Table of Contents

As filed with the Securities and Exchange Commission on February 27, 2013.

Registration No. 333-181594

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 12
to
Form S-1
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Professional Diversity Network, LLC

(to be converted into Professional Diversity Network, Inc.)

(Exact name of registrant as specified in its charter)

Illinois	**7370**	**83-0374250**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

801 W. Adams Street
Suite 600, Chicago, Illinois 60607
(312) 614-0950

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James Kirsch
Chief Executive Officer
Professional Diversity Network, LLC
801 W. Adams Street
Suite 600, Chicago, Illinois 60607
(312) 614-0950

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael M. Froy, Esq. **Brian Lee, Esq.** **SNR Denton US LLP** **233 South Wacker Drive** **Suite 7800** **Chicago, IL 60606-6404** **(312) 876-8000**	**Chadwick I. Buttell, Esq.** **Natalie T. Crampton, Esq.** **Patzik, Frank & Samotny Ltd.** **150 South Wacker Drive** **Suite 1500** **Chicago, IL 60606** **(312) 551-8300**	**Stephen E. Older, Esq.** **McDermott Will & Emery LLP** **340 Madison Avenue** **New York, NY 10173** **(212) 547-5400**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee**
Common Stock, $0.01 par value per share	$23,023,000.00	$3,140.34
Underwriters' Warrants to Purchase Common Stock	$100.00	$0.01
Common Stock Underlying Underwriters' Warrants	$1,251,250.00	$170.68
Total	$24,274,350.00	$3,311.03(3)

In accordance with Rule 457(o) under the Securities Act of 1933, the number of shares being registered and the proposed maximum offering price per share are not included in this table. Includes the offering price of additional shares that the underwriters have the option to purchase.

(1) Includes additional shares that the underwriters have the option to purchase to cover over-allotments, if any.
(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(3) $3,311.03 previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

EXPLANATORY NOTE

Explanatory Note on Reorganization: Professional Diversity Network, LLC, the registrant whose name appears on the cover of this registration statement, is an Illinois limited liability company. Before the completion of the offering of the shares of common stock subject to this registration statement, Professional Diversity Network will be reorganized into a Delaware corporation and renamed Professional Diversity Network, Inc. Shares of the common stock of Professional Diversity Network, Inc. are being offered by the prospectus.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED FEBRUARY 13, 2013

1,820,000 Shares of Common Stock

Professional Diversity Network, Inc. is offering 1,820,000 shares of its common stock. This is our initial public offering and no public market currently exists for our common stock. We expect that the initial public offering price will be between $10.00 and $12.00 per share. Our common stock has been approved for listing on the NASDAQ Capital Market under the symbol "IPDN."

Investing in our common stock involves a high degree of risk and our directors, executive officers and significant stockholders will continue to hold a significant amount of shares and will continue to have substantial control over corporate matters. Please read "Risk Factors" beginning on page 17.

We qualify as an "emerging growth company" as defined in the Jumpstart our Business Startups Act, or JOBS Act. Please read the related disclosure contained on pages 31 and 46 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to Professional Diversity Network (before expenses)	$	$

In connection with this offering, we have also agreed to issue to the underwriters, for $100, a warrant to purchase up to 91,000 shares of our common stock, or 5% of the shares offered by this prospectus (not including any shares sold pursuant to the underwriters' over-allotment option). If the underwriters exercise the warrant, each share of our common stock may be purchased for $ per share (which is 125% of the price per share of our common stock offered by this prospectus).

(1) See "Underwriting" for a detailed description of compensation payable to the underwriters.

We have granted the underwriters an option for a period of 45 days to purchase, on the same terms and conditions set forth above, up to an additional 273,000 shares of our common stock to cover over-allotments of the shares, if any.

The underwriters expect to deliver our shares to purchasers in the offering on or about .

Aegis Capital Corp

Merriman Capital, Inc.

, 2013

Table of Contents

Table of Contents

Table of Contents

Until , 2013 (25 days after the date of this prospectus), all dealers that buy, sell or trade the common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

We have not authorized anyone to give any information or to make any representations other than those contained in this prospectus. Do not rely upon any information or representations made outside of this prospectus. This prospectus is not an offer to sell, and it is not soliciting an offer to buy, (1) any securities other than our common stock or (2) our common stock in any circumstances in which our offer or solicitation is unlawful. The information contained in this prospectus may change after the date of this prospectus. Do not assume after the date of this prospectus that the information contained in this prospectus is still correct.

Prospectus Summary

This summary highlights certain information about us, this offering and selected information contained in the prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in our common stock. For a more complete understanding of our company and this offering, we encourage you to read and consider the more detailed information in the prospectus, including "Risk Factors" and the financial statements and related notes. Unless we specify otherwise, all references in this prospectus to "Professional Diversity Network," "PDN," "we," "our," "us" and "company" refer to Professional Diversity Network, LLC prior to the date Professional Diversity Network, LLC reorganizes into a Delaware corporation, and Professional Diversity Network, Inc. after the date Professional Diversity Network, LLC reorganizes into a Delaware corporation.

Overview

Professional Diversity Network develops and operates online networks dedicated to serving diverse professionals in the United States. To date, we have been particularly focused on Hispanic-American and African-American professionals and recently launched additional websites dedicated to other diverse segments, including women, Asian-American, LGBT (lesbian, gay, bisexual and transgender), differently-abled and military professionals. We currently have over two million members and, as of the date of this prospectus, more than 3,000 companies and organizations, including 60% of the Fortune 500 companies, have listed job postings on our websites. Most of these listings have come to us through our exclusive agreement with Monster Worldwide for our recruitment services. Our agreement with Monster Worldwide began in December 2007, expired on December 31, 2012 and was not renewed. On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to the LinkedIn arrangement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising appearing on our websites. Since January 1, 2011, we have had a strategic partnership with the University of Phoenix (through its parent company, the Apollo Group, Inc.), which advertises on our websites. Regardless of the strategic partner we are working with, we believe that our networking platforms provide an effective means to meet the career advancement needs of diverse professionals, the employers that seek to hire them and the advertisers that seek to reach them.

Our major assets are two of our websites – iHispano.com, which has over 1.2 million members in its network and AMightyRiver.com, which has over 600,000 members in its network. In the nine months ended September 30, 2012, iHispano.com had over 3.7 million unique visitors and over 4.3 million visits, while AMightyRiver.com had over 1.0 million unique visitors and over 1.2 million visits.

We define a member of one of our websites as an individual user who has created a member profile on that website as of the date of measurement. If a member is inactive for 24 months, such member will automatically be de-registered from our database.

We calculate unique visitors for each of our websites as users who have visited that particular website at least once regardless of whether they are members. A user who visits one of our websites, regardless of frequency, is only counted as one unique visitor, based on data provided by Google Analytics, a leading provider of digital marketing intelligence.

We define the number of visits for each of our websites as the number of times a user has been to that particular website. If a user is inactive on the website site for 30 minutes or more, any future activity will be counted as a new visit. Users that leave one of our websites and return to the same website within 30 minutes will be counted as part of the original visit.

We recently launched additional online professional networking websites that serve other diverse communities – including women (WomensCareerChannel.com), Asian Americans (ACareers.net), LGBT (OutProNet.com), enlisted and veteran military personnel (Military2Career.com) and differently-abled (ProAble.net) professionals. Although each of these new professional networking websites is fully operational, these websites are, and continue to be, in the early stages of development. Since its inception in September 2011, WomensCareerChannel.com has experienced significant growth in unique visitors, visits and membership. In the nine months ended September 30, 2012, this website had over 700,000 visits and over 600,000 unique visitors. By September 30, 2012, WomensCareerChannel.com had over 75,000 members.

Our company is built on the philosophy of "relationship recruitment," connecting talent with opportunity within the context of a common culture or affinity. We endeavor to provide an environment that celebrates the identity of our members and fosters a sense of community and trust. We believe we provide value to our members by enabling them to leverage their connections and share beneficial information with other members and employers that participate on our platform, providing access to employment opportunities and offering valuable career resources. At the same time, we believe that our members and their level of engagement is attractive to employers and advertisers that seek to target an audience of diverse professionals for hiring purposes, to increase brand awareness or to market products and services.

We believe our revenue model is aligned with our focus on serving our members. We currently provide members with access to our websites at no cost, a strategy which we believe will allow us to continue to grow our membership base and which promotes high levels of member engagement for the mutual benefit of members, employers and advertisers.

For the nine months ended September 30, 2012, we generated substantially all of our revenue from two customers: Monster Worldwide, which generated approximately 63% of our revenue, and Apollo Group, the corporate parent of the University of Phoenix, which generated approximately 32% of our revenue. For the year ended December 31, 2011, we generated substantially all of our revenue from two customers: Monster Worldwide, which generated approximately 72% of our revenue, and Apollo Group, the corporate parent of the University of Phoenix, which generated approximately 20% of our revenue. See *"Risk Factors – Our revenues are highly dependent on two customers, and we will likely continue to be dependent on a small number of customers.*

Recruitment

Direct Sales

Historically we have been dependent on Monster Worldwide for all of our recruitment revenue pursuant to an alliance agreement that expired December 31, 2012. Because our agreement with Monster Worldwide was exclusive in so far as it prohibited us from selling our recruitment services to anyone other than Monster Worldwide, the growth of our company has been dependant on the growth of Monster Worldwide's diversity recruitment business. We believe that by expanding on the sources of our recruitment revenue, which we are doing by entering into non-exclusive agreements with new strategic business partners or an agreement that provides for limited exclusivity, such as the one we entered into with LinkedIn Corporation in November 2012 (as described below) and by establishing a sales force to commence direct sales of our products and services, we have an opportunity to provide better services to our customers and achieve revenues and margins that are greater than those achieved during the term of our agreement with Monster Worldwide. As discussed in "Use of Proceeds" below, we have budgeted approximately 15% of the net proceeds of the offering for sales and marketing expenses, including approximately 5% in payroll for the addition of employees in our direct sales team.

Prior to the expiration of our agreement with the Monster Worldwide, we began developing an internal capacity for direct marketing and sales of recruitment services to companies seeking to hire diverse employees. We have transferred existing employees with diversity recruitment experience from client services to sales and we are hiring additional personnel to expand our direct marketing and sales of recruitment services. Because our agreement with LinkedIn provides for fixed quarterly payments that are approximately half of the fixed quarterly payments we received from Monster Worldwide (as described below), our revenues will decrease significantly unless we are able to generate significant revenues through direct sales.

Monster Worldwide, Inc.

We have an alliance agreement with Monster Worldwide which expired on December 31, 2012 and was not renewed. Pursuant to this agreement, Monster Worldwide had been the exclusive seller of job postings on our websites. Our agreement with Monster Worldwide provides for an annual fixed fee that is subject to adjustment based on certain criteria. To date, since the commencement of our agreement with Monster Worldwide in December 2007, our annual fixed fee payments have not been adjusted, nor have we failed to meet the target number of applicants to job postings each month for six consecutive calendar months.

Following the expiration of our alliance agreement with Monster Worldwide, we expect to experience significant decreases in revenue for a period of time because (i) our agreement with LinkedIn provides for fixed quarterly payments that are approximately half of the fixed quarterly payments we received from Monster Worldwide (as described below) and we cannot predict how much commission revenue, if any, we will earn through LinkedIn and (ii) our sales force will require time to generate sales because we could not and did not begin to market and sell our recruitment services directly to companies until after our agreement with Monster Worldwide expired on December 31, 2012. We expect to experience such decrease in revenue until such time as LinkedIn and our sales team are able to generate sufficient sales to replace the revenue previously generated by our agreement with Monster Worldwide.

Under our agreement with Monster Worldwide, we have agreed to provide limited support and access to data to permit Monster Worldwide to continue to meet certain obligations to its customers in 2013. With respect to job postings that Monster sold prior to the expiration of our agreement on December 31, 2012, we are permitting Monster to maintain such postings on our websites until the earlier of (a) the date that Monster Worldwide's obligation to maintain such posting expires or (b) December 31, 2013. In addition, we will continue to provide Monster with access to our data until December 31, 2013. We expect to incur only de minimis additional labor and de minimis additional costs, and will not receive any additional payments from Monster Worldwide subsequent to the expiration of our agreement. For additional information about our business arrangements with Monster Worldwide, please see the section entitled "*Business - Monster Worldwide*."

