TRULINCS 97657004 - GALLAGHER, DANIEL - Unit: MAN-M-A

FROM: 97657004
TO:
SUBJECT: SEC Administrative Proceeding 1
DATE: 07/10/2014 07:20:09 PM

Received

JUL 21 2014

Office of Administrative Law Judges

Administrative Proceeding
File No. ~~3-13887~~ 3-14630

In the Matter of
DANIEL GALLAGHER
Respondent

Respondent Daniel Gallagher's response to Judge Foelak to deny or defer Summary Disposition

CFR 201.250 states a motion for summary judgment may be granted if there is no genuine issue of material facts and the party making the motion is entitled to a summary judgment as a matter of law.

There are several genuine issues of material facts that require Your Honor to either deny, defer summary disposition, or consider other sanctions based on the circumstances of this case. The word "may" does not require summary judgment. The party making the motion is not entitled to summary judgment as a matter of law. There are no collateral attacks of the conviction in this forum.

Mr. McGrath still chooses to twist the truth and lie to Your Honor. I intend to bring charges of perjury against Mr. McGrath. Lying and twisting the truth is without question an SEC tool as discussed by Mark Cuban of The Dallas Mavericks as he describes in the press the treatment from the SEC during his insider trading case of Mama.com. I also experienced this in my SEC trial in 2009 as Ms. Krishnamurthy of The SEC failed miserably to impeach me, which if I wasn't lying she was lying. I will at some time revisit the SEC trial to demonstrate the relationship that Ms. Krishnamurthy had as a former clerk of Judge Rakoff gaving her intimate knowledge of the Judge's idiosyncrasies which led to an unfair advantage for The SEC. Ms. Krishnamurthy failed miserably to impeach, so manufactured and created a scenario that fit a definition ruled on by Judge Rakoff eventually leading to my being found liable of something entirely different than the original charges. It was obvious to see Krishnamuthy and her associate "low five" each other under the table as Rakoff ruled on a definition, clearly indicating the joy of Ms. Krishnamuthy "gaming" her former boss.
From the moment the trial was over I worked endlessly for the former NanoDynamic shareholders. I will pursue legal action against Ms. Krishnamuthy and SEC.

It was sad to see that Judge Rakoff was so proud of his past clerk and now protege.

I chose to concentrate on the shareholders of NanoDynamics then to take care of myself, my family, and Vision Securities.

Here's the litmus test: Vision was fined approximately $160,000 by The SEC causing an immediate net capital issue.
Vision had eight consecutive years of audited financials that showed the last 4 years to be extremely profitable while NanoDynamics was never profitable the entire 7 years I raised money for them. Which entity was it easier to raise money from investors? Obviously the profitable Vision Securities that had already shown a steady year to year flow through of profits to it's parent company for the shareholders to enjoy a nice return on investment.
I chose to fight for NanoDynamics and raised $500,000 for NAGLLC, and $2,000,000 for watt Fuel Cell. Don't you think I could have raised the money instead for Vision?

Mr. McGrath continues to lie when he falsely states in the Amended OIP Exhibit A p.3 paragraph 7 line 4 that there is a single "Managing Member" of NAGLLC. This is disproven in The NAGLLC Operating Agreement Section 3.01 line 7 stating there may be more than one managing member at a time. I was the first managing member joined by Ivan, then John.

The fact is every member or potential member was once a former NanoDynamics shareholder (or knew me personally) and knew first hand that I was the only one doing anything to help recoup assets from NanoDynamics bankruptcy. There was not a single person that received an NAGLLC Offering Document that wasn't already a former shareholder of NanoDynamics and a client of mine requesting the Offering doc. This was not a blind less offering to the masses. There is issue of whether it was a solicitation or a collective solution of former NanoDynamics shareholders, of which I was. So the statement that my involvement was not disclosed is a lie. Every one knew I founded NAGLLC and was the driving force behind it. No one testified, nor was it proven in court that I was undisclosed as the person fighting to protect shareholders through the vehicles of NAGLLC and Watt Fuel Cell. Once again, The SEC has selective memory, choosing to ignore the fact that everyone they contacted stated that

TRULINCS 97657004 - GALLAGHER, DANIEL - Unit: MAN-M-A

Gallagher is NAGLLC.

It is shameful that a fine, respected, long time employee, and class act Mr. Graubard, senior atorney for Enforcement, was dragged into Mr. McGrath's lies. Mr. McGrath is aware that zero money is due by me to the SEC until I earn money. I am not in default since I have not earned money. Even though no monies were due it is clear from Mr. Graubard's sworn affidavit that I did stay in contact with The SEC.

The following exhibits will clearly indicate that there is genuine issues of material fact:

Exhibit 1. Is the NAGLLC Confidential Term Sheet and Operating Agreement
2. May 27, 2010 email and attachment to all members NAGLLC
3. Letter from Monsignor McCann's observation that I am rehabilitating my life
4. Letter from Martin Unger Esq. to Senior Federal Court Judge Leonard Wexler
5. Letter from Richard Lady to Judge Wexler
6. Letter from Merle Lewis, former Chairman Northwest Energy, sophisticated, extremely high net worth investor to Judge Wexler.
7. Letter from Mrs. Louise Fearon to Judge Wexler
8 Letter from Richard Earnest Christ to Judge Wexler
9. Letter from Stephen Schmedtje to Judge Wexler
10. Letter from Tim Messer to Judge Wexler
11. Letter from Nassau County Supervisor of Mental Health, Chemical Dependency, and Developmental Disabilities Services.

The NAGLLC document is not for interpretation. It states what it states. I followed the document to the point that no regulatory agency nor young FBI Agent could comprehend. Read the NAGLLC Operating Agreement Section 3.01 lines 6-10 and decide whether I acted responsively to that which I promised.

The reason for the lack of comprehension on behalf of the agencies comes from either not reading the entire document, not believing my BOLD FACE true statements in the May 27, 2010 letter, not being able to tell the difference between truth or lies (which has been proven with the agencies from 2007-2008). The financial world was fine in 2007.....Just read the balance sheets and annual reports of companies. Wow, how did 2008 financial meltdown happen? The fact is the regulatory agencies did not thoroughly read and understand the markets they oversee. This is the same that occurred with me. No one thoroughly read the NAGLLC Offering Document nor understood it.

Vision Securities was non operational due to net capital deficiencies therefore rendering me unable to be associated to a broker dealer.

Your Honor must reject the preposterous idea that I am dangerous and must be collaterally barred, permanently barred, barred from penny stocks, barred from association with broker dealers and all else The SEC is throwing in.
I protected the former NanoDynamics shareholders. Finra, The SEC, and The FBI caused many former NanoDynamics shareholders not to invest in NAGLLC. Those former NanoDynamic shareholders did not take advantage of NAGLLC because the agencies scared them away. Maybe the agencies that advertise protecting investors should send a check to each former NanoDynamic shareholder that asked for an NAGLLC Offering Document and chose to listen to agencies that were clueless.

The NAGLLC Confidential Term Sheet p.11 Special Situation Section clearly states that members may receive shares of an other company. This section does not specify who, what, where, when, or how the shares would be distributed. The actual language states that the shares will be valued significantly less than the original investment in NAGLLC.
Watt Fuel Shares are valued significantly higher than NAGLLC. That is how I do business. I could have distributed as few shares as possible based on the rules of an LLC. I chose to distribute 85% of the Watt Fuel Cell Shares.

The U.S. assistant attorney said that it was Pat Gallagher that delivered the shares, not Dan. Again, the facts of the NAGLLC Confidential Term Sheet Special Situation Section does not discriminate as to whom shall deliver or how the shares get delivered, or why, or when. This is The Art Of A Deal, it is also the point at which I could have chosen not to step down from Watt Fuel Cell, remained with the company as founder and immediately distributed shares to NAGLLC in Sept of 2010. Watt Fuel Cell (including me) was concerned that my SEC trial would cause Wall Street money to pass on investing. I knew not to allow anything to get in the way of Dr. Caine Finnerty's fuel cell being delivered to the marketplace, so I stepped away.

