



AMERICAN SMARTPHONE, INC.

SECURITIES PURCHASE AGREEMENT

**Up to 2,000,000 shares
of
Class A Common Stock**

\$2.00 per share

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this “Agreement”) is entered into on the date written on the signature page hereof (the “Effective Date”) by and between American Smartphone Inc., a Utah corporation (the “Company”) and the undersigned (the “Purchaser”) The Company and Purchaser shall each be referred to as a “Party” and collectively as the “Parties.”

AGREEMENT

1. **PURCHASE OF SHARES:** On the Closing Date (as hereinafter defined), subject to the terms and conditions set forth in this Agreement, the Purchaser hereby agrees to purchase the number of shares of the Company’s Class A Common Stock specified on the signature page hereof (the “Shares”) at a Purchase Price of Two Dollars (\$2.00) per share (in the aggregate, the “Purchase Price”).

2. **CLOSING AND DELIVERY:**

a) Upon the terms and subject to the conditions set forth herein, the consummation of the purchase and sale of the Shares (the “Closing”) shall be held from time to time at the discretion of the Company (each a “Closing Date”). The Closing shall take place at the offices of counsel for Saygus set forth in Section 6 hereof, or by the exchange of documents and instruments by mail, courier, facsimile and wire transfer to the extent mutually acceptable to the Parties hereto.

b) Within thirty (30) days of the Closing, the Company will issue a stock certificate representing the Shares to the Purchaser.

3. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY PURCHASER:** The Purchaser hereby represents, warrants and agrees as follows:

a) **Purchase for Own Account.** Purchaser represents that he is acquiring the Shares solely for his own account and beneficial interest for investment and not for sale or with a view to distribution of the Shares or any part thereof, has no present intention of selling (in connection with a distribution or otherwise), granting any participation in, or otherwise distributing the same, and does not presently have reason to anticipate a change in such intention.

b) **Ability to Bear Economic Risk.** Purchaser acknowledges that an investment in the Shares involves a high degree of risk, and represents that he is able, without materially impairing his financial condition, to hold the Shares for an indefinite period of time and to suffer a complete loss of his investment.

c) Access to Information. The Purchaser acknowledges that the Purchaser has been furnished with such financial and other information concerning the Company, the directors and officers of the Company, and the business and proposed business of the Company as the Purchaser considers necessary in connection with the Purchaser's investment in the Shares. Purchaser has had the opportunity to review the business plan, marketing information and other informative material. As a result, at the Closing, the Purchaser is thoroughly familiar with the proposed business, operations, properties and financial condition of the Company and has discussed with officers of the Company any questions the Purchaser may have had with respect thereto. The Purchaser understands:

- (i) The risks involved in this investment, including the speculative nature of the investment;
- (ii) The financial hazards involved in this investment, including the risk of losing the Purchaser's entire investment;
- (iii) The lack of liquidity and restrictions on transfers of the Shares; and
- (iv) The tax consequences of this investment.

The Purchaser has consulted with the Purchaser's own legal, accounting, tax, investment and other advisers with respect to the tax treatment of an investment by the Purchaser in the Shares and the merits and risks of an investment in the Shares.

d) Shares Part of Private Placement. The Purchaser has been advised that the Shares have not been registered under the Securities Act of 1993, as amended (the "Act"), or qualified under the securities law of any state, on the ground, among others, that no distribution or public offering of the Shares is to be effected and the Shares will be issued by the Company in connection with a transaction that does not involve any public offering within the meaning of section 4(a)(2) of the Act and/or Regulation D as promulgated by the Securities and Exchange Commission under the Act, and under any applicable state blue sky authority. The Purchaser understands that the Company is relying in part on the Purchaser's representations as set forth herein for the purposes of claiming such exemptions and that the basis for such exemptions may not be present if, notwithstanding the Purchaser's representations, the Purchaser has in mind merely acquiring the Shares for resale on the occurrence of nonoccurrence of some predetermined event. The Purchaser has no such intention.

e) Purchaser Not Affiliated with Company. Except as may be set forth on the signature page hereof, the Purchaser, either alone or with the Purchaser's professional advisers are unaffiliated with, have no equity interest in, and are not compensated by, the Company or any affiliate or selling agent of the Company, directly or indirectly.

f) Further Limitations on Disposition. Purchaser further acknowledges that the Shares are restricted securities under Rule 144 of the Act, and, therefore, if the Company, in its sole discretion, chooses to issue any certificates reflecting the ownership interest in the Shares, those certificates will contain a restrictive legend substantially similar to the following:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER THE ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

Without in any way limiting the representations set forth above, Purchaser further agrees not to make any disposition of all or any portion of the Shares unless and until:

(i) There is then in effect a Registration Statement under the Act covering such proposed disposition and such disposition is made in accordance with such Registration Statement; or

(ii) Purchaser shall have obtained the consent of the Company and notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, Purchaser shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration under the Act or any applicable state securities laws.