LinkedIn

On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to our agreement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising on our websites. Our agreement with LinkedIn provides that LinkedIn make fixed quarterly payments to us that are approximately half of the fixed quarterly payments we received from Monster Worldwide and a percentage commission for sales of our services in excess of certain thresholds. The fixed quarterly payments are payable regardless of sales volumes or any other performance metric. Although such fixed quarterly payments are significantly less than the fixed quarterly payments that we received from Monster Worldwide, we believe that we have the potential to exceed our revenues from our previous agreement with Monster Worldwide because (i) we may earn additional commission payments with LinkedIn if certain sales levels are achieved, and (ii) we may earn revenue by selling our services directly, as described above. Under our agreement with LinkedIn, we will receive (i) no commissions on the first $10 million of LinkedIn's revenue from the sale of our services during each calendar year, (ii) 20% commission on

LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $10 million and less than $50 million, and (iii) 15% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $50 million. As an example solely to illustrate the stair-step structure of our commission schedule with LinkedIn, if LinkedIn sells $60 million of our services during any calendar year, we would receive $9.5 million in commission revenue for such year, in addition to our fixed payments, because we would earn no commission revenue for the first $10 million of LinkedIn sales of our services, $8 million in commission revenue for the next $40 million of LinkedIn sales of our services and $1.5 million in commission revenue for the remaining $10 million of LinkedIn sales of our services. However, there can be no assurance that we will meet or exceed revenues earned through Monster Worldwide in prior periods.

During the term of our agreement with LinkedIn, we may not permit any competitor of LinkedIn to resell our diversity-based recruitment services. Our agreement does not prohibit LinkedIn from selling its own or any third party's diversity recruitment services, however, during the term of our agreement with LinkedIn and for a period of one year thereafter, we may not sell our diversity-based recruitment services, directly or indirectly, to any of the 1,000 companies on LinkedIn's restricted account list. The companies in such restricted accounts list are of varying sizes, operate in diverse geographical locations and conduct business in different sectors. We believe LinkedIn designated these particular companies in its restricted account list because LinkedIn has established business relationships with these companies and feels that these companies are potential purchasers of diversity recruitment services. We are permitted, however, to market and sell our products to any company that is not on such restricted account list after our exclusive agreement with Monster Worldwide expired on December 31, 2012.

The term of our agreement with LinkedIn is three years, subject to LinkedIn's right, in its sole and absolute discretion, to terminate our agreement on the six-month anniversary of the effective date upon not less than 30 days' prior notice and during the fourth calendar quarter of the first and second years of the term of our agreement upon not less than 90 days' prior notice. If not terminated sooner, the term of our agreement with LinkedIn will automatically renew for successive one-year terms unless either party delivers a notice of non-renewal with 90 days' prior notice. For additional information about our business arrangements with LinkedIn, please see the section entitled "*Business – LinkedIn*."

Advertising

University of Phoenix

On January 11, 2011, we entered into a marketing media services agreement with Apollo Group, Inc. The agreement provides the framework for our relationship with Apollo Group. It has no expiration date but could be terminated by either party upon thirty days prior written notice. During the term of the agreement, we could not perform advertising services for any other institution of higher education, whether for-profit or non-profit, other than Apollo Group. The agreement required us to enter into separate purchase orders or statements of work, referred to as "media schedules," which describe the services we provided to Apollo Group on a project basis and the compensation we were paid. We entered into two media schedules with Apollo Group. The first media schedule was a trial run that by its terms covered a period of six months ending June 30, 2011, but which Apollo Group and we agreed to extend until August 31, 2011, and provided for fees to us in the amount of $664,000. Thereafter, based on Apollo Group's satisfaction with our performance, we entered into a media schedule which expanded the scope of our services and covered a longer period than the term of the first media schedule, ending September 11, 2012, and provided for fees to us in the amount of $1,550,000. Pursuant to the agreement and related media schedules, we received fees for placing advertising media on our websites to promote Apollo Group's University of Phoenix and for creating, maintaining and operating the "Education to Career" and "Education to Education" networking portal websites. Most of our advertising revenue is derived from our agreement with Apollo Group. For the nine months ended September 30, 2012, we recognized $1.5 million in respect of fees from Apollo Group for our services. This constituted 32% of our total revenue and 87% of our revenue from consumer media advertising and marketing solutions. In 2011, we recognized revenue of $1.1 million in respect of fees from Apollo Group for our services. This constituted 20% of our total revenue and 72% of our revenue from consumer media advertising and marketing

solutions. On June 11, 2012, we agreed to an insertion order with Apollo Group. The insertion order now governs our agreement with Apollo Group with respect to the "Education to Education" networking portal websites, and it provides for payment to us of up to $150,000 per month during a twelve-month term commencing July 1, 2012 and ending July 1, 2013, based upon the number of persons we refer to the University of Phoenix who express an interest in obtaining information about attending the University of Phoenix. There is no guaranteed payment associated with this insertion order and for the nine months ended September 30, 2012, PDN generated $313,000 of revenue pursuant to the insertion order. On October 1, 2012, we entered into a revised and restated master services agreement with Apollo Group to replace our original marketing media services agreement. Our new agreement now governs our agreement with Apollo Group with respect to "Education to Careers" networking portal website, and it provides for monthly payments of $116,667 during a one year term ending March 31, 2014. For additional information about our business arrangements with Apollo Group, please see the section entitled *"Business - Advertising Revenue - University of Phoenix."*

We generate a small percentage of our advertising revenue from advertisers that promote their brands and advertise their products and services to our members. One of our key goals is to grow the consumer media advertising portion of our business. We believe that advertisers are attracted to our network of members as an effective means to reach a diverse professional market.

Financial Performance

We have been profitable each year since 2006. Our revenue for the nine months ended September 30, 2012 increased 14% from the nine months ended September 30, 2011, from approximately $4.17 million to $4.74 million, while our net income in such period decreased 6.6% from $2.15 million to $2.01 million. From 2010 to 2011, our revenue increased 27%, from approximately $4.4 million to $5.6 million, while our net income in such period increased 47% from $1.9 million to $2.7 million.

Our Mission

Our mission is to be an important factor in the career development of diverse professionals who have traditionally faced obstacles to reaching their full potential. We believe that the work we do, and the power of our online network to connect talent with opportunity, can improve the career and financial prospects of our members by empowering them to invest in their professional development, creating employment opportunities, and enabling them to achieve higher levels of professional success.

Our Values and Company Culture

As a company, we celebrate diversity. We endeavor to capture the distinct inspirational culture of each community we serve. We strive to put our members first in every decision we make and with every new product we build. We are dedicated to helping fulfill the professional aspirations of those we serve in order to secure the financial futures of our members and their families.

We believe our creative team is skilled in communicating in a culturally relevant manner the messaging of the employers that participate on our platform, and we are similarly dedicated to helping them achieve their hiring goals to create a more diverse workforce.

Industry Background and Our Opportunity

We believe that we are well-positioned for growth because our business takes advantage of the following emerging trends:

- Increasing Socialization of the Internet

Online social and professional networking websites are increasingly becoming a powerful tool to connect people with one another on a large scale.

- Growing Ethnic Diversity of the U.S. Population and Labor Force

As ethnic minorities represent growing share of the overall population according to the 2010 United States census, diversity hiring is increasingly becoming a common, if not standard, business practice of major employers. According to a job report published on February 5, 2010 by the U.S. Equal Employment Opportunity Commission, or EEOC, the percentage of private sector minority employment in the U.S. compared to overall employment tripled between 1966 and 2008, from 11% to 34%, with Hispanic-Americans exhibiting the fastest growth rate (from 2.5% in 1966 to more than 13% in 2008) of all minority groups. According to the Monthly Labor Review published in January 2012 by the Bureau of Labor Statistics, Hispanic-Americans are also expected to account for the vast majority – 74% – of the 10.5 million workers added to the labor force in the U.S. from 2010 to 2020.

- Regulatory Environment Favorable to Promoting Diversity in the Workplace

As outlined in Executive Order 13583, signed by President Obama on August 18, 2011, companies considering contracting with the federal government must be prepared to demonstrate the diversity of their workforce, and the Department of Labor under the Obama Administration is placing a greater emphasis on promoting diversity employment in the private sector.

- Rising Spending Power of Ethnic Population

The spending power of diverse groups is expected to continue to grow in the United States. According to a January 2011 report by the Kenan-Flagler Business School at the University of North Carolina, by 2014, the buying power of Hispanic Americans will have grown by 613% since 1990, a higher rate than any other ethnic group.

- Acceptance and Growth of Online Recruitment and Advertisement.

Businesses now recognize and seek to take advantage of the socialization of the Web for recruitment and for brand management, marketing and advertising. The market for advertising on online social networks in the United States is also expected to continue to grow rapidly from $2.54 billion in 2011 to an estimated $3.63 billion in 2012 and $5.59 billion by 2014, according to an article published by eMarketer, Inc. on February 24, 2012.

Because of these emerging trends, we believe there is great opportunity for growth. Ninety-four companies in the Fortune 100 feature diversity hiring on their company online career centers. The online diversity recruitment market is highly fragmented. We believe that we can consolidate this market and maximize shareholder value through strategic acquisitions and organic growth.

See "*Business — Industry Background and Our Opportunity*" below.

Our Solutions

We offer a variety of solutions to meet the needs of diverse professionals, the employers that seek to hire them and the advertisers that seek to reach them.

Solutions for Members

We offer our members a variety of online professional networking and career placement solutions, including the following:

- Talent recruitment communities,
- Job postings and company information search capability,
- Identity and contact management,
- Networking tools,
- Mentoring program,

- Career tools and skill-based content
- E-Newsletter and national event information.

Solutions for Employers and Recruiters

We post job listings of employers through our strategic partnership with LinkedIn. These employers include large corporations, small and medium-sized businesses, educational institutions, government agencies, non-profit organizations and other enterprises. The hiring solutions we offer include:

- Talent recruitment communities,
- Single and multiple job postings,
- Resume database,
- Hiring campaign marketing and advertising,
- Research on products and services and
- Employment Recruitment Intelligence Compliance Assistance (ERICA).

Solutions for Advertisers

- *Advertising Campaign Services*. Our platform also enables advertisers to target and reach large audiences of diverse professionals and connect them to relevant services. We assist advertisers in building campaigns and provide additional creative services. Our branding and marketing platform employs email marketing, social media, search engines, traffic aggregators and strategic partnerships.

Our Competitive Strengths

We believe the following elements give us a competitive advantage in accomplishing our mission:

- *Dedicated Focus on Diverse Professionals.* We believe that our focus on providing career opportunities for diverse professionals differentiates us from other online social networking websites, such as Facebook. We believe our websites have a distinctly career-oriented feel and utility when compared with other online social networking websites. We believe that users prefer to manage their professional and social identities and contacts separately. While other online professional networking websites, such as LinkedIn Corporation, or LinkedIn, also have a professional focus, we are singularly focused on diverse professionals in the United States.
- *Platform That Harnesses the Power of Web Socialization*. We believe that our membership base will continue to grow virally and that our platform will be an increasingly powerful tool, enabling our members to leverage their connections and shared information for the collective benefit of all the participants on our platform. We believe that we are the first online professional network to focus on the diversity recruitment sector.
- *Relationships with Strategic Partners.* We believe that our relationships with strategic partners are difficult to replicate, and give us a competitive advantage in the networking opportunities, career tools and resources we can offer to our members, as well as the diverse audiences we can access for employers and advertisers.
- *Relationships with Professional Organizations.* Our team has experience working with multicultural professional organizations such as The Association of Latino Professionals in Finance and Accounting.
- *Customized Technology Platform*. Our technology platform has been custom-designed and built to facilitate networking engagement and job search. We believe that it would be costly and time consuming for a new entrant into the online professional networking space to replicate a technology platform with comparable functionality.

Our Key Metrics

We monitor several key metrics, including number of members, unique visitors, and visits, in order to assess our business, identify challenges and opportunities, produce financial forecasts, formulate strategic plans and make business decisions.

	As at September 30,	As at December 31,		
	2012	2011	2010	2009
iHispano.com Members[1]	1,205,005	1,116,790	667,499	234,572
AMightyRiver.com Members[1]	689,935	606,844	339,915	80,283
Members in Our Other Networks[1]	104,585	18,590	152	-
Total Members Across Our Networks[1]	1,999,525	1,742,224	1,007,566	314,855

1 The reported number of members is higher than the number of actual individual members because some members have multiple registrations, other members have died or become incapacitated and others may have registered under fictitious names. Although members who have been inactive for 24 months will be automatically deleted from our member database, a substantial majority of our members do not visit our websites on a monthly basis. Please see our risk factor entitled "*The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members*" on page 22.

We believe the number of members is a key indicator of the growth of our online network and our ability to monetize the benefits resulting from such growth to the businesses and professional organizations to which we sell recruitment and marketing solutions. To date, our member base has, in large part, grown virally through users and members who invite colleagues and peers to join their network. Growth in our member base depends, in part, on our ability to successfully develop and market our solutions to professionals who have not yet become members of our network.