NAGLLC Operating Agreement Section 3.01 Actions of Managing member lines 6-10 states the managing member has to do what has to be done to get the job done.

NAGLLC Operating Agreement Section 8.04 Amendment allows the managing member to amend the document in any way as long as the investors interest are not adversely effected. As of today the members of NAGLLC have enjoyed a significant increase in valuation on their investment due to Watt's successful 4 plus years in business since my founding the company with NAGLLC money for the benefit of NAGLLC.

Finra had no issue with me when Vision was below net capital in late 2008. There was no pending investigation nor audit. Not until I brought Vision back above net capital did Finra begin to create lies, and twist the truth to benefit their own existence, and individual career promotions; same as The SEC described by Mark Cuban.

CFR 201.323 allows for uncontested affidavits to prove the facts to be different from the pleadings of the party making the motion. The letters written to Senior Federal Judge Wexler were accepted by the court as authentic affidavit equivalents.

The letter from Martin Unger Esq., an officer of the court clearly shows my work to benefit the former shareholders of NanoDynamics, NAGLLC, and Watt Fuel Cell.

All the letters from NAGLLC members state their knowledge of my work in accordance to the NAGLLC document.

Mr. Richard Earnest Christ explains in detail the sections of the NAGLLC Offering Document which allowed for my actions.

The letter from Tim Messer, the sixth count which I was convicted, doesn't appear to be written from a "victim". In fact, Messer was tripped-up by the prosecution and made to look stupid, leading the jury to not believe him. The guy is a full time employee of NSA.

Regulatory History

All the customer complaints are more than 13 years old and have to do with issues from the two defunct firms I previously worked. I worked at three firms in 23 years. Not 23 in three years. The third firm I owned and brokered stock for 10 years.

All complaints were settled as to the firms. I was withdrawn from the complaints with prejudice and contributed zero dollars to the settlements. Why would every customer settle like that? Most customers that truly have an issue with the broker don't care about the money so much as they want the broker penalized and or tarnished.

I have zero customer complaints since the day I bought Vision Securities. I handled hundreds of clients and millions of money under management for the 10 years during some of the worst markets in the history of the world and received zero customer complaints. I raised 70 million dollars for NanoDynamics that eventually went bankrupt after a failed IPO attempt by NYSE Member Jefferies and Co., yet no customer complaints.

Is it coincidence that from the day I owned a firm my issues immediately cease being customer related and now become regulatory with respect to the operation of the firm? I was not even the operator? The record is clear I had proper people in place with all the correct licenses the entire time Vision was conducting business.

The NJ issue occurred while others ran the firm or while Vision was not conducting business. The regulators do not go after those that leave the firm and the industry, the regulators sink their teeth into those the have current licenses, and owners with money.

From the moment Jordan Belfort wrote The Wolf On Wall Street, Vision Securities was audited twice as many times as required. Two former Finra District 10 Long Island supervisors told me that I had a target on my back by those at District 10 needing to create some big cases in order to be promoted.

To this day I have not been properly served by Finra the notice of any permanent bar. The last communication I had was that I requested a hearing with Finra NAC. Once I am released from prison I will continue the appeal process with Finra.

TRULINCS 97657004 - GALLAGHER, DANIEL - Unit: MAN-M-A

FROM: 97657004
TO:
SUBJECT: SEC Administrative Proceeding 2
DATE: 07/10/2014 07:38:59 PM

With regard to Vision, I could have simply told the NALCO members to allow the funds to go through Vision so that Vision could take a commission and use the commission to increase net capital. A total of $2,500,000 was raised directly by me for NAGLLC and Watt Fuel Cell. In fact, the $2,000,000 for Watt Fuel Cell was originally going to go directly into NAGLLC which would have put me above the $1,000,000 raised for NAGLLC which would then allow for a salary without invoking Section 8.04. Since myself, Caine, and Mike Joyce were under a time constraint to officially hire Caine and his eight engineers, we moved quickly. NAGLLC should have changed it's name and status from an LLC to a corp, but due to our flying by the seat of our pants, and in a dog fight with five other companies trying to hire Caine and his group, we quickly opened a bank account for Watt Fuel cell and the $2,000,000 was eventually deposited.

Your Honor, I ask that you set the standard at a level of intelligence that indicates the understanding of what truly transpired. The fact is I was operating on instinct , handshakes, trust, and integrity during a time in the U.S that financial markets were in a freefall.

My father was awarded the highest level of integrity medal from President Reagan for his life-long example of how to live. His example of integrity was passed down to me. As hard as it is for regulators and jurors in NY to believe in trust, honor, and integrity; it is the way I was raised in Maryland as the son of a former director of NSA.

The jury laughed as my father uttered the words "I have a moral obligation to uphold Dan's promises to NAGLLC". Judge Wexler, the jury, and the prosecution snickered as my father answered the prosecutors question "Mr. Gallagher, as Dan Gallagher's father surely you don't want to see him go to jail, right?", the answer from Patrick R. Gallagher Jr. was "if he committed a crime he must go to jail", Ms. Shannon Jones, the prosecutor, laughed. In reality she was ashamed to be in a court room among a father and son that lived by a different set of standards than her. You could see the shame written all over her red face.

Growing up inside the beltway is much different than growing up in the NY metropolitan area due to the influence of money instilled in a New Yorkers' psyche from birth; whereas the rest of the country cherishes wholesome principles over money making. Where I am from we judge by your word and honor long before anyone looks at your earning capacity and net worth.

I did not for a second consider myself during the catastrophic implosion of the financial markets and bankruptcy of NanoDynamics; if I did I would have instead easily raised the $160,000 for Vision Securities and rode the Government's $85,000,000,000 a month bailout or politically correct quantitative easing to riches as the owner of Vision Securities during an unprecedented, never before in the history of the world 10,000 point upward swing in the Dow Jones during a four year period.

Think of me as you like, but please don't think I am so stupid as to not have seen the Government bailout or quantitative easing as boom time for any financial firm. I do posses a Bachelors degree in Economics from one of the most prestigious schools in the world, so I understand political risk/reward in marketplaces.

I also understand mediocrity in the work place. The markets proved the mediocrity of the regulators, analysts, reporting agencies, and the quasi-gov't agencies. It is the mediocre mind that can not grasp that I did what no one else did or could have done. Obviously if they could have they would have. There was 500 shareholders of NanoDynamics, a founding family of two, and 4 management insiders including corporate counsel that clandestinely filed Ch. 7 liquidation instead as Ch. 11 reorganization. I was assured by the Chairman of NanoDynamics, Mr. Keith Blakely that he would file reorganization bankruptcy, but oh yeah I forgot, the founders and other scoundrels at the helm of NanoDynamics conveniently fired Mr. Blakely upon discovering I was working with him and had raised the $7.5 million needed for reorganization out of bankruptcy. The mediocre management and founders knew I would oust them during reorganization.

Forfeiture, disgorgement, and restitution.

It is important to read the excerpts from Judge Wexler from the exhibits provided by Mr. McGrath. There is no forfeiture, disgorgement or restitution since there is no proof the money went in my pocket and the NAGLLC members had zero losses. In fact, the members have enjoyed a substantial increase in valuation.

I have also enclosed a net worth statement.

Remedies For No Future Violations.

I have successfully worked with former directors of Finra District 10 and former SEC employees that currently work for The Reponse Company while I have been defending myself with this proceeding.
My future business model will include the utilization of former regulators and prosecutors to instruct and guide my decisions and actions.

The letter from Monsignor McCann of St.Mary's of Manhasset and The Letter from Nassau County Mental Health are a testament to my growth in maturity due to the life experiences I have had.

New Allegations In The AOIP

I respectfully request a separate in-person hearing to remedy the new allegations that Mr. McGrath felt compelled to pile on the heap to intimidate me into a settlement.

Mr. McGrath knows that Judge Wexler was in error when he said "I am a violator, I must be punished". The transcript from the sentencing hearing is clear that Judge Wexler was incorrect that I was barred by the SEC and "I must be committing fraud by violating my SEC bar as I raised money for NAGLLC and transferred shares to Pat Gallagher". To date I am not barred by The SEC. This is a big issue in my appeal and continued fighting for the truth to be understood.