Notwithstanding the provisions of subparagraphs (i) and (ii) above, no such registration statement or opinion of counsel shall be necessary for a transfer by such Purchaser to a partner (or retired partner) of Purchaser, or transfers by gift, will or intestate succession to any spouse or lineal descendants or ancestors, if all transferees agree in writing to be subject to the terms hereof to the same extent as if they were Purchasers hereunder as long as the consent of the Company is obtained.

g) Accredited Investor Status (Please check one). Purchaser

_____ is

_____ is not

an “accredited investor” as such term is defined in Rule 501 under the Act because Purchaser either:

(i) has a net worth of at least \$1,000,000 (for purposes of this question, Purchaser may include spouse's net worth and may include the fair market value of home furnishings and automobiles, but must exclude from the calculation the value of Purchaser’s primary residence and the related amount of any indebtedness on primary residence up to the fair market value of the primary residence (any indebtedness that exceeds the fair market value of the primary residence must be deducted from net worth calculation)), or

(ii) had an individual income of more than \$200,000 in each of the two most recent calendar years, and reasonably expects to have an individual income in excess of \$200,000 in the current calendar year; or along with Purchaser’s spouse had joint income in excess of \$300,000 in each of the two most recent calendar years, and reasonably expects to have a joint income in excess of \$300,000 in the current calendar year.

For purposes of this Agreement “individual income” means “adjusted gross income” as reported for Federal income tax purposes, exclusive of any income attributable to a spouse or to property owned by a spouse: (i) the amount of any interest income received which is tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended. (the “Code”), (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of form 1040), (iii) any deduction claimed for depletion under Section 611 et seq. of the Code and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Sections 1202 of the Internal Revenue Code as it was in effect prior to enactment of the Tax Reform Act of 1986.

For purposes of this Agreement, “joint income” means, “adjusted gross income” as reported for Federal income tax purposes, including any income attributable to a spouse or to property owned by a spouse, and increased by the following amounts: (i) the amount of any interest income received which is tax-exempt under Section 103 of the Code, (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of Form 1040), (iii) any deduction claimed for depletion under Section 611 et seq. of the Code and (iv) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Internal Revenue Code as it was in effect prior to enactment of the Tax Reform Act of 1986.

h) Purchaser Qualifications.

(i) If the Purchaser is an individual, the Purchaser is over 21 years of age; and if the Purchaser is an unincorporated association, all of its members are of such age.

(ii) If the Purchaser is a corporation, partnership, employee benefit plan or IRA, the Purchaser was either:

(a) not formed for the purpose of investing in the Shares, has or will have other substantial business or investments, and is (please check one):

_____ an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, provided that the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, and the plan fiduciary is a bank, savings and loan association, insurance company or registered investment adviser; or

_____ an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 that has total assets in excess of \$5,000,000; or

_____ each of its shareholders, partners, or beneficiaries is an Accredited Investor; or

_____ the plan is a self-directed employee benefit plan and the investment decision is made solely by a person that is an Accredited Investor; or

_____ a corporation, a partnership, or a Massachusetts or similar business trust with total assets in excess of \$5,000,000.

(b) formed for the specific purpose of investing in the Shares, and is an Accredited Investor because each of its shareholders or beneficiaries is an Accredited Investor.

(iii) If the Purchaser is a Trust, the Purchaser was either:

(a) not formed for the specific purpose of investing in the Shares, and is an Accredited Investor because (please check one):

_____ the trust has total assets in excess of \$5,000,000 and the investment decision has been made by a “sophisticated person”; or

_____ the trustee making the investment decision on its behalf is a bank (as defined in Section 3(a)(2) of the Act), a saving and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, acting in its fiduciary capacity; or

_____ the undersigned trustee certifies that the trust is an Accredited Investor because the grantor(s) of the trust may revoke the trust at any time and regain title to the trust assets and has (have) retained sole investment control over the assets of the trust and the (each) grantor(s) is an Accredited Investor; or

_____ the undersigned trustee certifies that the trust is an Accredited Investor because all of the beneficial owners of the trust are Accredited Investors

(b) formed for the specific purpose of investing in the Shares, and the undersigned trustee certifies that the trust is an Accredited Investor because the grantor(s) of the trust may revoke the trust at any time and regain title to the trust assets and has (have) retained sole investment control over the assets of the trust and the (each) grantor(s) is an Accredited Investor.

i) *Purchaser Authorization.* The Purchaser, if not an individual, is empowered and duly authorized to enter into this Agreement under any governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like; this Agreement constitutes a valid and binding agreement of the Purchaser enforceable against the Purchaser in accordance with its terms; and the person signing this Agreement on behalf of the Purchaser is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution, or the like.

j) *No Backup Withholding.* The Social Security Number or taxpayer identification shown in this Agreement is correct, and the Purchaser is not subject to backup withholding because (i) the Purchaser has not been notified that he or she is subject to backup withholding as a result of a failure to report all interest and dividends or (ii) the Internal Revenue Service has notified the Purchaser that he or she is no longer subject to backup withholding.

4. REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY COMPANY:
The Company hereby represents, warrants and agrees as follows:

a) *Authority of Company.* The Company has all requisite authority to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement.

b) *Authorization.* All actions on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company and the performance of the Company's obligations hereunder has been taken or will be taken prior to the issuance of the Shares. This Agreement, when executed and delivered by the Company, shall constitute valid and binding obligations of the Company enforceable in accordance with their terms, subject to laws of general application relating to bankruptcy, insolvency, the relief of debtors and, with respect to rights to indemnity, subject to federal and state securities laws. The issuance of the Shares will be validly issued, fully paid and nonassessable, will not violate any preemptive rights, rights of first refusal, or any other rights granted by the Company, and will be issued in compliance with all applicable federal and state securities laws, and will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Purchaser through no action of the Company; provided, however, that the Shares may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time the transfer is proposed.

c) *Governmental Consents.* All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority required on the part of the Company in connection with the valid execution and delivery of this Agreement, the offer, sale or issuance of the Shares, or the consummation of any other transaction contemplated hereby shall have been obtained, except for notices required or permitted to be filed with certain state and federal securities commissions, which notices will be filed on a timely basis.

5. INDEMNIFICATION: The Purchaser hereby agrees to indemnify and defend the Company and its officers and directors and holds them harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

a) Any breach of or inaccuracy in the Purchaser's representations, warranties or agreements herein;

b) Any disposition of any Shares contrary to any of the Purchaser's representations, warranties or agreements herein;

c) Any action, suit or proceeding based on (i) a claim that any of said representations, warranties or agreements was inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company or any director or officer of the Company under the Act, or (ii) any disposition of any Shares.

6. MISCELLANEOUS:

a) *Binding Agreement.* The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties. Nothing in this Agreement, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

b) *Governing Law; Venue.* This Agreement shall be governed by and construed under the laws of the State of Utah as applied to agreements among Utah residents, made and to be performed entirely within the State of Utah. The Parties agree that any action brought to enforce the terms of this Agreement will be brought in the appropriate federal or state court having jurisdiction over Salt Lake County, Utah, United States of America.

c) *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

d) *Titles and Subtitles.* The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

e) *Notices.* All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, or (c) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

If to the Company:

American Smartphone, Inc.
10421 South Jordan Gateway, Suite 500
Salt Lake City, UT 84095
Attn: President
Facsimile (801) 748-1781

with a copy to:

Benjamin B. Grindstaff, PLLC.
136 E. South Temple Ste. 1050
Salt Lake City, UT 84111
Attn: Benjamin B. Grindstaff
Phone (801) 268-1055
Facsimile (801) 268-4409
Email: ben@bbg-law.com

If to Purchaser:

Facsimile (____) _____

or at such other address as the Company or Purchaser may designate by ten (10) days advance written notice to the other Party hereto.

f) *Modification; Waiver.* No modification or waiver of any provision of this Agreement or consent to departure therefrom shall be effective unless in writing and approved by the Company and the Purchaser.

g) *Entire Agreement; Successors.* This Agreement and the Exhibits hereto constitute the full and entire understanding and agreement between the Parties with regard to the subjects hereof and no Party shall be liable or bound to the other Party in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein. The representations, warranties and agreements contained in this Agreement shall be binding on the Purchaser's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the Company and its directors and officers.

h) *Expenses.* Each Party shall pay their own expenses in connection with this Agreement. In addition, should either Party commence any action, suit or proceeding to enforce this Agreement or any term or provision hereof, then in addition to any other damages or awards that may be granted to the prevailing Party, the prevailing Party shall be entitled to have and recover from the other Party such prevailing Party's reasonable attorneys' fees and costs incurred in connection therewith.

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SUBSCRIPTION AGREEMENT - SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned Subscriber executes and agrees to be bound by this Subscription Agreement on the date indicated below:

"Purchaser"

Print Name(s) in Which Stock is to Be Held

Type of Entity (if applicable)

Subscriber Signature(s)

Date

Title Held As (Individual, Joint, JTWROS, Custodian, etc) (If entity, enter domicile state)

Social Security Number(s) (If entity, enter EIN)

Mobile Phone

Home Phone

Work Phone

Other

Address

Email

City

State

Zip

Email 2 or other form of contact

State of Residence: _____ For how long? _____

Do you maintain a residence in any other state? _____

If different from your "State of Residence" above, in which state(s) do you file state tax income): _____

Affiliations with the Company: _____

Number of Shares Purchased: _____ x \$ 2.00 per share = \$ _____ Purchase Price.

"Company"

Accepted by American Smartphone, Inc. a Utah Corporation

Company Representative

Date

Mail to: American Smartphone, Inc. 10421 S. Suite 500 Jordan Gateway, Salt Lake City, UT 84095

Purchase Price Delivery Instructions:

Checks Made Payable To: **American Smartphone, Inc.**

Mailing Address:

American Smartphone
10421 South Jordan Gateway, Suite 500
Salt Lake City, UT 84095
Attn: President
Facsimile (801) 748-1781

Wire Instructions:

Chase Bank
Account Name: American Smartphone
Account Number: 110178982
Routing Number: 072000326
Bank Address: Chase Bank
10620 South State Street
Sandy, Utah 84070