	Nine Month Total	Annual Total		
	Period ended September 30,	For the year ended December 31,		
	2012	2011	2010	2009
Unique visitors to iHispano.com	3,705,264	4,711,780	4,580,489	3,488,075
Unique visitors to AMightyRiver.com	1,073,137	3,632,160	2,840,572	1,953,152
Unique visitors to our other networks	922,475	209,941	1,264	-
Total unique visitors across our networks	5,700,876	8,553,881	7,422,325	5,441,227
Visits to iHispano.com[1]	4,377,541	6,107,939	6,516,086	4,746,758
Visits to AMightyRiver.com[1]	1,226,277	4,844,004	3,892,309	2,593,147
Visits to our other networks[1]	1,060,636	247,185	5,946	-
Total visits across our networks[1]	6,664,454	11,199,128	10,414,341	7,339,905

1 A substantial majority of visits are generated by a minority of our members and users. Please see our risk factor entitled "*The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members"* on page 22.

We view visits and unique visitors as key indicators of growth in our brand awareness among users and whether we are providing our members with useful products and features. The unique visitor metric reflects our ability to attract new users, which is crucial to increasing the number of our members. The visits metric indicates our

ability to keep our users and members engaged. Because we believe our member base has, in large part, grown virally through users and members who invite colleagues and peers to join their network, we expect that an increase in the number of unique visitors will result in an increase in the number of members, and vice versa. We plan to make improvements to features and products that we believe will also increase visits, unique visitor and member traffic to our websites. During 2010, our websites had a total of over 7 million unique visitors and over 10 million visits, respectively, which increased to over 8 million unique visitors and 11 million visits, respectively, during 2011.

Our Strategy

Our strategy for accomplishing our mission involves the following elements:

- *Launch and Acquire Additional Minority Professional Networking Websites*. We believe that we can significantly expand our member base by launching our own new websites and acquiring other online professional networking websites focused on Hispanic Americans and African Americans and other diverse communities.
- *Employ Marketing Campaigns that Increase Traffic and Membership*. We believe that we can increase our users and members through enhanced marketing efforts, such as media conferences, sponsored events, email marketing and ongoing search engine optimization.
- *Grow Consumer Advertising Revenue.* We plan to build a sales and marketing team that can focus on selling our advertising.
- *Grow our Recruitment Platform*. We plan on investing in our recruitment platform by adding additional services that enhance the user and recruiter experience. Our product roadmap builds upon our relationship recruitment platform.
- *Develop and Strengthen Relationships with Strategic Partners*. We are working to strengthen our relationships with existing strategic partners and develop new relationships with online networking websites and professional organizations, with a view toward increasing traffic to our websites and broadening our membership base and our hiring and marketing solutions.
- *Direct Recruitment Sales.* Starting in January 2013, we began to develop sales of diversity recruitment products and services directly to employers that are not among the companies exclusive to LinkedIn.
- *Hire Strategically*. We hire experienced individuals in sales, marketing and technology.
- *Add Functionality to Increase Member Value and Generate Revenue*. We are working to enhance the functionality of our websites, improve our applications, tools and resources and more efficiently and effectively utilize information captured on our websites.

Risks Associated with Our Business

Our business is subject to a number of risks discussed under the heading “Risk Factors” and elsewhere in this prospectus, including, but not limited to, the following:

- Our revenues are highly dependent on two customers, and we will likely continue to be dependent on a small number of customers.
- Our agreement with Monster Worldwide expired on December 31, 2012, and it is uncertain when, if ever, we can replace the revenues we received through our agreement with Monster Worldwide.
- Our ability to grow our advertising revenue is dependent on our relationship with and the performance of Apollo Group.
- We face risks associated with our agreement with LinkedIn.

- We will be seeking to generate recruitment revenue through direct sales to customers, which is a new and uncertain initiative.
- We have a limited operating history in the online professional networking business, which is a new and unproven market, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- We expect to face increasing competition in the market for online professional networks from social networking websites and Internet search companies, among others, and since January 1, 2013, we faced competition from Monster Worldwide.
- We process, store and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and our actual or perceived failure to comply with such obligations could materially harm our business.
- Our directors, executive officers and significant stockholders will continue to have substantial control over us after this offering and could limit your ability to influence the outcome of key transactions, including changes of control.

You should carefully consider these factors, as well as all of the other information set forth in this prospectus, before making an investment decision.

Company Information

Substantially simultaneously with the effectiveness of the registration statement of which this prospectus is a part, we will restructure by reorganizing into a Delaware corporation. Our principal executive offices are located at 801 W. Adams Street, Chicago, Illinois 60607. Our telephone number is (312) 614-0950, and our corporate website is www.prodivnet.com. The information contained in or connected to our corporate website, and the websites of our online networks, including iHispano.com, AMightyRiver.com, WomensCareerChannel.com, ACareers.net, OutProNet.com, Military2Career.com and ProAble.net are not incorporated by reference into, and should not be considered part of, this prospectus. iHispano®, AMightyRiver.com, WomensCareerChannel.com, ACareers.net, OutProNet.com, Military2Career.com and ProAble.net and other intellectual property and trademarks or service marks of Professional Diversity Network appearing in this prospectus are our property. Trade names, trademarks and service marks of other companies appearing in or incorporated by reference into this prospectus are the property of the respective holders.

The Offering	
Price per share of common stock offered by us	We currently estimate that the initial public offering price will be between $10.00 and $12.00 per share.
Common stock offered by us	1,820,000 shares
Common stock outstanding prior to this offering	3,635,679 shares(1)
Common stock to be outstanding immediately after this offering	5,455,679 shares
Use of proceeds	We expect the net proceeds to us from this offering will be approximately $17.3 million, after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense reimbursement of up to 1.5% of the gross proceeds from the sale of the firm shares and estimated offering expenses, assuming an initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus. We intend to use approximately 15% of the net proceeds of this offering for sales and marketing (which, includes approximately 5% for additional payroll for additional employees in our direct sales team), 25% of the net proceeds for product development, 40% of the net proceeds for strategic acquisitions, and reserve the remaining 20% of the net proceeds for future growth opportunities which may include additional investments in sales and marketing, products and/or strategic acquisitions and for general working capital. Although from time to time, we may meet with and identify acquisition targets, we currently have no agreements or commitments with respect to material acquisitions or investments in other companies. See "Use of Proceeds" on page 33 of this prospectus.
Over-allotment option	We have granted the underwriters an option for a period of 45 days to purchase, on the same terms and conditions set forth above, up to an additional 273,000 shares to cover over-allotments.
Underwriters' warrant	In connection with this offering, we have also agreed to issue to the underwriters, for $100, a warrant to purchase up to 91,000 shares of our common stock, or 5% of the shares offered by this Prospectus (not including shares sold, if any, pursuant to the over-allotment option). If the underwriters exercise the warrant, each share of our common stock may be purchased for $ per share (which is 125% of the price per share of our common stock offered by this prospectus).
Lock-up agreements	Our directors and officers and any other holder of outstanding shares of our common stock will enter into customary

(1) Consists of 3,487,847 shares to be issued in our corporate reorganization and 147,832 shares, as computed based upon the balance outstanding of December 31, 2012, which gives effect to the principal payments made and interest accrued during the period of October 1, 2012 through December 31, 2012, to be issued in connection with the conversion of our debt. See *"Certain Relationships and Related Party Transactions – Agreements with Directors and Executive Officers"* on page 76.

	"lock-up" agreements in favor of the underwriters pursuant to which such persons and entities will agree, for a period of 180 days from the closing date of this offering, that they will be subject to a lock-up agreement prohibiting any sales, transfers or hedging transactions of any securities of the company owned by them without the underwriters' prior written consent.
Nasdaq Capital Market listing	Our common stock has been approved for listing on the Nasdaq Capital Market under the symbol "IPDN."
Exchange of insider debt for equity	Our outstanding promissory notes are currently non-convertible. However, in connection with this offering, we have an understanding with our founding members that the outstanding notes will be exchanged for shares of our common stock at a price per share equal to the offering price, without payment of any additional consideration. We anticipate that prior to the consummation of this offering, Ferdinando Ladurini, Daniel Ladurini and James R. Kirsch will enter into a debt exchange agreement whereby our three outstanding promissory notes in the principal amounts of $1,341,676, $142,000 and $37,143 plus any accrued interest owed to them, respectively, will be exchanged for shares of common stock at a price per share equal to the offering price. Such shares will be subject to the lock-up agreements entered into with the underwriters in connection with this offering and may not be sold until the expiration of the lock-up period thereunder.
Corporate reorganization	Prior to the consummation of this offering, we will reorganize from an Illinois limited liability company to a Delaware corporation. The Delaware corporation will succeed to the obligations of the Illinois limited liability company. The limited liability company board of managers will be dissolved and replaced with a board of directors. Of the five members on the board of managers, only James Kirsch will serve as a member of our board of the directors following our reorganization. Rudy Martinez will continue to be Executive Vice President and Chief Executive Officer of our iHispano.com division, but will not be on our board of directors. Daniel Ladurini, Ferdinando Ladurini and Daniel Kirsch will not be employed by or serve our company in any capacity.
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" on page 17 of this prospectus.

Smaller Reporting Company and Emerging Growth Company

Following this offering, we will continue to be a "smaller reporting company," as defined in Regulation S-K of the Securities Act of 1933 and an "emerging growth company" under the JOBS Act.

Outstanding Shares

The number of shares of our common stock that will be outstanding immediately after this offering is based on 5,455,679 (1) shares outstanding as of the date of this prospectus and excludes:

- 500,000 additional shares of common stock reserved and available for future issuances under our 2013 Equity Compensation Plan which we intend to adopt prior to the commencement of the offering; and
- 91,000 shares of common stock issuable upon exercise of warrants to be issued to the underwriters in connection with this offering that will remain outstanding after this offering at an exercise price equal to 125% of the initial public offering price.

Unless otherwise indicated, this prospectus:

- assumes the completion of the company's reorganization, pursuant to which each holder of an outstanding membership interest in the company will contribute to the company all of the right, title and interest in and to such holder's entire ownership interest in the company in exchange for a proportionate number of shares of common stock of the company immediately after conversion into a Delaware corporation;
- assumes an initial public offering price of $11.00 per share, the midpoint of the estimated initial public offering price range, set forth on the cover page of this prospectus; and
- assumes no exercise of the underwriters' option to purchase up to an additional 273,000 shares of our common stock.

Summary Financial Data

The following tables summarize our financial data. We have derived the statements of operations data for the years ended December 31, 2011 and 2010 and the consolidated balance sheet data as of December 31, 2011 from our audited financial statements appearing elsewhere in this prospectus. The unaudited consolidated statements of operations data for the nine months ended September 30, 2012 and September 30, 2011, and the unaudited consolidated balance sheet data as of September 30, 2012, are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be experienced in the future. You should read this data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our financial statements and related notes, all included elsewhere in this prospectus.

(1) Consists of 3,487,847 shares to be issued in our corporate reorganization and 147,832 shares, as computed based upon the balance outstanding of December 31, 2012, which gives effect to the principal payments made and interest accrued during the period of October 1, 2012 through December 31, 2012, to be issued in connection with the conversion of our debt. See *"Certain Relationships and Related Party Transactions – Agreements with Directors and Executive Officers"* on page 76.

	Nine Months Ended September 30, (unaudited)		Year Ended December 31, (audited)	
	2012	2011	2011	2010
Revenues:				
Recruitment services	$3,000,000	$3,000,000	$4,000,000	$4,000,000
Consumer advertising and consumer marketing solutions	1,736,470	1,166,593	1,569,342	384,654
Total revenues	**4,736,470**	**4,166,593**	**5,569,342**	**4,384,654**
Costs and expenses:				
Cost of services	679,233	597,864	817,254	722,003
Sales and marketing	1,094,645	709,599	1,021,839	657,811
General and administrative	743,952	510,965	723,093	897,221
Depreciation and amortization	84,823	81,134	108,592	88,030
Total costs and expenses	2,602,653	1,899,562	2,670,778	2,365,065
Income from operations	2,133,817	2,267,031	2,898,564	2,019,589
Other income (expense)				
Interest and other income	9,192	15,209	17,540	17,403
Interest expense	(129,939)	(127,543)	(170,452)	(171,685)
Other expense, net	(120,747)	(112,334)	(152,912)	(154,282)
Net income	**$2,013,070**	**$2,154,697**	**$2,745,652**	**$1,865,307**
Unaudited Pro Forma Income Tax Computation for Assumed Conversion to a Corporation:				
Historical Net Income	$2,013,070	$2,154,697	$2,745,652	$1,865,307
Pro-forma Income Tax Provision	833,421	877,095	1,127,491	745,465
Pro forma Net Income	$1,179,649	$1,277,602	$1,618,161	$1,119,842
Pro forma net income per common share(1):				
Basic and diluted	.32	.35	.44	.31
Shares used in computing pro forma net income per share(1)	3,636,364(2)	3,636,364(2)	3,636,364(2)	3,636,364(2)
Basic and diluted				

(1) Unaudited pro forma basic and diluted income per share is computed by dividing net income for each period by the shares of common stock to be issued following our conversion from a limited liability company to a corporation prior to the closing of this offering. Such shares will be assumed to be outstanding for all periods presented. There will be no potentially dilutive securities. There is no other impact to the financial statements as a result of reorganizing from a limited liability company to a corporation, because our historical financial statements have included a pro forma provision for income taxes and related deferred income taxes.