Mr. McGrath incorrectly cites or takes out of context in the Enforcements Memorandum Of Law page 5 footnote #8; Judge Rakoff did not decide to let me off the hook with no injunction during the sentencing phase of The 2009 SEC trial so that I could pay The SEC fine. In fact, Judge Rakoff was so smitten with his former clerk that he was clueless that she was about to bamboozle him into granting an injunction which would allow The SEC to further impose a bar. Upon my attorney, Mr. Unger informing Judge Rakoff of the future clandestine action by The SEC, Judge Rakoff recognized that the injunction would cause further harm to me and thus exceeding the courts equitable considerations.

In Conclusion

Your Honor I ask that you take considerable time to investigate all that I provided here. Maybe share this response with a former law school friend to get their opinion. Make a "sea change" in the legal profession, and begin holding people accountable for common sense, not just a bunch of outdated, misunderstood rules and regulations.

Truly,

Daniel J. Gallagher

Exhibit #1

Confidential Term Sheet

Nano Acquisition Group, LLC

This Confidential Term Sheet (the "Term Sheet") of Nano Acquisition Group, LLC, a Delaware limited liability company (the "Company"), has been prepared solely for the information of the person to whom it has been delivered on behalf of the Company and may not be reproduced or used for any other purpose. Each person accepting this Term Sheet agrees to return it to the Managing Member (as defined herein) promptly upon request.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHNAGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESNETATION TO THE OCNTRARY IS UNLAWFUL.

THE SECURITIES OFFERED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ALL APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND THE OPERATING AGREEMENT. MEMBERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR A SUBSTANTIAL PERIOD OF TIME.

THESE SECURITIES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. See "Risk Factors." MEMBERS WILL BE REQUIRED TO REPRESENT THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS, RISKS AND MERITS OF THIS OFFERING.

In making an investment decision, investors must rely upon their own examination of the Company and the terms of the Offering, including the merits and risks involved. The Managing Member (as defined herein) and the Advisor will make available to any prospective Member (as defined herein) the opportunity to ask questions of, and to receive information from, the Managing Member and/or the Advisor regarding the Company and the terms and

conditions of this Offering and to obtain any additional relevant information to the extent the Company possesses such information or can obtain it without unreasonable effort or expense.

The Contents of the Term Sheet should not be considered legal or tax advice and each prospective Member is urged to consult with his or her own professional advisers as to all matters concerning an investment in the Company before making an investment.

This Term Sheet does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorized or permitted.

PROSPECTIVE MEMBERS SHOULD PERFORM THEIR OWN DUE DILLIGENCE AND ASK QUESTIONS OF THE COMPANY AND SHOULD NOT RELY SOLEY ON THE INFORMATION CONTAINED IN THIS SUMMARY.

The Company

Nano Acquisition Group, LLC (the "Company") was organized as a Delaware limited liability company in September 2009. The Company has been formed to acquire the stock or assets, in whole or in part, of Nanodynamics, Inc., a company currently in Bankruptcy. If the acquisition is unsuccessful the Company will return the Member's investments, minus expenses not to exceed 3% of the funds raised not including any sales commission charges. If the Company is successful in acquiring the assets of Nanodynamics, Inc. some of the proceeds of the offering will also be used to operate the Company.

There can be no assurance that the Company's business plan will be met or that the Company will not incur losses.

Managing Member

The Managing Member of the Company is Ivan Luburic (the "Managing Member"), who is responsible for the overall management of the Company. Mr. Luburic's resume is attached as Exhibit A.

Investment Advisor

The Managing Member intends to retain Vision Securities, Inc., a registered broker-dealer, to act as the Company's investment advisor (the "Advisor"). The Advisor shall advise the Managing Member with respect to all aspects of the Company's intended acquisition of the assets or securities of Nanodynamics, Inc. The Advisor shall receive a 7% membership interest in the Company.

Suitability

This offering is not registered under the Securities Act of 1933, as amended (the "Act"), as is being made in reliance on the exemptions provided for in Section 4(2) of the Act and Rule 506 of Regulation D, promulgated by the Securities and Exchange Commission thereunder. Interests in the Company will be offered exclusively to U.S. persons that qualify as "accredited investors" as defined by SEC Regulation D. The Managing

Member may, in its sole discretion, accept or decline to admit any investor. Individual Retirement Account (IRA) investors and other tax-exempt investors should carefully review the section herein entitled "ERISA Matters; Investment by Pension Plans, IRAs and Other Tax-Exempt Investors."

Risks

Prospective Members should note that an investment in the Company involves a significant amount of risk, including the possibility of a total loss of investment. Prospective Members should carefully consider the risk factors (which include the lack of operating history of the Company, the dependence on the principals of the Managing Member and Advisor, the limited liquidity associated with an investment in the Company, the lack of any secondary market for the sale of Company Interests, bankruptcy risks, undue concentration, leverage risks, litigation risks and the absence of regulatory oversight) discussed under "Risk Factors" which is attached as Exhibit B.

Subscriptions

The minimum subscription for existing shareholders of Nanodynamics, Inc. shall be determined by multiplying the number of shares held by $.40 per share. The Managing Member has implemented this formula in an attempt to offer members the ability to approximately maintain their existing pro rata share of Nanodynamics, Inc.

Investors who are not shareholders of Nanodynamics may subscribe for Company interests and the minimum initial subscription amount is $25,000. The Managing Member, in its sole discretion, may waive, reduce or increase the threshold for minimum initial subscriptions from both existing shareholders of Nanodynamics, Inc. and those who are not existing shareholders. Upon an investor's capital contribution and admission to the Company, an investor will become a Member of the Company. Monies invested by a Member will become immediately available to the Company. The Managing Member may permit additional capital contributions at any time.

Term of Offering

This offering is being conducted for the sole purpose of acquiring the stock or assets, in whole or in part, of

Nanodynamics, Inc., a company currently in Bankruptcy. If the acquisition is unsuccessful the Company will return the Member's investments, minus expenses not to exceed 3% of the funds raised excluding any sales commissions paid.

This offering may be terminated by the Managing Member at such time as there are 99 beneficial owners of Company Interests, unless the Managing Member determines that exceeding this limit will not cause the Company to have to register under the 1940 Act.

Capital Accounts

Upon the admission of any Managing Member or Member to the Company (collectively "Members") a capital account ("Capital Account") shall be established on the books of the Company for such Member in the amount of such Member's initial capital contribution.

Allocation of Gains and Losses

At the close of each accounting period of the Company (ordinarily a calendar month), any net gain or loss (determined after all Company expenses are taken into account and including current income and realized and unrealized appreciation and depreciation) for the accounting period then ended will be tentatively allocated to all Members, including the Managing Member, in proportion to their respective Capital Accounts at the beginning of such account period.

Management Fee

No fees or salaries shall be paid to the Managing Member or any employees of the Company until at least $1 million is raised.

Transferability

A Member may not assign, transfer, pledge, hypothecate, exchange or otherwise effect a disposition of its Company Interest without the prior written consent of the Managing Member, which may be given or withheld for any reason or no reason in the sole and absolute discretion of the Managing Member.

Fiscal Year

The fiscal year of the Company shall end on December 31 of each calendar year.

Member Reports

Members will receive from the Company: (a) within one hundred twenty days after the end of each fiscal year, an annual audited financial report of the Company complying with generally accepted accounting principles and an annual account statement; (b) as soon as practicable after the end of the fiscal year, annual tax information for preparation of their respective federal tax returns; and (c) quarterly unaudited performance reports.

Sales Commissions

Members who purchase their membership interests through Vision Securities will be charged a 7% sales commission. The Company may also retain other broker-dealers and placement agents to raise capital and pay commissions for any investments received.

