROV

**PARAMETRIC SOUND APPOINTS KENNETH F. POTASHNER  
TO BOARD OF DIRECTORS**

**Plans to Accelerate Growth Through Partnerships and Product Line Expansion**

*HENDERSON, NEVADA, January 3, 2012* – **Parametric Sound Corporation** (OTCBB: PAMT), a leading innovator of directed audio products and solutions, today announced it has appointed Kenneth F. Potashner, an experienced technology executive as a member of its Board of Directors. Mr. Potashner has also agreed to a consultancy arrangement with the Company to develop strategies for a range of markets now possible with the latest HSS audio innovations. He has agreed in principle to thereafter manage company growth by becoming Executive Chairman at a future date expected to be before March 15, 2012.

Mr. Potashner has extensive executive and BOD level experience leading high growth, high technology global organizations. Mr. Potashner is the Chairman of Newport Corporation, an industry leader in the photonics sector with 2011 revenues projected to exceed \$500M. He has been a director at Newport since 1998, then served as lead director and assumed the Chairmanship in 2007. Mr. Potashner is also currently active as a director or an advisor to a number of private technology companies.

As Chairman for Maxwell Technologies from 1996 to 2003, he saw an opportunity to transition the company's focus from defense to commercial technology platforms. He enabled a broad array of strategic partnerships resulting in rapid expansion and profitability. Mr. Potashner was credited for leading the most successful turnaround in the US in 1997 achieving an 800% increase in market capitalization. From November 1998 to August 2002 Potashner remained Chairman of Maxwell and also assumed the role of CEO and Chairman of S3 Inc., a graphics chip supplier in Silicon Valley. Through disposition of its core business and the acquisition of key technology companies S3 Inc. was relaunched as Sonicblue Inc. who became a leading provider of innovative digital media products including the Rio MP3 player and the ReplayTV DVR. From 1994 to 1996 he was Executive Vice President and General Manager of Disk Drive Operations for Conner Peripherals, a manufacturer of storage systems that he returned to profitability positioning for its merger with Seagate. From 1991 to 1994, he was Vice President, Worldwide Product Engineering for Quantum Corporation, a manufacturer of disk drives. From 1981 to 1991, he held various engineering management positions with Digital Equipment Corporation, a manufacturer of computers and peripherals, culminating with the position of Vice President of Worldwide Product Engineering in 1991. Mr. Potashner earned a bachelor's degree in electrical engineering from Lafayette College and a master's degree in electrical engineering from Southern Methodist University.

"Recent innovations have increased the breadth of markets that can be captured with our new generation of audio technology," said Elwood G. Norris, President and CEO of Parametric Sound. "This is an increase from our early focus on directed audio for digital signage which will continue to be a key market. Ken brings a wealth of executive level management experience and a proven track record for rapidly creating value. We are excited to access his expertise and connections as we seek to rapidly expand market applications for our audio solutions."

"Parametric Sound has developed disruptive technology that is protected by a strong IP portfolio," said Potashner. "This technology will enable higher levels of audio performance as well as creating new applications of audio for many large markets. Parametric Sound is positioned to pursue both a technology licensing strategy as well as directly launching innovative products. I am excited for the opportunity to assemble the business team to expand Parametric's participation in new markets worldwide."

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**About Parametric Sound Corporation**

Parametric Sound Corporation's pioneering HyperSonic® Sound technology employs a tightly focused beam of sound to target specific audiences without the ambient noise of traditional speakers. The Company owns a substantial body of intellectual property. Recent innovations produce a distinctive 3D audio image from just two stereo emitters opening opportunities for 3D sound solutions for computers and entertainment. For more information about the Company and its products, please visit: [www.parametricsound.com](http://www.parametricsound.com).

**Cautionary note on forward-looking statements**

This press release includes forward-looking information and statements. Except for historical information contained in this release, statements in this release may constitute forward-looking statements regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events that are based on management's belief, as well as assumptions made by, and information currently available to, management. While we believe that our expectations are based upon reasonable assumptions, there can be no assurances that our goals and strategy will be realized. Numerous factors, including risks and uncertainties, may affect our actual results and may cause results to differ materially from those expressed in forward-looking statements made by us or on our behalf. Some of these factors include the acceptance of existing and future products, the impact of competitive products and pricing, general business and economic conditions, and other factors detailed in our Annual Report on Form 10-K and other periodic reports filed with the SEC. We specifically disclaim any obligation to update or revise any forward-looking statement whether as a result of new information, future developments or otherwise.