(2) 3,636,364 shares consist of 3,487,847 shares to be issued in our corporate reorganization and 148,517 shares to be issued in connection with the conversion of our debt. See *"Certain Relationships and Related Party Transactions – Agreements with Directors and Executive Officers"* on page 76.

The following table sets forth selected balance sheet data as of September 30, 2012 and as of December 31, 2011 on:

- an actual basis;
- on a pro forma basis to reflect the completion of our corporate reorganization pursuant to which Professional Diversity Network, LLC is reorganized as a Delaware corporation and renamed Professional Diversity Network, Inc., and on a pro forma basis to reflect the conversion of promissory notes in the aggregate principal amount of $1,520,819 plus accrued interest in the amount of $112,862 at September 30, 2012 and $181,894 at December 31, 2011 owed to certain affiliates of the company into shares of common stock at a price per share equal to the offering price. Our outstanding promissory notes are currently non-convertible. However, in connection with this offering, we have an understanding with our founding members that the promissory notes will be exchanged into shares of our common stock at a price equal to the public offering price, without payment of any additional consideration; and
- on a pro forma as adjusted basis to reflect the receipt of the net proceeds from the sale of 1,820,000 shares of common stock in this offering at an assumed initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us. You should read the selected balance sheet data together with our financial statements and the related notes appearing elsewhere in this prospectus, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included in this prospectus.

	September 30, 2012		
	Actual	Pro forma(1)	Pro forma as adjusted(2)
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$1,898,440	$1,898,440	$19,829,541
Deferred IPO costs	632,030	632,030	-
Working capital	3,562,619	3,562,619	21,493,720
Total assets	5,459,375	5,459,375	22,758,446
Notes payable	1,477,428	-	-
Total members' equity	3,682,064	-	-
Total stockholders' equity	$ -	$5,159,492	$22,458,563

	December 31, 2011		
	Actual	Pro forma(1)	Pro forma as adjusted(2)
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$2,254,431	$2,254,431	$19,580,342
Deferred IPO costs	26,900	26,900	-
Working capital	3,829,383	3,829,383	21,155,394
Total assets	5,180,531	5,180,531	22,479,542
Notes payable	1,491,488	-	-
Total members' equity	3,284,369	-	-
Total stockholders' equity	$ -	$4,775,857	$22,074,868

(1) On a pro forma basis to reflect the completion of our corporate reorganization where Professional Diversity Network, LLC is reorganized as a Delaware corporation and renamed Professional Diversity Network, Inc., and on a pro forma basis to reflect the conversion of promissory notes in the aggregate principal amount of $1,520,819 plus accrued interest in the amount of $112,862 at September 30, 2012 and $181,894 at December 31, 2011 owed to certain founding members of the company into shares of common stock at a price per share equal to the offering price. Our outstanding promissory notes are currently non-convertible. However, in connection with this offering, we have an understanding with our founding members that the promissory notes will be exchanged into shares of our common stock at a price equal to the public offering price, without payment of any additional consideration; and

(2) Pro forma as adjusted to reflect the sale of 1,820,000 shares of our common stock in this offering at an assumed initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase or decrease in the assumed initial public offering price of $11.00 per share would increase or decrease pro forma as adjusted cash and cash equivalents, working capital, total assets and total stockholders' equity by $1.67 million, assuming the number of shares offered by us, as set forth on the front cover of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Risk Factors

Investing in our common stock involves a great deal of risk. You should carefully consider the following information about risks, together with the other information contained in this prospectus, before making an investment in our common stock. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, cash flows and financial condition could be materially harmed. In any such case, the market price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Strategy

Our revenues are highly dependent on two customers, and we will likely continue to be dependent on a small number of customers.

Two of our customers, Monster Worldwide and Apollo Group, accounted for 63% and 32%, respectively, of our total revenues for the nine months ended September 30, 2012 and 72% and 19%, respectively, of our total revenues for the nine months ended September 30, 2011. Monster Worldwide and Apollo Group, accounted for 72% and 20%, respectively, of our total revenues for the year ended December 31, 2011 and 91% and 0%, respectively, of our total revenues for the year ended December 31, 2010.

Following the expiration of our agreement with Monster Worldwide, we will be substantially dependent on revenues generated by our agreements with LinkedIn and the University of Phoenix, at least until we are able to generate significant revenues from a large number of customers through our direct sales efforts. Therefore, we are, and will likely continue to be, dependent on a small number of customers, and the loss of any such customer would materially and adversely affect our business, operating results and financial condition. Furthermore, as a result of our reliance on a limited number of customers, we could face pricing and other competitive pressures which may have a material adverse effect on our business, operating results and financial condition.

Our agreement with Monster Worldwide expired on December 31, 2012, and it is uncertain when, if ever, we can replace the revenues we received through our agreement with Monster Worldwide.

Our agreement with Monster Worldwide expired on December 31, 2012 and was not renewed. Beginning January 1, 2013, we will no longer have in place the agreement with Monster Worldwide that has generated a substantial majority of our revenue. We expect to experience significant decreases in revenue for a period of time because (i) our agreement with LinkedIn provides for fixed quarterly payments that are approximately half of the fixed quarterly payments we received from Monster Worldwide and we cannot predict how much commission revenue, if any, we will earn through LinkedIn and (ii) our sales force will require time to generate sales because we could not and did not begin to market and sell our recruitment services directly to companies until December 31, 2012. It will be difficult for us to continue our current operations unless we are able to replace such lost revenues in a timely manner, and failure to do so would materially and adversely affect our business, operating results and financial condition.

We will be seeking to generate recruitment revenue through direct sales to customers, which is a new and uncertain initiative.

As a result of the expiration of our exclusive arrangement with Monster Worldwide on December 31, 2012, which was not renewed, our revenue and our success will be dependent on an internal direct marketing and sales capability that still under development. We have the right to sell our services directly to any employer, except the 1,000 companies that are on the restricted account list pursuant to our agreement with LinkedIn. Under the terms of the agreement, we will not enter into additional reseller agreements during the term of our agreement with LinkedIn. While we intend to sell recruitment services to companies not subject to the exclusivity restrictions of the LinkedIn agreement, we are currently developing our direct sales team and our ability to successfully develop such a sales function that is successful and cost effective is uncertain. Furthermore, we have no prior experience in selling our services, and we cannot predict how much revenue we will be able to generate through direct sales. Therefore, there is no assurance that we will be successful in selling our services directly to employers.

We face risks associated with our agreement with LinkedIn.

In November 2012, we entered into an agreement with LinkedIn Corporation. The LinkedIn agreement provides LinkedIn with the right to sell our services to its customers. LinkedIn will have the exclusive right to sell our services to a restricted account list of 1,000 companies selected by LinkedIn. The agreement with LinkedIn provides for quarterly payments that are approximately half of the fixed quarterly payments that we receive under our agreement with Monster Worldwide and provides for a percentage commission for sales of our services in excess of certain thresholds. There is no assurance that LinkedIn will be successful in selling our services, and we may not receive any commission revenue from our agreement with LinkedIn.

Our agreement with LinkedIn restricts our ability to sell our recruitment services. During the term of our agreement with LinkedIn, we cannot permit any competitor of LinkedIn to resell our diversity-based recruitment services. We cannot sell our diversity services to any employer that is listed on the restricted account list pursuant to our agreement with LinkedIn during the term of the agreement and for one year thereafter. While the term of the LinkedIn agreement is three years, LinkedIn has the right to terminate the agreement on the six-month anniversary of the effective date, and during the fourth calendar quarter of the first and second years of the term of the agreement. Termination or failure to renew or extend the LinkedIn agreement could materially harm our ability to successfully generate recruitment revenue.

Our ability to grow advertising revenue is dependent on our relationship with and the performance of Apollo Group.

Our marketing media services agreement with Apollo Group provides the framework for our relationship. It has no expiration date but may be terminated by either party upon thirty days' prior written notice. The agreement requires us to enter into separate purchase orders or statements of work, referred to as "media schedules," which describe the services we provide to Apollo Group on a project basis and the compensation we are paid. To date, we have entered into two media schedules with Apollo Group. The first media schedule was a trial run that by its terms covered a period of six months ending June 30, 2011. Thereafter, based on Apollo Group's satisfaction with our performance, we entered into a media schedule which expanded the scope of our services and covers a longer period than the term of the first media schedule. On February 7, 2013, we renewed our agreement with Apollo Group, which is effective until March 31, 2014. On June 11, 2012, we agreed to an insertion order with Apollo Group. The insertion order provides for payment to us of up to $150,000 per month for a period of 12 months, based upon the number of persons we refer to the University of Phoenix who express an interest in obtaining information about attending the University of Phoenix. There is no guaranteed payment associated with this insertion order and for the nine months ended September 30, 2012, PDN generated $313,000 of revenue. Further, during the term of our agreement with Apollo Group, we may not perform advertising services for any other institution of higher education, whether for-profit or non-profit, other than Apollo Group. Because we have an exclusivity arrangement with Apollo Group, our growth in this area of revenue is therefore dependent on the volume of students interested in, and the success of, Apollo Group's University of Phoenix.

There can be no assurance that Apollo Group will not terminate its agreement with us or will enter into additional media schedules with us, or that the terms on which our agreements may be proposed to be renewed or continued will be acceptable to us. In addition, there are a number of factors, including those that are not within our control, that could cause our agreement with Apollo Group to be terminated or not expanded, extended or otherwise continued. Apollo Group may face financial difficulties and may not be able to pay for our services, or Monster Worldwide may develop its own diversity platform that would replace or compete with us. Furthermore, if Apollo Group seeks to negotiate media schedules for future services under its agreement with us, on terms less favorable to us and we accept such unfavorable terms, or if we seek to negotiate better terms, but are unable to do so, then our business, operating results and financial condition would be materially and adversely affected. In addition, our customer concentration may subject us to perceived or actual leverage that our customers may have given their relative size and importance to us.

In the event our agreement with Apollo Group does not continue on terms favorable to us, our business, operating results and financial condition would be materially and adversely affected and we will require substantial human and capital resources to generate other sources of revenue, and if we are unable to generate other sources of revenue, our business may fail.

We have a limited operating history in the online professional networking business, which is a new and unproven market, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We began our operations in the online professional diversity networking business in 2007 and online professional networking within specific segments of the population is a new and unproven business concept . Therefore a market for our services may not develop as expected, if at all. This limited operating history and novel business concept makes it difficult to effectively assess our future prospects. You should consider our business and prospects in light of the significant risks, expenses and difficulties frequently encountered by Internet companies, especially those dedicated to the social and/or online professional network sector, in their early stage of development. We may not be able to successfully address these risks and difficulties.

We expect to face increasing competition in the market for online professional networks from professional or social networking websites and Internet search companies, among others.

We face significant competition in all aspects of our business, and we expect such competition to increase, particularly in the market for online professional networks. In particular, Monster Worldwide is now our competitor as of January 1, 2013, following the expiration of our agreement with them.

Our industry is rapidly evolving and is becoming increasingly competitive. Larger and more established online professional networking companies, such as LinkedIn, may focus on the online diversity professional networking market and could directly compete with us. Upon expiration of arrangements with Monster Worldwide, they will compete with us. Rival companies or smaller companies, including application developers, could also launch new products and services that compete with us and that could gain market acceptance quickly. Individual employers have and may continue to create and maintain their own network of diverse candidates.

We also expect that our existing competitors will focus on professional diversity recruiting. A number of these companies may have greater resources than we do, which may enable them to compete more effectively. For example, our competitors with greater resources may partner with wireless telecommunications carriers or other Internet service providers that may provide Internet users, especially those that access the Internet through mobile devices, incentives to visit our competitors' websites. Such tactics or similar tactics could decrease the number of our visits, unique visitors and number of users and members, which would materially and adversely affect our business, operating results and financial condition.