EXHIBIT A

IVAN LUBURIC

EXPERIENCE

Vision Securities, Inc. **10/2008 – Present**
President and Chief Compliance Officer

- Responsible for managing the day-to day operations of the broker-dealer
- Monitor and advise on rules and regulations relating to broker-dealer activities.
- Manage SEC and FINRA examinations, internal audits, investigations and other inquires; draft replies to such inquiries and examination reports.
- Establish, design and maintain the Firm's in-house Regulatory Element Program; oversee Firm Element requirements; prepare and deliver needs analysis and training plans; conduct annual compliance meetings as well as compliance orientations for new employees.
- Create, maintain and update the firm's compliance manual and working supervisory procedures
- Coordinate legal matters with outside counsel as needed

Morgan Stanley **08/2005 – 03/2008**
Director Compliance/Equity Financial Services

- Advise and assist with implementing Morgan Stanley's Prime Brokerage and Equity Stock Lending practices
- Monitor the activities, procedures and processes of the Firm's EFS business units and work with the business units to resolve or escalate, as necessary, issues or exceptions identified by such reviews
- Participate in the supervisory control process for EFS
- Conduct area-specific or issue specific reviews
- Monitor, perform surveillance of, and help to develop tools for, the business supervisory process
- Review new product approval applications
- Develop EFS surveillance tools in conjunction with the IT Strategy Group and business unit personnel
- Review and participate in the creation of regulatory reports or filings, as appropriate, and make certain regulatory filings
- Act as liaison with, and respond to, regulators regarding inquiries, examinations and other issues
- Provide advice and guidance on the application of rules and policies
- Advise and assist with the creation, implementation and updating of compliance policies and written supervisory procedures for the Firm's EFS business units as well as for the EFS Group, in coordination with the Policies and Procedures Group, as necessary
- Provide education and training to business and Compliance Department personnel relating to prime brokerage and securities lending regulatory requirements, as requested or necessary.

Bear, Stearns & Co. Inc. **10/2002 – 07/2005**
Senior Relationship Manager/Prime Brokerage

- Serviced hedge fund clients and built relationships with billion dollar institutions at the CEO level that

encompassed various trading strategies (event driven risk arb, distressed debt, corporate restructures, long/short market neutral, options, sovereign debt, opportunistic growth, top-down-macro view, market sentiment, bottom up analysis, derivatives and treasuries

- Responsible for account documentation, legal coordination, portfolio review, execution services, collateral management, technology deployment (Bear Prime, Bear Tracs, Bear Access, Bear Trade, Interactive Reporting, Trade Cast, Heat, SCOR Portfolio Reporting and Polar), rate negotiations, tri-party agreements, presentations, visits and sales support
- Participated in Senior Level discussions between various Bear Stearn's Departments and clients to discuss product and technology needs, streamlined domestic and international operations and accounting issues
- Established procedures to run and oversee smooth execution of all financial affairs, daily corporate administration and investor relations/marketing

Carlin Financial Group **04/2000 - 09/2002**
Operations Manager/Compliance

- Operations Manager for Carlin Equities Corp., Member NASD/SIPC and back-up for affiliated Broker/Dealers TSD Trading, LLC, Member NASD/SIPC and US Trading Corp., Member NASD/SIPC
- Resolved escalated margin, option and day trading issues for 58 plus branch offices and their registered representatives
- Principal approval/review on all new account paperwork, closures, account history(address, rate and representative changes), DTC requests, ACAT's, DVP & Prime Brokerage accounts and 144 Restricted stock
- Maintained books and records to comply with SEC & NASD rules
- Oversaw the Order Room and Risk Management Departments in regards to buy-ins, sellouts, account/user restrictions and settlement of DVP and Prime Brokerage transactions
- Worked with the Compliance Department during regulatory examinations/branch audits and updated written supervisory procedures and traders manuals as deemed necessary and supervised User I.D. process

TD Waterhouse Securities, Inc.
Vice President

- Resolved all trade disputes and customer inquiries
- Illustrated a proven track record for promoting individuals and inducing a proactive atmosphere
- Presented training and information sessions to investment clubs and trading institutions

TD Waterhouse/Vice President, Cincinnati, OH
TD Waterhouse/Assistant VP, National Call Center, Jersey City, NJ
TD Waterhouse/Assistant Manager, Kansas City, MO
TD Waterhouse/Account Executive, (Park Avenue, Wall Street) New York, NY

Lehman Brothers
Stockbroker/Trainee

INDUSTRY RELATED LICENCES: NASD Series 4, 7, 8 (9/10), 24, 55, 63

EDUCATION

MBA, Financial Management, Pace University, New York
BS, Economics Minor: **Finance**, State University of New York, College at Oneonta

EXHIBIT B

AN INVESTMENT IN THE FUND IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS OF INTERESTS SHOULD CAREFULLY READ THE ENTIRE MEMORANDUM. BECAUSE THE INVESTMENT PROGRAM INVOLVES SUBSTANTIAL RISKS, AN INVESTMENT IN THE INTERESTS SHOULD BE MADE ONLY AFTER CONSULTING WITH INDEPENDENT QUALIFIED SOURCES OF INVESTMENT AND TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AMONG OTHERS, BEFORE SUBSCRIBING FOR INTERESTS.

Loss of Capital/General Securities Risk

All investments risk the loss of capital. No guarantee or representation is made that the Company's strategy will be profitable.

Illiquidity of Investment

The purchase of Membership Interests should be considered only as a long-term and illiquid investment. No withdrawals of invested funds can occur. There is no market for the Interests and none is expected to develop. Accordingly, an investment in the Company is suitable only for sophisticated investors who have no need, and do not anticipate a need to liquidate their investment.

Lack of Registration

The Membership Interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions. In connection with the purchase of an Interest, an Investor must represent that he is purchasing the Interest for investment purposes only and not with a view toward resale or distribution. Neither the Company nor the Managing Member has any plans nor has assumed any obligation to register these Interests. Accordingly, the Interests may not be transferred without an opinion of counsel to the Company that the transfer will not involve a violation of the registration requirements of the Securities Act. The Managing Member, in its sole discretion, retains sole and complete discretion on whether to permit the transfer of Interests and requests to transfer Interests may be declined for any or no reason. The Managing Member in general will only consider requests to transfer Interests in instances of death, gift, or passage by operation of law.

Lack of Management Control

The management of the affairs of the Company will be vested exclusively in the Managing Member. Generally, the Members will have no right to participate in the decisions of the

Managing member or otherwise in the management or affairs of the Company or to remove the Managing Member.

Income Taxes of Members May Exceed Cash Distributions

The Managing Member does not intend to make distributions to the Investors, but intends instead to reinvest substantially all Company income and gain, if any. Cash that might otherwise be available for distribution will also be reduced by payment of Company obligations, payment of Company expenses (including fees payable and expense reimbursements to the Managing Member). As a result, if the Company is profitable, Members in all likelihood will be credited with Company net income, and will incur the consequent income tax liability (to the extent that they are subject to income tax), even though Members receive little or no Company distributions to satisfy their tax liability.

Lack of Diversification

The Company will have a concentrated, non-diversified portfolio. This lack of diversification may subject the investments of the Company to more rapid change in value than would be the case if the assets of the Company were more widely diversified.

Special Situation

The Company intends to acquire in whole or in part the assets and/or stock of Nanodynamics, Inc., a company that is in Bankruptcy. There exists the risk that the transaction in will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Company of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving the financially troubled company in which the Company intends to invest, there is a potential risk of loss by the Company of its entire investment in Nanodynamics, Inc.

Lack of Operating History

The Company was first formed in September 2009 and the Managing Member, the Advisor and their principals have no experience investing in companies that are in Bankruptcy.

Absence of Regulation

The Company is not registered as an investment company under the Investment Company Act of 1940, as amended. As a result, certain protections of such Act (which, among other matters, requires a percentage of an investment company's directors to be disinterested, requires securities held in custody to be segregated, regulates the relationship between the investment company and its advisor and requires investor approval before fundamental investment policies can be changed) will not be afforded to the Company or its Members.

Moreover, the funds and managed by the Company are generally not subject to many provisions of the federal securities laws, particularly the Investment Company Act, that are designed to protect investors in pooled investment vehicles offered to the public in the United States, and may not generally be subject to regulation or inspection by U.S. governmental authorities or any comparable scheme of regulation or governmental oversight in their home jurisdiction.

