

**EXHIBIT L TO THE DECLARATION OF  
RICHARD S. MANDEL, ESQ.**

**[FILED UNDER SEAL]**

ReDigi Inc.

CONFIDENTIAL

Private Offering  
of  
Series A Preferred Stock

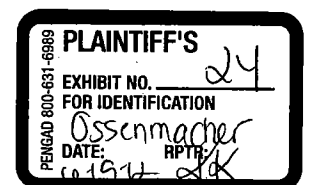
SUBSCRIPTION AGREEMENT

One copy of this Subscription Agreement should be completed (on pages 18 and 19\*), signed (on both pages) and returned to the Company, with accompanying payment (which may be by check or by wire transfer in accordance with wire transfer instructions set forth in Section 1.1 on page 1 of this Subscription Agreement), addressed as follows:

ReDigi Inc.  
c/o Nutter, McClennen & Fish, LLP  
Seaport West  
155 Seaport Boulevard  
Boston, MA 02210-2604

Attn: Stephen M. Andress, Esq.

\*Also signed on page 21 if Subscriber is a Non-U.S. Person relying upon Regulation S



any of the Key Persons' services, or the inability to recruit or retain such additional personnel could have a material adverse effect on the Company.

3.4 ***Intellectual Property Protection.*** The Company's success will be dependent in part on obtaining, maintaining and enforcing its intellectual property and other proprietary rights. The Company will rely on a combination of trade secret, patent, copyright and trademark laws and contractual provisions with employees and third parties, all of which offer only limited protection. Despite its efforts to protect its intellectual property and proprietary information, the Company may not be successful in doing so, for several reasons. There can be no assurance that the Company's pending patent applications will result in the issuance of patents or whether the examination process will require it to narrow its claims. Even if patents are issued to the Company, they may be contested, or the Company's competitors may be able to develop similar or superior technologies without infringing the Company's patents. Even in those instances where the Company has determined that another party is infringing the Company's intellectual property and other proprietary rights, enforcing its legal rights with respect to such infringement may be expensive and difficult. The Company may need to engage in litigation to enforce or defend its intellectual property and other proprietary rights, which could result in substantial costs and diversion of management resources. Further, many of the Company's current and potential competitors are substantially larger than the Company and have the ability to dedicate substantially greater resources to defending any claims by the Company that they have infringed its intellectual property rights.

3.5 ***Infringement of Other Parties' Intellectual Property Rights.*** The Company's competitors protect their intellectual property rights by means such as trade secrets, patents, copyrights and trademarks. The Company has not conducted an independent review of patents issued to third parties. Third parties may in the future assert claims that the Company's products infringe patents or patent applications to which the Company does not hold licenses or other rights. Third parties may own or control these patents and patent applications in the United States and abroad. These third parties could bring claims against the Company that would cause it to incur substantial expenses and, if successfully asserted against the Company, could cause it to pay substantial damages. Further, if a patent infringement suit were brought against the Company, it could be forced to stop or delay manufacturing or sales of the product that is the subject of the suit. In addition, the Company could be forced to redesign the product that uses any allegedly infringing technology. Any of the foregoing could disrupt the Company's business and have a material adverse effect on its operating results and financial condition.

3.6 ***Violation of Others' Terms of Use.*** The Company has constructed its business model in reliance upon its interpretation of certain principles of copyright law pertaining to the limits upon a seller's ability to impose resale limitations upon its purchaser, and upon its interpretation of the applicable terms of use of the major suppliers of downloaded music. The Company's technology, which is subject to a pending patent application, utilizes a technique that in the act of transferring ownership of digital media avoids what heretofore has been determined (in the case of file sharing models, for example) to involve illegal copying. Even if the Company or its consigning marketplace users are, therefore, able to avoid copying for purposes of copyright law, it may still be possible to violate the contract terms under which the users originally downloaded their music. While the Company believes its technology permits it to identify music content for which applicable terms of use do not preclude resale in the ReDigi

marketplace, and that there is a sufficient volume of such content to make the ReDigi marketplace a viable solution for user transactions in used digital media, with commercially effective protections against unlawful exploitation by persons who seek to violate the ReDigi terms of use, the law cannot be said to be well-settled in the area of copyright and contract law relating to the "sale" or "license" of digital media content for consumer use, and there can be no assurance that the major distributors of digital music or other digital media, or the publishers thereof, will not seek to claim a violation of their terms of use or rights of copyright, as the case may be, or that the Company will ultimately be able to defend against such claims successfully. There is also no assurance that applicable terms of use that are now believed to permit resale through the ReDigi marketplace will not be changed to restrict or prohibit such resale. The Company believes that such a change could create a backlash in the market against a distributor imposing such restrictions that the Company could exploit to its advantage, but there can be no assurance that such restrictions would not have a material adverse effect on the Company's results of operations and financial condition.

3.7 *Technological Change.* The Company's business plan is subject to the risk of technological advances or standards in its markets overtaking the Company's proposed solutions and offerings. Technological breakthroughs in digital media storage and distribution models could have a material adverse effect on the Company's business. The Company's ability to enter or to remain competitive in these markets will depend in significant part on its ability to develop and introduce new products and enhancements on a timely and cost effective basis. The ability of the Company to develop new and enhanced products depends on a number of factors, including service and product selection, timely and efficient completion of product design, correct analysis of consumer preferences and demand, and effective marketing and promotion, and there is no assurance that the Company will be successful in developing such services and products. If the Company experiences quality or reliability problems with new service and product offerings, or threats of legal action by competitors or others, reductions in consumer purchases and sales in the Company's ReDigi marketplace may result. In addition, competitors may achieve technological advances which provide a competitive advantage over the Company's services and products, and advances or developments in other technologies, or the development of industry standards that are inconsistent with the Company's solutions could render the Company's services and products obsolete or undesirable. There can be no assurance that the Company will successfully develop and introduce new services and products and enhancements or that such services and products will achieve market acceptance.

3.8 *Reliance Upon Consumer Uploads of Used Digital Media.* The Company's business model relies upon attracting a large number of users to its ReDigi marketplace, who upload for resale the used digital media they no longer desire to own in exchange for rights to download, for a discounted price, other users' used digital media they desire to acquire. There may be a substantial risk that the number of users who wish to upload used digital media that other users wish to acquire will be insufficient to support the marketplace with desirable content, and that visitors to the marketplace will become frustrated and cease to use the ReDigi marketplace. While the Company has designed into its model performed limited market testing of a number of techniques to address this potential issue, including, without limitation, special promotional techniques and access to a substantial library of catalog music and to new music, there can be no assurance that the Company will successfully address this potential supply issue, without an adverse effect on its operational results and financial condition.