Additionally, users of online social networks, such as Facebook, may choose to use, or increase their use of, those networks for professional purposes, which may result in those users decreasing or eliminating their use of our specialized online professional network. Companies that currently do not focus on online professional diversity networking could also expand their focus to diversity networking. A current strategic partner, LinkedIn, may develop its own proprietary online diversity network and compete directly against us. To the extent LinkedIn terminates its relationship with us and develops its own network or establishes alliances and relationships with others, our business, operating results and financial condition could be materially harmed. Finally, other companies that provide content for professionals could develop more compelling offerings that compete with us and adversely impact our ability to keep our members, attract new members or sell our solutions to customers.

We process, store and use personal information and other data, which subjects us to governmental regulation, enforcement actions and other legal obligations or liability related to data privacy and security, and our actual or perceived failure to comply with such obligations could materially harm our business.

We receive, store and process personal information and other member data, and we enable our members to share their personal information with each other and with third parties. There are numerous federal, state, local and foreign laws regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other member data, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We generally comply with industry standards and adhere to the terms of our privacy policies and privacy-related obligations to third parties (including voluntary third-party certification bodies such as TRUSTe). We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to users or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other member data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause our members and customers to lose trust in us, which could have an adverse effect on our business. Additionally, if third parties we work with, such as customers, vendors or developers, violate applicable laws or our policies, such violations may also put our members' information at risk and could in turn have an adverse effect on our business.

The effect of significant declines in our ability to generate revenue may not be reflected in our short-term results of operations.

We recognize revenue from sales of our hiring solutions over the term of an agreement, which is typically 12 months. As a result, a significant portion of the revenue we report in each quarter is generated from agreements entered into during previous quarters. Consequently, an adjustment, termination or non-renewal of our agreement with LinkedIn, or a termination or decline in purchase orders pursuant to our agreement with Apollo Group, in any one quarter may not significantly impact our revenue in that quarter but will negatively affect our revenue in future quarters. In addition, we may be unable to adjust our fixed costs in response to reduced revenue. Accordingly, the effect of significant declines in our ability to generate revenue may not be reflected in our short-term results of operations.

Our growth strategy may fail as a result of ever-changing social trends.

Our business is dependent on the continuity of certain social trends, some of which may stop abruptly. In particular, increased privacy concerns may jeopardize the growth of online social and professional network websites. Furthermore, it is possible that people may not want to identify in online social or professional networks with a focus on diversity at all. Or alternatively, people who belong to more than one diversity group (such as Hispanic-American females, among others) may not be drawn to our websites, which singularly focus on one specific diversity group. Our strategy may fail as a result of these changing social trends, and if we do not timely adjust our strategy to adapt to changing social trends, we will lose members, and our business, operating results and financial condition would be materially and adversely affected.

The regulatory environment favorable to promoting diversity in the workplace may change.

Federal and state laws and regulations require certain companies engaged in business with governmental entities to report and promote diverse hiring practices. Repeal or modification of such laws and regulations could decrease the incentives for employers to actively seek diverse employee candidates through networks such as ours and materially affect our revenues.

The widespread adoption of different smart phones, smart phone operating systems and mobile applications, or apps, could require us to make substantial expenditures to modify or adapt our websites, applications and services.

The number of people who access the Internet through devices other than personal computers, including personal digital assistants, smart phones and handheld tablets or computers, has increased dramatically in the past few years and we believe this number will continue to increase. Each manufacturer or distributor of these devices may establish unique technical standards, and our services may not work or be viewable on these devices as a result. Furthermore, as new devices and new platforms are continually released, it is difficult to predict the problems we may encounter in developing versions of our services for use on these alternative devices and we may need to devote significant resources to the creation, support, and maintenance of such devices. For example, we currently have a mobile application, or app, for the iPhone and plan to build apps for other mobile devices and will need to continually adapt our website and apps to be user-friendly to different operating systems and platforms. If we are slow to develop products and technologies that are compatible with such devices, we might fail to capture a significant share of an increasingly important portion of the market for our services.

We rely heavily on our information systems and if our access to this technology is impaired, or we fail to further develop our technology, our business could be significantly harmed.

Our success depends in large part upon our ability to store, retrieve, process and manage substantial amounts of information, including our database of our members. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. Our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our information systems to evolving industry standards and to improve the performance and reliability of our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. Our inability to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively would materially and adversely affect our business, financial condition and operating results.

We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our websites are accessible within an acceptable load time.

An element that is key to our continued growth is the ability of our members and other users that we work with to access any of our websites within acceptable load times. We call this website performance. We have experienced, and may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our websites simultaneously, and denial of service or fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these website performance problems within an acceptable period of time.

If any of our websites are unavailable when users attempt to access it or does not load as quickly as they expect, users may seek other websites to obtain the information or services for which they are looking, and may not return to our websites as often in the future, or at all. This would negatively impact our ability to attract members and other users and increase engagement on our websites. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, operating results and financial condition may be materially and adversely affected.

Our systems are vulnerable to natural disasters, acts of terrorism and cyber attacks.

Our systems are vulnerable to damage or interruption from catastrophic occurrences such as earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, cyber attacks and similar events. We have

implemented a disaster recovery program, maintained by a third party vendor, which allows us to move production to a back-up data center in the event of a catastrophe. Although this program is functional, it does not yet provide a real-time back-up data center, so if our primary data center shuts down, there will be a period of time that such website will remain shut down while the transition to the back-up data center takes place. Despite any precautions we may take, the occurrence of a natural disaster or other unanticipated problems at our hosting facilities could result in lengthy interruptions in our services. Furthermore, we do not carry business interruption insurance or cyber security insurance. Therefore, we will not be compensated by third party insurers in the event of service interruption or cyber attack, and we face the risk that our business may never recover from such an event.

If our security measures are compromised, or if any of our websites are subject to attacks that degrade or deny the ability of members or customers to access our solutions, members and customers may curtail or stop use of our solutions.

Our members provide us with information relevant to their career seeking experience with the option of having their information become public or private. If we experience compromises to our security that result in website performance or availability problems, the complete shutdown of our websites, or the loss or unauthorized disclosure of confidential information, our members may lose trust and confidence in us, and will use our websites less often or stop using our websites entirely. Further, outside parties may attempt to fraudulently induce employees, members or customers to disclose sensitive information in order to gain access to our information or our members' or customers' information. Because the methods used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these methods or to implement adequate preventative measures. Any or all of these issues could negatively impact our ability to attract new members and increase engagement by existing members, cause existing members to close their accounts or existing customers to cancel their contracts, subject us to lawsuits, regulatory fines or other action or liability, thereby materially and adversely affecting our reputation, our business, operating results and financial condition.

The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members.

The reported number of members in our networks is higher than the number of actual individual members because some members have multiple registrations, other members have died or become incapacitated, and others may have registered under fictitious names. Given the challenges inherent in identifying these accounts, we do not have a reliable system to accurately identify the number of actual members, and thus we rely on the number of members as our measure of the size of our networks. Further, a substantial majority of our members do not visit our websites on a monthly basis, and a substantial majority of our visits are generated by a minority of our members and users. If the number of our actual members does not meet our expectations or we are unable to increase the breadth and frequency of our visiting members, then our business may not grow as fast as we expect, which would materially and adversely affect our business, operating results and financial condition.

If our member profiles are out-of-date, inaccurate or lack the information that users and customers want to see, we may not be able to realize the full potential of our networks, which could adversely impact the growth of our business.

If our members do not update their information or provide accurate and complete information when they join our networks or do not establish sufficient connections, the value of our networks may be negatively impacted because our value proposition as diversity professional networks and as a source of accurate and comprehensive data will be weakened. For example, our hiring solutions customers may not find that certain members misidentify their ethnic, national, cultural, racial, religious or gender classification, which could result in mismatches that erode customer confidence in our solutions. Similarly, incomplete or outdated member

information would diminish the ability of our marketing solutions customers to reach their target audiences and our ability to provide research data to our customers. Therefore, we must provide features and products that demonstrate the value of our networks to our members and motivate them to add additional, timely and accurate information to their profile and our networks. If we fail to successfully motivate our members to do so, our business, operating results and financial condition could be materially and adversely affected.

Public scrutiny of Internet privacy issues may result in increased regulation and different industry standards, which could deter or prevent us from providing our current products and solutions to our members and customers, thereby materially harming our business.

The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the Internet have recently come under increased public scrutiny. The U.S. government, including the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning consumer behavior on the Internet, including regulation aimed at restricting certain on-line tracking and targeted advertising practices. In addition, various government and consumer agencies have also called for new regulations and changes in industry practices.

Our business could be adversely affected if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent with our current business practices or that require changes to these practices, the design of our websites, products, features or our privacy policy. In particular, the success of our business has been, and we expect will continue to be, driven by our ability to use the data that our members share with us in accordance with each of our website privacy policies and terms of use. Therefore, our business, operating results and financial condition could be materially and adversely affected by any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of data our members choose to share with us, or regarding the manner in which the express or implied consent of consumers for such use and disclosure is obtained. Such changes may require us to modify our products and features, possibly in a material manner, and may limit our ability to develop new products and features that make use of the data that our members voluntarily share with us.

Our business is subject to a variety of U.S. laws and regulations, many of which are unsettled and still developing and which could subject us to claims or otherwise materially harm our business.

We are subject to a variety of laws and regulations in the United States, including laws regarding data retention, privacy and consumer protection, that are continually evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, regulatory authorities are considering a number of legislative and regulatory proposals concerning data protection and other matters that may be applicable to our business. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject. See the discussion included in “Government Regulation” beginning on page 66 of this prospectus.

If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain solutions, which would materially and adversely affect our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could materially harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could materially and adversely affect our business, financial condition and results of operations.

The existing global economic and financial market environment has had, and may continue to have, a negative effect on our business and operations.

Demand for our services is sensitive to changes in the level of economic activity. Many companies hire fewer employees when economic activity is slow. Since the financial crisis in 2008, unemployment in the U.S. has increased and hiring activity has been limited. If the economy does not fully recover or worsens, or unemployment remains at high levels, demand for our services and our revenue may be reduced. In addition, lower demand for our services may lead to lower prices for our services.

The volatility in global financial markets may also limit our ability to access the capital markets at a time when we would like, or need, to raise capital, which could have an impact on our ability to react to changing economic and business conditions. Accordingly, if the economy does not fully recover or worsens, our business, results of operations and financial condition could be materially and adversely affected.

We may seek to acquire or merge with other businesses, which exposes us to certain risks.

As discussed elsewhere in this prospectus, we intend to use approximately 40% of the net proceeds of this offering for strategic acquisitions. Although we currently have no agreements or commitments with respect to material acquisitions or investments in other companies, we may, from time to time, explore opportunities to acquire or consolidate some of the companies in our industry. Depending on the nature of the acquired entity or operations, integration of acquired operations into our present operations may present substantial difficulties. Even where material difficulties are not anticipated, there can be no assurance that we will not encounter such difficulties in integrating acquired operations with our operations, which may result in a delay or the failure to achieve anticipated synergies, increased costs and failures to achieve increases in earnings or cost savings. The difficulties of combining the operations of acquired companies may include, among other things:

- possible conflicts and inconsistencies in information technology, or IT, infrastructures, which could make it costly or impossible to integrate our IT with the IT of our target;
- possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures between us and an acquired entity;
- difficulties in the retention of existing customers and attraction of new customers;
- difficulties in retaining key employees;
- the identification and elimination of redundant and underperforming operations and assets;
- diversion of management's attention from ongoing business concerns;
- the possibility of tax costs or inefficiencies associated with the integration of the operations; and
- loss of customer goodwill.

For these reasons, we may fail to successfully complete the integration of an acquired entity, or to realize the anticipated benefits of the integration of an acquired entity. Actual cost savings and synergies which may be achieved from an acquired entity may be lower than we expect and may take a longer time to achieve than we anticipate. Also, there may be overlap of users and such members of an acquired entity and one of our websites that would adversely affect anticipated benefits from such acquisition. One or more of such acquisition-related risks, if realized, could have a material and adverse effect on our business, operating results and financial condition.

Our revenue growth rate may decline as our costs increase and we may not be able to maintain our profitability over the long term.