Unrelated Business Taxable Income for Certain Tax-Exempt Investors
Pension and profit-sharing plans, Keogh plans, individual retirement accounts and other tax-exempt investors may realize "unrelated business taxable income" as a result of an investment in the Company since the Company may employ leverage or margin. See "ERISA Matters; Investment by Pension Plans, IRAs and Other Tax-Exempt Investors." Any tax-exempt investor should consult its own tax advisor with respect to the effect of an investment in the Company on its own tax situation.

Potential Conflicts of Interest
The Managing Member is also the President of the Advisor.

THE FOREGOING LIST DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.

Notice For Florida Residents Only: Pursuant to the laws of the State of Florida, if sales are made to five (5) or more Members in Florida, any Florida Member may, at his option, withdraw, upon written (or telegraphic) notice, any purchase hereunder within a period of three (3) days after (a) the investor first tenders or pays to the Company, an agent of the Company or an escrow agent the consideration required hereunder, (b) the investor delivers his executed Subscription Documents, or (c) the availability of that privilege is communicated to such investor, whichever occurs later.

Notice For Georgia Residents Only: The Interests of the Company have been issued or sold in reliance on Paragraph (13) of Code Section 10-5-9 of the Georgia Securities Act of 1973, and may not be sold or transferred except in a transaction which is exempt under such act or pursuant to an effective registration under such act.

Notice For Pennsylvania Residents Only: Pursuant to the laws of the Commonwealth of Pennsylvania, any Pennsylvania Member may, at his/her option, withdraw, upon written (or telegraphic) notice, any purchase hereunder within a period of two (2) business days after (a) the investor first tenders or pays to the Company, an agent of the Company or an escrow agent the consideration required hereunder, or (b) the Member delivers his executed Subscription Documents, whichever occurs later. Company Interests acquired pursuant to Section 203(d) of the Pennsylvania Securities Act of 1972 and the regulations thereunder may not be sold or

transferred except in accordance with the provisions thereof. Additional restrictions are set forth in the Operating Agreement.

OPERATING AGREEMENT

OF

Nano Acquisition Group, LLC

September 2009

OPERATING AGREEMENT OF
NANO ACQUSITION GROUP, LLC

OPERATING AGREEMENT OF NANO ACQUSITION GROUP, LLC (the "Company") dated as of September 10, 2009 by and among Ivan Luburic as Managing Member and all the persons who sign copies of this Agreement to become Members. (The Managing Member and the persons who sign as Members are sometimes collectively referred to as the "Members").

ARTICLE I

General Provisions

Section 1.01 Formation. The parties hereto hereby form Nano Acquisition Group, LLC as a limited liability company pursuant to the provisions of the Delaware Revised Uniform Limited Liability Company Act. The existence of the Company shall commence upon the filing with the Secretary of Delaware of a Certificate of Limited Liability Company in accordance with the provisions of such law.

Section 1.02 Company Name. The name of the Company is Nano Acquisition Group, LLC.

Section 1.03 Purpose. The purpose of the Company is to purchase, invest in or otherwise acquire the assets, stock or other securities of Nanodynamics, Inc. and to operate Nanodynamics, Inc. if such acquisition is successful. If unsuccessful monies will be returned immediately minus the expenses.

Section 1.04 Place of Business. The principal place of business of the Company shall be at 416 Main Street, 2nd Floor, Port Washington, NY. If the Company successfully acquires Nanodynamics, Inc. it intends to keep the business of Nanodynamics, Inc. in Buffalo, New York at the present time.

Section 1.05 Fiscal Year and Fiscal Periods. The fiscal year of the Company shall end on December 31 of each year, subject to change by the Managing Member from time to time.

Section 1.06 Liability of Members. The Member shall not be liable for any liabilities, or for the payment of any debts and obligations, of the Company unless such Member, in addition to the exercise of his/her rights and powers as a Member, participates in the control of the Company or knowingly permits his/her name to be used in the name of the Company.

Section 1.07 Assignability of the Interest of a Member. The Company interest of any Member in the Company, in whole or in part, or any beneficial interest therein, may not be assigned without the prior written consent of the Managing Member, which consent may be withheld in the Managing Member's sole discretion. Upon such an assignment of the Company interest, the assignee shall become a Member upon the execution of such agreements and other documents as shall be required by the Managing Member.

ARTICLE II

Composition and Admissions

Section 2.01 Admission of Members. Additional Members may be admitted to the Company upon the prior consent of the Managing Member on a monthly basis and at any other time during the Company's fiscal year. The Managing Member may admit additional members to the Company at any time. Contributions to the capital of the Company by new Members shall be made in cash, except that the Managing Member may, in its sole discretion, accept contributions partially or wholly in the form of securities. In connection with the admission of a Member to the Company, any Member admitted shall, in advance of such admission and as a condition thereto, sign a copy of this Agreement and/or a supplement hereto pursuant to which he/her agrees to be bound by the terms of this Agreement.

ARTICLE III

Management of the Company

Section 3.01 Actions of the Managing Member. The Company shall be managed exclusively by the Managing Member. The Managing Member may appoint such agents, including investment advisors and investment managers, of the Company as it deems necessary to hold such offices, exercise such powers and perform such duties as shall be determined from time to time by the Managing Member. The Managing Member may also appoint other Managing Members or replace itself with another entity or person as Managing Member of the Company. The Managing Member shall use its best efforts in connection with the purposes and objects of the Company and shall devote so much of its time and effort to the affairs of the Company as may, in its judgment, be necessary to accomplish the purposes of the Company. Nothing herein contained shall prevent the Managing Member or any other member from conducting any other business.

Section 3.02 Powers of the Managing Member. The Managing Member shall have the power on behalf of the Company:

(a) To retain any person or entity as an attorney, accountant or investment adviser;

(b) To pledge securities for loans, and, in connection with any such pledge, to effect borrowings from brokers, banks and other persons and institutions in connection with the purchase or operation of Nanodyanamics, Inc.;

(c) To enter into, make and perform any other contracts, agreements or other undertakings it may deem advisable in conducting the business of the Company (including establishing an advisory board);

(d) To submit bids, offers and other communications to the Bankruptcy Court and negotiate for the full or partial purchase of the assets or stock of Nanodynamics, Inc. on such terms as the Managing Member deems advisable and to operate Nanodynamics, Inc. if such bids or purchases are successful;

(e) To retain broker-dealers and placement agents to assist the Company raise capital;

(f) To hire and fire employees of the Company and to award membership interests to employees as part of their compensation; and

(g) To act for the Company in all other matters. The Managing Member shall consult with other Members to the extent reasonably practicable.

Section 3.03 Indemnification.

(a) the Managing Member, its affiliates, their respective members, principals, officers and employees, the advisory board members, and each person designated pursuant to Section 5.02 shall be indemnified and held harmless by the Company to the fullest extent legally permissible under and by virtue of the laws of the State of Delaware, as amended from time to time, from and against any and all loss, liability and expense (including without limitation attorneys' fees, judgments, fines and amounts paid or to be paid in settlement), including advancement of costs of legal representation, reasonably incurred or suffered by the Managing Member or other person set forth above in connection with the performance by the Managing Member or other person of his/her responsibilities to the Company; provided that, the Managing Member and such other persons shall not be indemnified for losses resulting from their own willful misconduct, gross negligence or violations of applicable law.

Section 3.04 Expenses of the Company. The Company is responsible for and will pay, or cause to be paid, all ordinary office overhead expenses, which include rent, supplies, secretarial expenses, printing and stationery, charges for furniture and fixtures and compensation of administrative, research and investment personnel. All expenses are borne directly by the Company, including legal, accounting (including outsourced accounting), auditing and other professional expenses, administrator fees and expenses, advisory board expenses, organizational expenses, and other reasonable expenses related to the purchase, sale or transmittal of the Company assets.

The Managing Member believes that organizational expenses will be minimal until the acquisition of Nanodynamics, Inc.

ARTICLE IV

Term and Dissolution of the Company

Section 4.01 Term of the Company. Unless dissolved pursuant to Section 5.02, the Company shall continue perpetually.