Our revenue grew from approximately $4.17 million for the nine months ended September 30, 2011 to $4.74 million for the nine months ended September 30, 2012, which represented a period over period increase of

14%. However, net income decreased during the same period. From 2010 to 2011, our revenue grew from approximately $4.4 million to $5.6 million, which represented a year over year increase of 27%. In the future, even if our revenue continues to increase, our revenue growth rate may decline over time, and we may not be able to generate sufficient revenue to sustain our profitability. Moreover, a substantial majority of our historical revenue was generated through our arrangements with Monster Worldwide which expired on December 31, 2012 and would likely reduce our revenue significantly or any subsequent revenue growth rate. We also expect our costs to increase in future periods, which could negatively affect our future operating results. In particular, in 2012, our strategy is to continue to invest for future growth and we will incur additional expenses associated with being a publicly traded company, and as a result we may not be profitable in 2012. In particular, we expect to continue to expend substantial financial and other resources on:

- our technology infrastructure, including website architecture, development tools scalability, availability, performance and security, as well as disaster recovery measures;
- product development, including investments in our product development team and the development of new features;
- sales and marketing; and
- general administration, including legal and accounting expenses related to being a public company.

These investments may not result in increased revenue or growth in our business. If we fail to continue to grow our revenue and overall business, our business, operating results and financial condition will be harmed. If we fail to effectively manage our growth, our business and operating results could be materially harmed.

Our business depends on strong brands, and any failure to maintain, protect and enhance our brands would hurt our ability to retain or expand our base of members, enterprises and professional organizations, or our ability to increase their level of engagement.

We believe we have developed strong brands, particularly “iHispano” and “A Mighty River,” which we believe have contributed significantly to the success of our business. Maintaining, protecting and enhancing our brands is critical to expanding our base of members, advertisers, corporate customers and other strategic partners and users, and increasing their engagement with our websites, and will depend largely on our ability to maintain member trust, be a technology leader and continue to provide high-quality solutions, which we may not do successfully. An inability to successfully maintain strong brands would materially and adversely affect our business, financial condition and results of operations.

Failure to protect or enforce our intellectual property rights could materially harm our business and operating results.

We regard the protection of our intellectual property as critical to our success. In particular, we must maintain, protect and enhance our brands. We strive to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. In the ordinary course, we enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information and customized technology platform. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others.

We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States. Effective trademark, trade dress and domain names are expensive to develop and maintain, both in terms of initial and ongoing registration requirements and the costs of defending our rights. We are seeking to protect our trademarks and domain names, a process that is expensive and may not be successful.

Litigation may be necessary to enforce our intellectual property rights or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and operating results. We may incur significant costs in enforcing our trademarks against those who attempt to imitate our brands. If we fail to maintain, protect and enhance our intellectual property rights, our business, operating results and financial condition would be materially and adversely affected.

We may in the future be subject to legal proceedings and litigation, including intellectual property and privacy disputes, which are costly to defend and could materially and adversely affect our business results or operating and financial condition.

We may be party to lawsuits in the normal course of business. Litigation in general is often expensive and disruptive to normal business operations. We may face in the future, allegations and lawsuits that we have infringed the intellectual property and other rights of third parties, including patents, privacy, trademarks, copyrights and other rights. For example, TQP Development, LLC recently filed claims against LinkedIn, Monster Worldwide and other Internet job recruitment and software companies alleging infringement of its patent covering data encryption technology. Litigation, particularly intellectual property and class action matters, may be protracted and expensive, and the results are difficult to predict. Adverse outcomes may result in significant settlement costs or judgments, require us to modify our products and features while we develop non-infringing substitutes or require us to stop offering certain features.

From time to time, we may face claims against companies that incorporate open source software into their products, claiming ownership of, or demanding release of, the source code, the open source software and/or derivative works that were developed using such software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our solutions, any of which would have a negative effect on our business and operating results.

Our success depends in large part upon our management and key personnel. Our inability to attract and retain these individuals could materially and adversely affect our business, results of operations and financial condition.

We are highly dependent on our management and other key employees, including our founder, Mr. Rudy Martinez and our Chief Executive Officer, Mr. Jim Kirsch. The skills, knowledge and experience of these individuals, as well as other members of our management team, are critical to the growth of our company. Our future performance will be dependent upon the continued successful service of members of our management and key employees. We do not maintain key man life insurance for any of the members of our management team or other key personnel. Competition for management in our industry is intense, and we may not be able to retain our management and key personnel or attract and retain new management and key personnel in the future, which could materially and adversely affect our business, results of operations and financial condition.

If Internet search engines' methodologies are modified or our search result page rankings decline for other reasons, our member engagement and number of members and users could decline.

We depend in part on various Internet search engines, such as Google, Bing and Yahoo!, to direct a significant amount of traffic to our websites. Our ability to maintain the number of visitors directed to our websites is not entirely within our control. Our competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ours, or Internet search engines could revise their methodologies in an attempt to improve their search results, which could adversely affect the placement of our search result page ranking. If search engine companies modify their search algorithms in ways that are detrimental to our new user growth or in ways that make it harder for our members to use our websites, or if our competitors' SEO efforts are more successful than ours, overall growth in our member base could slow, member

engagement could decrease, and we could lose existing members. These modifications may be prompted by search engine companies entering the online professional networking market or aligning with competitors. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of users directed to our websites would materially harm our business and operating results. Our platform includes connectivity across the social graph, including websites such as Facebook, Google+, LinkedIn and Twitter. If for any reason these websites discontinue or alter their current open platform policy it could have a negative impact on our user experience and our ability to compete in the same manner we do today.

Wireless communications providers may give their customers greater access to our competitors' websites.

Wireless communications providers may provide users of mobile devices greater access to websites which compete with our websites at more favorable rates or at faster download speeds. This could have a material adverse effect on PDN's business, operating results and financial condition. Creation of an unequal playing field in terms of Internet access could significantly benefit larger and better capitalized companies competing with us.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to increase our sales and marketing efforts and product development and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuance of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be materially harmed.

Risks Related to Our Common Stock and this Offering

Our directors, executive officers and significant stockholders will continue to have substantial control over us after this offering and could limit your ability to influence the outcome of key transactions, including changes of control.

We anticipate that our directors and executive officers and their affiliated entities will, in the aggregate, beneficially own 25.67% of our outstanding common stock following the completion of this offering, assuming the underwriters do not exercise its option to purchase additional shares. In particular, Daniel Ladurini, who beneficially owns 38.73%, together with Mr. Kirsch, our Chairman and Chief Executive Officer and Mr. Martinez, our Executive Vice President and founder, will beneficially own 64.4% of our outstanding common stock following the completion of this offering, together will be able to control or influence significantly all matters requiring approval by our stockholders. These stockholders may have interests that differ from yours, and they may vote in a way with which you disagree and that may be adverse to your interests. The concentration of ownership of our common stock may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company, and may affect the market price of our common stock. This concentration of ownership also limits the number of shares of stock likely to be traded in public markets and therefore will adversely affect liquidity in the trading of our common stock. This concentration of ownership of our common stock may also have the effect of influencing the completion of a change in control that may not necessarily be in the best interests of all of our stockholders.

The market price for our securities may be subject to wide fluctuations and our common stock may trade below the initial public offering price.

The initial public offering price of our common stock will be determined by negotiations between us and representatives of the underwriter, based on numerous factors, including factors discussed under the "Underwriting" section of this prospectus. This price may not be indicative of the market price of our common stock after this offering. We cannot assure you that you will be able to resell your common stock at or above the initial public offering price. The securities of technology companies, especially Internet companies, have experienced wide fluctuations subsequent to their initial public offerings, including trading at prices below the initial public offering prices. Factors that could affect the price of our common stock include risk factors described in this section. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular industries or companies. For example, the capital and credit markets have been experiencing volatility and disruption for more than 12 months. Starting in September 2008, the volatility and disruption have reached extreme levels, developing into a global crisis. As a result, stock prices of a broad range of companies worldwide, whether or not they are related to financial services, have declined significantly. These market fluctuations may also have a material adverse effect on the market price of our common stock. The aggregate value of the shares of common stock offered by us is relatively small and may result in relatively low trading volumes in our common stock, making it more difficult for our stockholders to sell their shares.

Our stock price could decline due to the large number of outstanding shares of our common stock eligible for future sale.

We have a small public float relative to the total number of shares of our common stock that are issued and outstanding and a substantial majority of our issued and outstanding shares are currently restricted as a result of securities laws, lock-up agreements or other contractual restrictions that restrict transfers. Immediately following the consummation of this offering, we may have up to 5,456,364 shares of common stock outstanding.

All 1,820,000 shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act. Upon the release of the underwriters' lock-up from this offering, expected to occur 180 days after the date of this prospectus, approximately 3,635,679 additional shares will be eligible for sale, subject in some cases to volume and other restrictions of Rule 144 under the Securities Act. Sales of substantial amounts of our common stock in the public market following the release of lock-up restrictions or otherwise, or the perception that these sales could occur, could cause the market price of our common stock to decline.

You will experience immediate and substantial dilution in the net tangible book value of your investment and may experience further dilution in the future.

The offering price per share of common stock in this offering is substantially higher than the net tangible book value per share of our outstanding common stock prior to this offering. Consequently, when you purchase our common stock in this offering assuming an offering price per share of $11.00, the midpoint of the range listed on the front cover of this prospectus, you will incur immediate dilution of $7.05 per share.

Nasdaq may delist our common stock from quotation on its exchange which could limit investors' ability to trade our common stock and subject our shares to additional trading restrictions.

We are seeking to list our common stock on the Nasdaq Capital Market, and we will not offer our common stock unless we are approved for listing on a national securities exchange. However, we cannot assure you that our common stock will meet the continued listing requirements to be listed on Nasdaq in the future.

If, following this offering, Nasdaq decides to delist our common stock from trading on its exchange, we could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our proposed amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt prior to the consummation of this offering may have the effect of delaying or preventing a change of control or changes in our management. Our proposed amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, up to 1,000,000 shares of undesignated preferred stock;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors, and also specify requirements as to the form and content of a stockholder's notice;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that our directors may be removed only for cause and only by the affirmative vote of at least a majority of the total voting power of our outstanding capital stock, voting as a single class; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock voting in any election of directors to elect all of the directors standing for election, if they should so choose).

These provisions may frustrate or prevent attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.

We intend to use approximately 15% of the net proceeds of this offering for sales and marketing (which, includes approximately 5% for additional payroll for additional employees in our direct sales team), 25% of the net proceeds for product development, 40% of the net proceeds for strategic acquisitions and reserve the remaining 20% of the net proceeds for future growth opportunities. Although from time to time, we may meet with and identify acquisition targets, we currently have no agreements or commitments with respect to material acquisitions or investments in other companies. Our management will have considerable discretion in the

application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or the market value of our securities. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

We are obligated to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financial reporting in a timely manner, or these internal controls may have one or more material weaknesses, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls and attestations of the effectiveness of internal controls by independent auditors. We would be required to perform the annual review and evaluation of our internal controls no later than for the fiscal year ending December 31, 2013. However, we initially expect to qualify as a smaller reporting company and as an emerging growth company, and thus, we would be exempt from the auditors' attestation requirement until such time as we no longer qualify as a smaller reporting company and an emerging growth company. We would no longer qualify as a smaller reporting company if the market value of our public float exceeded $75 million as of the last day of our second fiscal quarter in any fiscal year following this offering. We would no longer qualify as a emerging growth company at such time as described in the risk factor immediately below.

We are in the early stages of the costly and challenging process of compiling the system and processing documentation necessary to evaluate and correct a material weakness in internal controls needed to comply with Section 404. The material weakness relates to our being a small company with a limited number of employees which limits our ability to assert the controls related to the segregation of duties. During the evaluation and testing process, if we identify one or more additional material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

We have taken the first step towards remediating our material weakness relating to segregation of duties by hiring a Chief Financial Officer with public company reporting experience. We intend to hire additional accounting personnel prior to management's first required review and evaluation of internal controls for the fiscal year ending December 31, 2012. The costs relating to remediating this material weakness will primarily consist of additional employment costs, which we do not expect to have a material effect on our results of operations.

While we currently qualify as an "emerging growth company" under the JOBS Act, we will lose that status at the latest by the end of 2017, which will increase the costs and demands placed upon our management.

We will continue to be deemed an emerging growth company until the earliest of (i) the last day of the fiscal year during which we had total annual gross revenues of $1,000,000,000 (as indexed for inflation); (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of common stock under this registration statement; (iii) the date on which we have, during the previous 3-year period, issued more than $1,000,000,000 in non-convertible debt; or (iv) the date on which we are deemed to be a 'large accelerated filer,' as defined by the SEC, which would generally occur upon our attaining a public float of at least $700 million. Once we lose emerging growth company status, we expect the costs and demands placed upon our management to increase, as we would have to comply with additional disclosure and accounting requirements, particularly if our public float should exceed $75 million on the last day of our second fiscal quarter in any fiscal year following this offering, which would disqualify us as a smaller reporting company.

We are an "emerging growth company" and we cannot be certain that the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

The JOBS Act permits "emerging growth companies" like us to rely on some of the reduced disclosure requirements that are already available to smaller reporting companies, which are companies that have a public float of less than $75 million. As long as we qualify as an emerging growth company or a smaller reporting company, we would be permitted to omit the auditor's attestation on internal control over financial reporting that would otherwise be required by the Sarbanes-Oxley Act, as described above and are also exempt from the requirement to submit "say-on-pay", "say-on-pay frequency" and "say-on-parachute" votes to our stockholders and may avail ourselves of reduced executive compensation disclosure that is already available to smaller reporting companies.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of this exemption. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will cease to be an emerging growth company at such time as described in the risk factor immediately above. Until such time, however, we cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile and could cause our stock price to decline.

We do not intend to pay dividends for the foreseeable future.

Following the completion of our offering, we do not intend to declare or pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Special Note Regarding Forward-Looking Statements

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contains forward-looking statements that involve risks and uncertainties. In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve known and unknown risks, uncertainties and other factors that may cause our or our industry's results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. Many important factors affect our ability to achieve our objectives, including:

- our dependence on two customers, Monster Worldwide and Apollo Group, with whom we have exclusive arrangements, and our ability to maintain these two customers, increase our revenues from these two customers, and develop other sources of revenue;
- our limited operating history in a new and unproven market;
- increasing competition in the market for online professional networks;
- our ability to comply with increasing governmental regulation and other legal obligations related to privacy;
- our ability to adapt to changing technologies and social trends and preferences;
- our ability to attract and retain, a sales and marketing team, management and other key personnel;
- our ability to obtain and maintain intellectual property protection for our intellectual property;
- any future litigation regarding our business, including intellectual property claims;
- general and economic business conditions; and
- any other risks described under "Risk Factors" in this prospectus.

These factors could cause actual results to differ materially from the results anticipated by these forward-looking statements. You should read these risk factors and the other cautionary statements made in this prospectus as being applicable to all related forward-looking statements wherever they appear in this prospectus. We cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, if at all.

You should read this prospectus completely. Other than as required by law, we undertake no obligation to update these forward-looking statements, even though our situation may change in the future. We qualify all the forward-looking statements contained in this prospectus by the foregoing cautionary statements.

Use of Proceeds

Assuming an initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, we estimate our net proceeds from the sale of 1,820,000 shares of our common stock in this offering will be $17.3 million, after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance of up to 1.5% of the gross proceeds from the sale of the firm shares and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, we estimate that our net proceeds from this offering will be $20.1 million, after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us. A $1.00 increase or decrease in the assumed initial public offering price of $11.00 per share would increase or decrease the net proceeds to us from this offering by $1.67 million, assuming the number of shares offered by us, as set forth on the front cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions, the underwriters, accountable expense allowance and estimated offering expenses payable by us.

The expected use of net proceeds from this offering represents our current intentions, based upon our present plans and business conditions; however, our plans and business conditions are subject to change and there may be circumstances where a reallocation of funds is necessary. The amount and timing of our actual expenditures depend on numerous factors, including fluctuations in corporate hiring, economic conditions and availability of opportunities. Accordingly, we may change the allocation of use of these proceeds as a result of contingencies.

We intend to use approximately 15% of the net proceeds of this offering for sales and marketing (which includes approximately 5% for additional payroll for additional employees in our direct sales team), 25% of the net proceeds for product development, 40% of the net proceeds for strategic acquisitions and reserve the remaining 20% of the net proceeds for future growth opportunities which may include additional investments in sales and marketing, products and/or strategic acquisitions and for general working capital. Although from time to time, we may meet with and identify acquisition targets, we currently have no agreements or commitments with respect to material acquisitions or investments in other companies. Management will retain broad discretion in the allocation of the net proceeds of this offering. You will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Dividend Policy

Following the completion of this offering, we intend to retain the net proceeds of the offering and our future earnings, if any, to finance the further development and expansion of our business and do not intend or expect to pay cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, outstanding indebtedness and plans for expansion and restrictions imposed by lenders, if any.

Capitalization

The following table sets forth our capitalization as of September 30, 2012 on:

- an actual basis;
- on a pro forma basis to reflect the completion of our corporate reorganization pursuant to which Professional Diversity Network, LLC is reorganized as a Delaware corporation and renamed Professional Diversity Network, Inc., and on a pro forma basis to reflect the conversion of promissory notes in the aggregate principal amount of $1,520,819 plus accrued interest in the amount of $112,862 owed to certain affiliates of the company into shares of common stock at a price per share equal to the offering price. Our outstanding promissory notes are currently non-convertible. However, in connection with this offering, we have an understanding with our founding members that the promissory notes will be exchanged into an estimated 148,517 shares of our common stock at a price equal to the public offering price, without payment of any additional consideration; and
- on a pro forma as adjusted basis to reflect the receipt of the net proceeds from the sale of 1,820,000 shares of common stock in this offering at an assumed initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us. You should read this capitalization table together with our financial statements and the related notes appearing elsewhere in this prospectus, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included in this prospectus.

	As of September 30, 2012		
	Actual	Pro forma	Pro forma as adjusted(1)
Stockholders' equity:	$		$ -
Undesignated preferred stock, $0.01 par value, 1,000,000 shares authorized, no shares designated, issued or outstanding, actual and pro forma as adjusted	-		
Notes payable	1,477,428	-	-
Common stock, $0.01 par value, 25,000,000 shares authorized, 0 shares issued and outstanding, actual; 25,000,000 shares authorized 3,636,364, issued and outstanding pro forma and 5,456,364 issued and outstanding pro forma as adjusted	-	36,364	54,564
Members Equity	3,682,064	-	-
Additional paid-in capital	-	5,123,128	22,403,999
Total stockholders' equity	-	5,159,492	22,458,563
Total capitalization	$5,159,492	$5,159,492	$22,458,563

(1) A $1.00 increase or decrease in the assumed initial public offering price would result in an approximately $1.67 million increase or decrease in pro forma as adjusted additional paid-in capital, pro forma as adjusted total stockholders' equity and pro forma as adjusted total capitalization, assuming the number of shares offered by us, as set forth on the front cover of this prospectus, remains the same after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us.

The outstanding share information in the table above is based on the number of shares outstanding as of September 30, 2012 (the same number of shares are outstanding as of the date of this prospectus), and excludes:

- 500,000 additional shares of common stock reserved and available for future issuances under the 2013 Equity Compensation Plan; and
- 91,000 shares of common stock issuable upon exercise of warrants to be issued to the underwriters in connection with this offering that will remain outstanding after this offering at an exercise price equal to 125% of the initial public offering price.

Dilution

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

As of September 30, 2012, we had a net tangible book value of $3,598,475, or $0.99 per share of common stock on a pro forma basis giving effect to the completion of our reorganization. Net tangible book value per share is equal to our total tangible assets (total assets less intangible assets) less our total liabilities divided by the number of shares of common stock outstanding.

After giving effect to our sale of shares of common stock at an assumed initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us, the pro forma as adjusted net tangible book value of our common stock, as of September 30, 2012, would have been $21.5 million, or $3.95 per share. This amount represents an immediate increase in net tangible book value to our existing stockholders of $2.96 per share and an immediate dilution to new investors of $7.05 per share.

The following table illustrates this dilution on a per share basis.

Assumed initial public offering price per share	$11.00
Historical net tangible book value per share as of September 30, 2012 on a pro forma basis giving effect to the completion of our reorganization.	$ 0.99
Pro forma increase in net tangible book value per share attributable to new investors purchasing shares in this offering	$ 2.96
Pro forma as adjusted net tangible book value per share after this offering	$ 3.95
Dilution per share to new investors in this offering	$ 7.05

A $1.00 increase or decrease in the assumed initial public offering price of $11.00 per share would increase or decrease, respectively, our pro forma as adjusted net tangible book value by $1.67 million, the pro forma as adjusted net tangible book value per share by $0.31 per share and the dilution in the net tangible book value to investors in this offering by $0.31 per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and estimated offering expenses payable by us.

The following table summarizes, as of the date of this prospectus, on a pro forma as adjusted basis, the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by our existing stockholders and by new investors, based upon an assumed initial public offering price of $11.00 per share, the midpoint of the range on the front cover of this prospectus, and before deducting estimated underwriting discounts and commissions, the underwriters' accountable expense allowance and offering expenses payable by us.

	Shares Purchased		Total Consideration		Weighted Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	3,636,364	67%	$ 5,315,745	21%	$ 1.46
New investors	1,820,000	33	20,000,000	79%	11.00
	5,456,364	100%	$25,335,745		4.64

A $1.00 increase or decrease in the assumed initial public offering price of $11.00 per share would increase or decrease, respectively, total consideration paid by new investors and total consideration paid by all stockholders by approximately $1.67 million, assuming that the number of shares offered by us, as set forth on the front cover of this prospectus, remains the same.

In the preceding tables, the shares of common stock outstanding exclude, as of the date of this prospectus:

- 500,000 additional shares of common stock reserved and available for future issuances under the 2013 Equity Compensation Plan;
- 273,000 shares of our common stock that may be purchased by the underwriters to cover over-allotments, if any; and
- 91,000 shares of common stock issuable upon exercise of warrants to be issued to the underwriters in connection with this offering that will remain outstanding after this offering at an exercise price equal to 125% of the initial public offering price.

If the underwriters exercise their option to purchase additional shares in full:

- the number of shares of our common stock held by existing stockholders would decrease to 63% of the total number of shares of our common stock outstanding after this offering;
- the number of shares of our common stock held by new investors would increase to 37% of the total number of shares of our common stock outstanding after this offering; and
- our pro forma as adjusted net tangible book value at September 30, 2012 would have been $24.6 million, or $4.29 per share of common stock, representing an immediate increase in pro forma as adjusted net tangible book value of $3.30 per share of common stock to our existing stockholders and an immediate dilution of $6.71 per share to investors purchasing shares in this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the "Summary Financial Data" and our financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements, which are based on our assumptions about the future of our business. Our actual results will likely differ materially from those contained in the forward-looking statements. Please read "Special Note Regarding Forward-Looking Statements" included elsewhere in this prospectus for additional information regarding forward-looking statements used in this prospectus. For purposes of this prospectus, unless the context clearly dictates otherwise, all references in this prospectus to "professionals" mean persons interested in the company's websites presumably for the purpose of career advancement or related benefits offered by the company, whether or not such person is employed and regardless of the level of education or skills possessed by such person. The company does not impose any selective or qualification criteria on membership and the term "professional(s)" as used in this prospectus should be interpreted accordingly. In addition, the company does not verify that any member of a particular website qualifies as a member of the ethnic, cultural or other group identified by that website. References to "user(s)" means any person who visits one or more of our websites and "our member(s)" means an individual user who has created a member profile on that website as of the date of measurement. If a member is inactive for 24 months then such person will be automatically de-registered from our database. The term "diverse" (or "diversity") is used throughout this prospectus to include communities that are distinct based on a wide array of criteria which may change from time to time, including ethnic, national, cultural, racial, religious or gender classification.

Overview

We generate revenue through two sources – recruitment and advertising. Our principal customer in the recruitment sector has been Monster Worldwide. However, our agreement with Monster Worldwide expired on December 31, 2012, and was not renewed. On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to our agreement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising on our websites. Our principal customer in the advertising sector is Apollo Group.

Recruitment. Historically we have generated all of our recruitment revenue through our exclusive recruitment relationship with Monster Worldwide. That arrangement expired on December 31, 2012. Pursuant to our agreement with Monster Worldwide, we post the job opportunities of certain employers that work with Monster Worldwide on our websites and on the websites of diverse professional organizations with which we have cross-posting agreements. During the term of our agreement with Monster Worldwide, we are prohibited from selling products or services competitive with Monster Worldwide or enabling any competitor of Monster Worldwide (e.g., CareerBuilder or any other provider of job search services) to post jobs on our websites or otherwise provide content to, or derive content or advertising from, us. Please see the section entitled *"Business - Monster Worldwide"* for further information about our business arrangement with Monster Worldwide.

Following the termination of our agreement with Monster Worldwide on December 31, 2012, we will seek to market our diversity recruitment services directly to employers who are not subject to the restricted account list of 1,000 companies selected by LinkedIn.

Market Directly to Recruiters

We commenced development of an internal business plan to market diversity recruitment services to businesses directly prior to December 31, 2012 due to uncertainty of whether our agreement with Monster Worldwide would expire. Following the expiration, we began using certain existing employees and hired additional personnel to focus on these direct marketing activities.

We believe favorable market conditions will be necessary for us to succeed in our new relationship with LinkedIn and our direct marketing initiative. We have begun to develop our internal sales force in order to be operational on January 2, 2013. We will need lead time to develop the new sales group and it will require significant additional investments to successfully market and sell our recruiting services directly to employers and our ability to succeed is uncertain.