ARTICLE V

Fees

Section 5.01 Management Fee. The Managing member shall not receive a Management Fee or salary until at least $1 million of capital is raised for the Company. The Managing Member may receive a salary after the Company raises $1 million in capital. The Managing Member shall have a capital account that is equal to 2% of the Company's membership interests. 20% of the Company's membership interests shall be reserved for compensation for the Company's management and employees. The Managing Member shall have discretion to allocate this 20% of membership interests and shall have the power to allocate part of the 20% to himself.

Section 5.02. Advisory Fees. The Managing Member intends to retain Vision Securities Inc. as an advisor. The Company shall also pay legal, accounting, auditing and other professional fees.

Section 5.03. Commissions. The Managing Member also intends to retain Vision Securities, Inc. and other broker-dealers to assist with capital raising and it is anticipated that commissions and other fees will be payable to such entities. Commissions shall be payable to duly registered broker-dealers that have signed a selected dealer agreement, placement agreement or other similar agreement with the company.

ARTICLE VI

Allocation of Net Profits and Net Losses; Determination of Net Profits and Net Losses; New Issues

Section 6.01 Allocation of Net Profits and Net Losses.

(a) Any Net Profits or Net Losses (as defined in Section 8.02) during any Fiscal Period shall be allocated as of the end of such Fiscal Period to the Capital Accounts of all the Members in the proportions which (i) each Member's Capital

Account as of the beginning of such Fiscal Period bore to (ii) the sum of the Capital Accounts of all the Members as of the beginning of such Fiscal Period. 20% of the membership interests shall be reserved for compensation for the Company's management and employees, including the Managing Member.

Section 6.02 Determination of Net Profits and Net Losses. "Net Profits" or "Net Losses" of the Company shall mean the net operating profits or net operating losses, as the case may be, for a Fiscal Period determined on the accrual basis of accounting and further in accordance with the following:

(a) For Company assets that are illiquid, privately placed, unregistered securities or other assets that, in the opinion of the Managing Member or Advisor, do not have a readily ascertainable market value; other illiquid securities that may be valued but are not freely transferable; and investments in other asset classes and other property that is not traded on public exchanges (each, as designated by the Investment Manager, along with follow-on investments, if any, an "Illiquid Investment"). Additionally, the Managing Member or Advisor may determine that, for various reasons, an asset that initially was not an Illiquid Investment should be categorized as an Illiquid Investment, or that a follow-on investment should be categorized as a new Illiquid Investment. Illiquid Investments shall be carried at their fair value as determined by the Managing Member in his discretion. An investment shall be accounted for on the Company's books in this manner until the Managing Member in his sole discretion determines that a Realization Event has occurred, as further described below. Thereupon, such investment (or the proceeds thereof) shall be reallocated, *pro rata*, to the capital accounts of participating Members.

A "Realization Event" occurs when: (i) an Illiquid Investment becomes liquid (including, without limitation, when there is a public offering of the securities constituting the Illiquid Investment, which offering the Managing Member or Advisor determines reasonably values the Illiquid Investment), (ii) an Illiquid Investment is liquidated, sold or otherwise disposed of, in part or in its entirety, by the Fund, or (iii) circumstances otherwise exist that, in the judgment of the Managing Member or Advisor, conclusively establish a value of the Illiquid Investment (including, without limitation, when additional securities substantially similar to the Illiquid Investment have been issued by the issuer of the Illiquid Investment). Upon a Realization Event, the value of the instruments held or the proceeds thereof shall be allocated to the capital accounts of each Member participating therein *pro rata* in accordance with such Member's interest.

(b) In valuing the Company's investments in investment partnerships or other investment vehicles, or with unrelated investment managers, the Managing Member will be entitled to rely on the latest unaudited or audited financial statement or performance report of any such investment partnership or other investment vehicles or unrelated investment managers unless the Managing Member determines that some other valuation is more appropriate. Any contingent fees or allocations to investment managers retained by the Company or with respect to investments in other investment

entities shall be accrued at such times and in such amounts as the Managing Member, in its sole discretion, shall determine. All other assets of the Company shall be valued in the manner determined by the Managing Member.

(c) In computing the Net Profits and Net Losses of the Company, the Organizational Expenses of the Company shall be deducted or amortized as the Managing Member determines.

ARTICLE VII

Allocation of Income for Tax Purposes

Section 7.01 Ordinary Deductions and Ordinary Income. For Federal income tax purposes, all items of deduction other than realized capital losses, and all items of income other than realized capital gains, shall be allocated, as nearly as is practicable, in accordance with the manner in which such items were either deducted from or added to the Capital Accounts of the Members.

Section 7.02 Capital Gains and Losses Attributable to Contributed Securities. In the case of a security contributed by a Member to the Company, the income tax basis of which is different from its value at the time of contribution, the capital gains or losses recognized which is attributable to such difference shall, to the extent practicable, be allocated to the Member who contributed such security to the Company.

Section 7.03 Capital Gains and Capital Losses. For Federal income tax purposes, capital gains and capital losses (short-term and long-term, as the case may be) recognized by the Company shall be allocated, as nearly as is practicable, in accordance with the manner in which the aggregate of the increase or decrease in the value of the Company's investments have been allocated to Members under Section 8.01(a) in prior years and the current year.

Section 7.04 Allocation of Capital Gains or Losses to Retiring Members. Notwithstanding Section 7.03 above, in the event a Member withdraws all of its Capital Account from the Company, the Managing Member in its sole discretion may make a special allocation to said Member for Federal income tax purposes of the net capital gains recognized by the Company in such a manner as will reduce the amount, if any, by which such Member's Liquidating Share exceeds or is less than his/her Federal income tax basis of his/her interest in the Company before such allocation.

ARTICLE VIII

Miscellaneous Provisions

Section 8.01 Withholding Taxes. Any taxes, fees or other charges the Company is required to withhold under applicable law with respect to any Member shall be withheld by the Company (and paid to the appropriate governmental authorities) and shall be deducted from the Capital Account of such Member as of the last day of the Fiscal Period with respect to which such amount is required to be withheld.

Section 8.02 Audit. The books of account and records of the Company will be audited as of the end of each fiscal year by independent certified public accountants designated from time to time by the Managing Member. Unaudited financial statements will be provided to the Members at the end of each fiscal quarter.

Section 8.03 Maintaining Books. Proper and complete books of account shall be kept at all times and shall be open to inspection by any Member or his/her accredited representative on reasonable notice at reasonable times during office hours.

Section 8.04 Amendment of Agreement. This Agreement may be amended by the Managing Member in any manner that does not adversely affect the rights of any Member. This Agreement may also be amended by action taken by both (a) the Managing Member and (b) the Members owning a majority interest in the Capital Accounts owned by Members at the time of the amendment, provided that such amendment does not discriminate among the Members.

Section 8.05 Notices. All notices provided for under this Agreement shall be in writing and shall be deemed to have been duly given as indicated if sent to the Member's address as set forth in the schedule in the files of the Company as of the date of such notice:

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by certified or registered mail (airmail, if overseas) or the equivalent return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(iii) if sent by first-class mail, on the date of postmark.

Notice by any Member to the Company shall be deemed effective upon receipt by the Company.

A Member may change his/her or its address for purposes of this Agreement upon 5 days' prior written notice to the Managing Member.

Section 8.07 Binding Effect of Agreement. This Agreement, including Section 11.09 hereof, shall be binding on the successors, assigns and the legal representatives of each of the Members.

Section 8.08 Counterparts. This Agreement may be executed in more than one counterpart with the same effect as if the Members executing the several counterparts had all executed one document.

Section 8.09 Designation of Attorney. Each of the undersigned for himself or herself hereby irrevocably constitutes and appoints the Managing Member as his or her true and lawful attorney in fact in his or her name, place and stead, to make, execute, sign and file:

(a) the Certificate of the Company and any amendment thereto or termination thereof which is or may be required by the laws of the State of Delaware;

(b) any certificate required by reason of the dissolution of the Company; and

(c) any application, certificate, report or similar instrument or document required to be submitted by or on behalf of the Company to any governmental or administrative agency or body, to any securities exchange, board of trade, clearing corporation or association or to any self-regulatory organization or trade association.

Said attorney in fact is not by this Section 8.09 granted any authority on behalf of the undersigned to amend this Agreement in any way that adversely affects a Member.

IN WITNESS WHEREOF, the undersigned has hereunto signed this Operating Agreement on the date set forth below.

Member:

_____

Signature of Member

_____

Print Name & Title of Authorized Signatory

_____

Date of Signature:

_____

Address of Member:

Managing Member:

_____

Ivan Luburic

Exhibit #2

[redacted] (M) Mobile #

From: Dan Gallagher [redacted]
Sent: Thursday, May 27, 2010 9:13 AM
To: [redacted]

Dear Members:

Enclosed please find a one-page acknowledgment that reflect what I've explained over the past few months. Please sign it and Fax it back to me at [redacted].

Thank you,

Exhibit #2

To: All members of Nano Acquisition Group LLC
From: Dan Gallagher
Date: May 27, 2010
Re: Progress update Nano Acquisition Group LLC

After nearly a year of sifting through the bankruptcy process of NanoDynamics and ND Energy it has become apparent that the greatest potential for a return on investment is to develop the next generation fuel cell.

Nano Acquisition Group LLC is currently in negotiations to bring on a leading world class fuel cell scientist and a team to develop the technology. This will not be a research company.

Nano Acquisition Group LLC is also in negotiations with a former top U.S. Government official, who will bring many decades of experience to the new company.

Your membership interest in Nano Acquisition Group LLC will be replaced by founder shares in the new company, Watt Fuel Cell Corporation. Watt Fuel Cell Corporation is anticipated to begin operations within the next few weeks.

To date Nano Acquisition Group LLC has expended approximately $300k in connection with analyzing all assets of NanoDynamics, Inc. and ND Energy, Inc., participating in the bankruptcy process, maintenence of the LLC, and the development of the new company.

This has been an exciting process which I believe is rapidly moving in the positive direction.

So that we are all in agreement, I ask that you countersign below, acknowledging and accepting all of the above. Please then Fax the countersigned copy to me at [redacted]

Thank you,

Dan Gallagher

ACKNOWLEDGED AND AGREED

Member name: Date:

Exhibit #3

The Honorable Leonard D. Wexler
United States District Judge
100 Federal Plaza
Central Islip, NY 11722-4449

October 9, 2012

Dear Judge Wexler,

Dan Gallager did come to see me a few weeks ago and seemed very serious about trying to get out of the "valley" his life is in.

Please free to call or have one of your staff call if you wish additional information.

Msgr. John J. McCann
[redacted]

Exhibit #4

BURKHART WEXLER & HIRSCHBERG LLP
585 STEWART AVENUE
GARDEN CITY, NEW YORK 11530

TELEPHONE (516) 222-2230

FACSIMILE (516) 745-6449

GENERALINFO@BWH-LAW.COM

WWW.BWH-LAW.COM

STEPHEN B. WEXLER
DAVID HIRSCHBERG
MARTIN P. UNGER

IAN J. FRIMET
DAVID CHOI
DAVID LOPEZ

ERROL A. BURKHART (8/38 – 11/11)

September 27, 2012

Honorable Leonard D. Wexler
United States District Judge
100 Federal Plaza, Room 944
Central Islip, NY 11722-4449

Re: Daniel Gallagher 11CR00806(LDW)

Dear Judge Wexler:

I write in connection with your consideration of the appropriate sentence for Daniel Gallagher in connection with his conviction in the above case.

I have known and represented Daniel Gallagher, or entities in which he has been associated, for more than 10 years. During this time, I have never known him not to live up to his word, to the extent possible. Dan Gallagher's only problem is that he tends not to pay attention to the details. He tends to be much more focused on obtaining a promised result.

Although I had no involvement with Nano Acquisition Group LLC ("NAG"), or any securities offering it made, I do have personal knowledge of facts relating to Watt Fuel Cell Corp. and Dan Gallagher's involvement therein.

Dan Gallagher incorporated Watt Fuel Cell Corp. ("Watt") and was its first and only director. As a result, he was to receive founder's shares (probably 1M) and 80 percent or so of these shares were thereupon to be distributed to NAG or its investors. I also know that Dan Gallagher recruited the present President and a director of Watt, Dr. Caine Finnerty. Indeed,I attended a lunch with Dan Gallagher and Dr. Caine Finnerty to discuss aspects of that relationship. I also know that Dan Gallagher spent considerable time in the recruitment effort of Dr. Caine Finnerty.

As Watt was getting organized, Michael Joyce, an investor in NAG, also, as I understand it, invested and/or loaned substantial monies to Watt directly. Michael Joyce and Dr. Finnerty determined that because of prior issues, Dan Gallagher's continuation as a principal in Watt would not benefit the company. I was involved as counsel to Dan Gallagher and Patrick R. Gallagher, Jr., Dan's father, in the resolution of this internal dispute. The resolution, arrived at on September 23, 2010, involved, among other's, Dan Gallagher's separation from Watt, including his resignation as a director of Watt and the relinquishment of any claim to Watt shares or any other compensation. It also involved Pat Gallagher becoming a director of Watt (in Dan's place), issuance of 1M shares to each of Pat Gallagher, Dr. Finnerty and Michael Joyce and, as I recall it, a substantially lesser amount to another director. Because Dan Gallagher was compelled to relinquish his right to Watt shares, he was unable to deliver such shares to NAG as anticipated.

In or about June, 2011, it was determined that Pat Gallagher would honor Dan Gallagher's commitment to deliver shares to NAG or its investors. Discussion between me, as Pat Gallagher's counsel, and Watt's counsel concerning the manner and timing of the transfer of these shares to accord with federal securities laws commenced in about June, 2011, months before there was even any indication that Dan Gallagher's conduct was being investigated. We finally reached agreement as to how to best effect the anticipated transfers without violating federal securities laws in early February, 2012. The first shares were delivered to the NAG investors in March, 2012 and another portion of such shares in July, 2012. The last, and largest portion of the transfers, is now in process. I am waiting for Watt to issue the shares and deliver them to me, at which point I will re-deliver them to the NAG investors.

While for whatever reason I was not asked to testify at Dan Gallagher's trial, and do not know what transpired at the trial, I thought it important for the Court to have the background information as to what really happened and the events which resulted in Dan Gallagher's inability to deliver Watt shares to NAG as he anticipated.

From speaking with some NAG investors, they have expressed to me that they are more than satisfied that they had received what they ultimately had expected. Thus, it appears to me that while Dan Gallagher may not have followed all the rules, as he should have, and is guilty to that extent, there neither are, nor ever were as a practical matter, any victims as a result thereof.

I thought that the Court should know the facts set forth herein in connection with its consideration of the appropriate sentence for Dan Gallagher in the unusual circumstances set forth. I hope that the foregoing is helpful.

Respectfully,

Martin P. Unger

Cc: Leonard Lato, Esq. (via email)

Exhibit # 5

United States District Court For The Eastern District of New York
Declaration of Victim Losses
United States v. Daniel Gallagher, Docket Number: 11-CR-806

I, RICHARD LUNY, am a victim in the above referenced case, and I believe that I am entitled to restitution in the total amount of $ 0.

My specific losses as a result of this offense are summarized as follows: GENTLEMEN JUST TO LET YOU KNOW, DAN GALLAGHER HASN'T COST ANY MONEY FOR ME I GAVE HIM $2,500 TO FIND A COMPANY TO FURTHER DEVELOPE THE FUEL CELL. I WAS GIVEN 40,000 SHARES. WHICH HAVE A VALUE of $0.000.

DAN, ALONG WITH CAINE FINNERTY AND MIKE JOYCE EACH GOT 1 MILLION SHARES of WHICH I WAS GIVEN 40,000 SHARES WHICH CAME from PAT GALLAGHER UNDER AGREEMENT WITH DAN TO USE THE MONEY TO GAIN OUR INTEREST IN A FUEL CELL CO, WHICH HE ARRANGED THROUGH THE N.A.C.L.E. I UNDERSTOOD HE WOULD HAVE MANY EXPENSES AND WOULD HAVE TO TAKE MONEY from OUR L.L.C. TO COVER HIS. AS AN END RESAULT I THINK DAN DID A GREAT JOB AND I AM VERY THANKful FOR HIS HELP.

I have been compensated by insurance or another source with respect to all of a portion of my losses in the amount of $ 0. The name and address of my insurance company and the claim number are as follows:

INCLOSING, I DON'T THINK DAN SHOULD SPEND A DAY IN JAIL. HE DONE US ALL A FAVOR.

I do hereby swear that the above information is true and accurate.

RA Luny
(Signature)

6-23-13
(Date)

(Additional Pages May Be Attached)

Exhibit #6

Honorable Leonard D. Wexler
100 Federal Plaza, Room 944
Central Islip, New York 11722-4449

August 21, 2012

RE: Daniel Gallagher

Dear Judge Wexler,

I have known and have had investments through Daniel Gallagher for more than eight years. It would be an understatement to say that I have been very discouraged by the performance of most of those investments.

During those eight years, I came to understand that by his nature, Daniel Gallagher always sought to find the positive in opportunities. If he had any fault, perhaps he should have been more conservative in emphasizing more of the downside risks that an investment imposed.

However, at no time in this eight year relationship, did Daniel Gallagher ever attempt to mislead or deceive me, nor did he ever misuse any monies that I had invested with him.

Respectfully submitted,

Merle D Lewis
[redacted]

Exhibit #7

[redacted]

September 27, 2012

The Honorable Leonard D. Wexler
Senior U. S. District Judge
100 Federal Plaza
Central Islip, NY 11722

Dear Judge Wexler:

I write this letter in support of Daniel Gallagher. I invested money with Dan to salvage the bankrupt Nano Dynamics Fuel Cell Company and through that I became a member of the Nano Acquisition Group. As an investor, I knew Dan was working tirelessly trying to find a way for the fuel cell to be manufactured and that Dan founded the Watt Fuel Cell Company. During Dan's hard work, I also met scientist Dr. Caine Finnerty.

I knew that Dan stepped aside from Watt Fuel Cell Company because of their concerns regarding regulatory issues Dan had with the SEC. I never felt I was left in the dark about the goings-on of the company. Dan told me he turned his shares over to this father and the shares would be distributed in the future.

Never once did I doubt Dan's honesty and integrity. I feel that he was unjustly charged in this case and it should never have gone to trial. I believe in Daniel Gallagher and would still invest my money with him for the fuel cell company.

Yours truly,

Louise Fearon

Louise Fearon

Exhibit # 8

Dear Judge Wexler,

Dan Gallagher set out with our funds to salvage the Bankrupt NANO DYNAMICS Fuel Cell business, which all the members of NANO ACQUISITION determined had the most potential for profit.

We the investors of NANO ACQUISITION group understood that for two years Dan Gallagher went on a crusade of protecting our investment by searching out a way for the fuel cell to be manufactured.

Dan brought Dr. Caine Finnerty, the former scientist of NANO DYNAMICS from Protonex where he was currently employed to set up WATT FUEL CELL corp.

Michael Joyce an investor in NANO ACQUISITION group, chose to become the anchor investor of WATT FUEL CELL which Dan founded.

Dan Gallagher, Dr. Caine Finnerty amd Michael Joyce each have One Million Shares of WATT FUEL CELL. Dan's Million shares was to be distributed to NANO ACQUISITION group members.

Dan stepped aside after WATT FUEL CELL had concerns regarding regulatory issues that Dan had with the security exchange commission. Dan left WATT FUEL CELL and turned his shares over to his father for safe keeping. Dan's father Patrick was placed on the board of directors by Dan.

Dan's father Pat Gallagher, understood that he would hold the shares for a period of one year until the shares could be assigned to NANO ACQUISITION group members including Michael Joyce, the anchor investor of WATT FUEL CELL.

Section 8.04 Of NANO ACQUISITON group's Operating Agreement provided for Dan to amend the Offering documents without notification to members as long as member's interests were not adversely affected. What this means is that Dan was able to draw a salary or cover his expenses while completing the mission of increasing investors evaluation.

Dan completed the assignment we had placed with him and we feel that he should not be penalized for completing what was entrusted with him.

Dan is innocent and has been unjustly involved in a case which should have never gone to trial.

RICHARD CHRIST

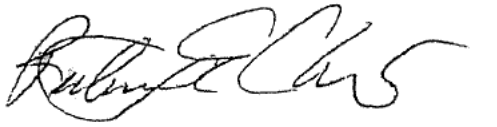

Exhibit #9

The Honorable Leonard D. Wexler
United States District Court Judge
944 Federal Plaza
Central Islip, NY 11722-4449

Re: Daniel Gallagher, 11-CR-806 (LDW)

Dear Judge Wexler:

This letter is written on behalf of Daniel Gallagher. It is my understanding that his sentencing has been postponed from December 17, 2012 to February 21, 2013.

I am an investor in WATT Fuel Cell and, in connection with the proceedings relative to the accusations against Dan, I traveled from New Orleans to Islip to testify in the case. I do not have a transcript of my testimony so don't have my detailed responses form the March, 2012 proceedings. However, my understanding of the essence of the issue is weather or not Dan was dishonest.

My background is public accounting and I am a bit of a stickler for detail and having supporting documentation for whatever purpose. I do recall emphasizing this in my testimony, and again do so here, that Dan had no regard for keeping records of any kind. This I feel is what got him into trouble. However, being a lousy record keeper (or no record keeper) and being dishonest with the intent of defrauding shareholders are two different things. I think he is guilty of the former, and not necessarily of the latter.

In my opinion, the time that Dan has already spent incarcerated should compensate for his lack of record keeping, and I respectively request that he not be ordered to serve additional time in prison for his offenses, however judged.

Thank you, Judge Wexler, for your consideration.

Stephen A. Schmedtje, Jr.

[redacted]

Exhibit #18

The Honorable Leonard D. Wexler

I am aware that Mr. Daniel Gallagher was found guilty Re: case number 2110R001325 and court docket number: 11-CR-00806. Mr. Daniel Gallagher has been a lifelong and trusted friend of mine. My wife I have invested money with him for several years and never did we feel that we were being miss led and cheated out of our n investments. I my opinion, Daniel's knowledge of the investment and stock market industries have proven sound. I believe that he has made honest and creative decisions for my investment needs. I have received all of my shares of Watt Fuel Cell that Daniel promised. I would not hesitate to invest money with Daniel in the future. I do not believe that Daniel deserves a jail sentence.

Thank You,

Timothy Messer

Exhibit 11

Edward P. Mangono
COUNTY EXECUTIVE

Michael J. Sposato
Sheriff

COUNTY OF NASSAU
DEPARTMENT OF MENTAL HEALTH, CHEMICAL DEPENDENCY
AND DEVELOPMENTAL DISABILITIES SERVICES
Chemical Dependency Services @ Nassau County Correctional Center
100 Carman Avenue, Bldg. E Room 1
East Meadow, New York 11554
Phone (516) 572-3610 FAX 572-4265

February 13, 2013

Mr. Leonard Lato [redacted]

We are writing to confirm the continued participation and progress of Mr. Daniel Gallagher who has voluntarily participated in the D.A.R.T. program since 11/5/2012. Mr. Gallagher has functioned as "Leader" in the program and has been a positive influence on other inmates in the dorm. Program Leaders have the responsibility to organize and lead the group. They are expected to do this daily and serve A positive example for others to be motivated and involved.

It is the Rehab team's philosophy that all clients in the program receive referrals for ongoing treatment. Discharge planning is individualized and the Rehab team strives to refer each client to the appropriate level of care.

It appears that ongoing treatment will provide Mr. Daniel Gallagher with the best opportunity to continue the work he has begun. If the opportunity is available we will work to see that he continues to engage with re entry services upon his discharge.

If you have any questions or need further information, feel free to call us at572-3610.

Christine C. Hunter MSW LCSW CASAC
Supervisor Alcohol & Substance Abuse Health Services
DART/ DWI Program

Gary Priboy CASAC
Counselor