We have segmented the diversity recruitment market into three sectors:

- Federal, state and local governments and companies and contractors who serve these governmental entities.
- Small and medium sized businesses as defined by companies with less than 2,500 employees
- Large enterprises with greater than 2,500 employees.

Our sales team will approach these markets using a combination of telephone and email marketing as well as, in some cases, personal visits to companies and or their recruitment agencies. We also plan to attend major recruitment conferences where diversity recruitment recruiters are in attendance. Our sales team will not have the ability to sell to any of the 1,000 companies that are listed on the restricted account list pursuant to our agreement with LinkedIn. The companies in such restricted accounts list are of varying sizes, operate in diverse geographical locations and conduct business in different sectors. We believe LinkedIn designated these particular companies in its restricted account list because LinkedIn has established business relationships with these companies and feels that these companies are potential purchasers of diversity recruitment services. We are permitted, however, to market and sell our products to any company that is not on such restricted account list after our exclusive agreement with Monster Worldwide expired on December 31, 2012. Our agreement with Monster Worldwide requires us to maintain the diversity-based job postings that originated from Monster Worldwide prior to December 31, 2012. We are not restricted to sell those companies any additional products or services nor are we prevented from selling those companies directly upon the end of the fulfillment period.

We have begun to invest in our direct sales infrastructure and expect to continue to do so in the future. We have budgeted approximately 15% of the net proceeds of the offering for sales and marketing expenses, including approximately 5% for additional payroll for additional employees in our direct sales team. These costs are primarily for sales personnel and to support the sales team with tools such as client relationship management systems, personal computers and travel expenses. The sales expenses are variable and can be adjusted to meet market conditions. However, there is a risk that we will not successfully sell our products and services directly to employers at a level that supports the cost of providing those services.

We will not be able to generate any recruitment revenue unless and until we are able to market our diversity recruitment services to businesses directly, or alternatively, successfully develop our relationship with LinkedIn Corporation.

Revenue from our recruitment sector will be impacted positively and negatively by certain general macroeconomic conditions, such as the national unemployment rate. An increase in demand for employees should create market conditions favorable to recruitment companies like ourselves. Conversely, a weak employment environment should have a negative impact. We believe that our focus on diverse professionals mitigates this risk because of the social and political environment in the United States. We believe recent trends indicate an increased focus by companies on hiring diverse Americans for both compliance and business reasons. For example, as the Hispanic population grows and companies seek to conduct business with this population, we expect companies will hire aggressively within the Hispanic community, resulting in a robust demand for bilingual English/Spanish speakers and writers. Because of our specialization and focus in diversity recruitment, as opposed to general recruitment, we have not yet experienced negative pricing pressure associated with product commoditization (which is the act of making a product or service easy to obtain by making it as uniform, plentiful and affordable as possible).

LinkedIn

On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to our agreement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising on our websites. Our agreement with LinkedIn provides that LinkedIn make fixed quarterly payments to us that are approximately half of the fixed quarterly payments we received from Monster Worldwide and a percentage commission for sales of our services in excess of certain thresholds. The fixed quarterly payments are payable regardless of sales volumes or any other performance metric. Although such fixed quarterly payments are significantly less than the fixed quarterly payments that we receive from Monster Worldwide, we believe that we have the potential to exceed our revenues from our previous agreement with Monster Worldwide because (i) we may earn additional commission payments with LinkedIn, if certain sales levels are achieved, and (ii) we may earn revenue by selling our services directly, as described above. Under our agreement with LinkedIn, we will receive (i) no commissions on the first $10 million of LinkedIn's revenue from the sale of our services during each calendar year, (ii) 20% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $10 million and less than $50 million, and (iii) 15% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $50 million. However, there can be no assurance that we will meet or exceed revenues earned through Monster Worldwide in prior periods. As an example solely to illustrate the stair-step structure of our commission schedule with LinkedIn, if LinkedIn sells $60 million of our services during any calendar year, we would receive $9.5 million in commission revenue for such year, in addition to our fixed payments, because we would earn no commission revenue for the first $10 million of LinkedIn sales of our services, $8 million in commission revenue for the next $40 million of LinkedIn sales of our services and $1.5 million in commission revenue for the remaining $10 million of LinkedIn sales of our services.

During the term of our agreement with LinkedIn, we may not permit any competitor of LinkedIn to resell our diversity-based recruitment services. Our agreement does not prohibit LinkedIn from selling its own or any third party's diversity recruitment services, However, during the term of our agreement with LinkedIn and for a period of one year thereafter, we may not sell our diversity-based recruitment services, directly or indirectly, to any of the 1,000 companies on LinkedIn's restricted account list. The companies in such restricted accounts list range are of varying sizes, operate in diverse geographical locations and conduct business in different sectors. We believe LinkedIn designated these particular companies in its restricted account list because LinkedIn has established business relationships with these companies and feels that these companies are potential purchasers of diversity recruitment services. We are permitted, however, to market and sell our products to any company that is not on such restricted account list after our exclusive agreement with Monster Worldwide expired on December 31, 2012.

The term of our agreement with LinkedIn is three years, subject to LinkedIn's right, in its sole and absolute discretion, to terminate our agreement on the six-month anniversary of the effective date upon not less than 30 days' prior notice and during the fourth calendar quarter of the first and second years of the term of our agreement upon not less than 90 days' prior notice. If not terminated sooner, the term of our agreement with LinkedIn will automatically renew for successive one-year terms unless either party delivers a notice of non-renewal with 90 days' prior notice. For additional information about our business arrangements with LinkedIn, please see the section entitled "*Business - LinkedIn*."

Advertising. We generate most of our advertising revenue from our exclusive advertising relationship with Apollo Group, for which we place advertising on our websites and to whose website we direct our members to help advance their education. Under our agreement with Apollo Group, we may not provide advertising services for any other institution of higher education, whether for-profit or non-profit, other than Apollo Group. Because we have an exclusivity arrangement with Apollo Group, our revenue growth in this market segment is dependent on the volume of students interested in, and the success of, Apollo Group's University of Phoenix and their use of our websites. Please see the section entitled *"Business - Advertising Revenue - University of Phoenix"* for further information about our business arrangement with Apollo Group.

The majority of our advertising revenue from Apollo Group is recognized based upon fixed fees with certain minimum monthly website visits or fixed fee for revenue sharing agreements in which payment is required at the time of posting. Unless we earn additional advertising revenue from clients outside of the higher education sector, our ability to generate additional advertising revenue is limited, unless we are able to negotiate more favorable terms with Apollo Group.

We believe that we have an opportunity for long-term growth with Apollo Group. In the short term, we are focused on maintaining our relationship with Apollo Group. If our relationship with Apollo Group is discontinued, we would suffer a loss in advertising revenue in the short-term. However, in the long-term, we feel that the for-profit education market sector is large enough and competitive enough to allow us to positively adjust to the potential loss of this client because we believe our target audience of diverse professionals is highly sought after. We believe we have significant opportunities to grow our advertising revenue from clients outside of the education sector.

Cost of Growth

In the nine months ended September 30, 2012, we began to increase our sales and marketing, as well as, product development expenses. Such expenses will not be capitalized under our financial statements, and we do not expect to see increased revenues resulting from these investments until the first quarter of 2013 at the earliest. Therefore, as we execute our strategy to increase advertising and recruitment revenue by hiring additional personnel, expanding our marketing efforts and building a sales team, our profitability has declined and may continue to decline in the short-term. We may increase our office space to accommodate additional personnel.

Results of Operations

The following tables set forth our results of operations for the periods presented (certain items may not foot due to rounding). The period-to-period comparison of financial results is not necessarily indicative of future results.

Comparison of the Nine Months Ended September 30, 2012 with the Nine Months Ended September 30, 2011

	Nine Months Ended September 30,		September 30, 2011 to 2012 % change
	2012	2011	
	(in thousands)		
Revenue:			
Recruitment services	$ 3,000	$ 3,000	-
Consumer advertising and consumer marketing solutions	1,736	1,167	48.8
Total revenue	4,736	4,167	13.7
Operating expenses:			
Cost of services	679	598	13.6
Sales and marketing	1,095	710	54.3
General and administrative	744	511	45.6
Depreciation and amortization	85	81	4.5
Total operating expenses	2,603	1,900	37.0
Income from operations	2,134	2,267	(5.9)
Other income (expense):			
Interest and other income	9	15	(39.6)
Interest expense	(130)	(128)	1.9
Other expense, net	(121)	(112)	6.9%
Net income	$ 2,013	$ 2,155	(6.5)%

Key Components of Our Results of Operations

Revenue

The following tables set forth our results of operations for the periods presented as a percentage of revenue for those periods (certain items may not foot due to rounding). The period to period comparison of financial results is not necessarily indicative of future results.

	Nine Months Ended September 30,	
	2012	2011
Percentage of revenue by product:		
Recruitment revenue	63	72
Consumer advertising and consumer marketing solutions revenue	37	28

Total revenue was $4,736,470, an increase of $569,877, or 14%, for the nine months ended September 30, 2012, compared to $4,166,593 for the nine months ended September 30, 2011. Revenue from our recruitment solutions remained flat as our base fixed fee pursuant to our contract with Monster Worldwide did not change from 2011 to 2012. Revenue from our consumer advertising and consumer marketing solutions was $1,736,470, an increase of $569,877, or 49%, for the nine months ended September 30, 2012 compared to $1,166,593 for the nine months ended September 30, 2011. The period over period increase was a result of three amendments to our agreements with Apollo Group; the Apollo Education to Careers Agreement that commenced in the third quarter of 2011, which resulted in additional revenue of $269,333, an agreement entered into with Apollo Group to provide advertising and promotion services for its Education to Education Affinity Networking Portal Site, which resulted in additional revenue of $150,000 and an insertion order from Apollo Group which resulted in additional revenue of $313,321 based upon the number of persons we referred to the University of Phoenix who expressed an interest in obtaining information about attending the University of Phoenix. These increases were offset by a $120,395 decrease in advertising revenue and a $42,382 decrease in media-partner revenue. The reasons for these decreases was that we allocated additional advertising inventory to the Monster Worldwide recruitment channel, which is covered by our flat fee arrangement with Monster Worldwide, and demand for media partner services is slightly softer in 2012 than 2011.

Operating Expenses

Cost of services expense: Our cost of services expense for the nine months ended September 30, 2012 was $679,233, an increase of $81,369, or 13.6%, as compared to $597,864 for the nine months ended September 30, 2011. The period over period increase was primarily attributable to a net increase of $11,000 related to the maintenance and operation of our systems and websites consisting of computer programmer services expense increase of $31,000 and web hosting expense increase of $25,000, both due to increased traffic and functionality for our websites, offset by a decrease in web development expense $45,000 as we brought more of those expenses in-house in 2012 and this amount is now included in salaries and wages. Also contributing to the increase in cost of services was an increase in media expense related to our Apollo Group agreement which increased $47,000, and an increase in salaries and benefits of $67,000 resulting from hiring additional operations personnel in the fourth quarter of 2011 to support our revenue and traffic growth. The increase in cost of services expense was offset by a $45,000 decrease in revenue sharing costs as we focused our advertising and recruitment efforts on our Monster and Apollo agreements and less on promoting partner advertising revenue.

Sales and marketing expense: Sales and marketing expense for the nine months ended September 30, 2012 was $1,094,645, an increase of $385,046, or 54.3%, as compared to $709,599 for the nine months ended September 30, 2011. The period over period increase consisted of $148,000 in sales and marketing salaries and benefits which resulted from hiring additional staff in the third and fourth quarters of 2011 to support our revenue growth, a $227,000 increase in online marketing expense to generate and support additional website traffic, a $4,000 investment in customer database management tools and $6,000 to support our commitment to the University of Phoenix for student scholarships.

General and administrative expense: Our general and administrative expenses for the nine months ended September 30, 2012 were $743,952, an increase of $232,987, or 45.6%, as compared to $510,965 for the nine months ended September 30, 2011. The period over period increase in general and administrative expense was primarily due to an increase in audit and accounting fees of approximately $119,000, increases in personnel expenses of $77,000 related to the hiring of additional personnel to support our planned initial public offering and a $49,000 increase in bad debt expense as we determined the outstanding balance of certain advertising revenue invoices were uncollectible, offset by a decrease in public relations expense of $10,000 as we scaled back our press release efforts due to the IPO process.

Depreciation and amortization expense: Depreciation and amortization expense for the nine months ended September 30, 2012 was $84,823, an increase of $3,689, or 4.5%, as compared to $81,134 for the nine months ended September 30, 2011. The period over period increase in depreciation and amortization expense was due to a $1,500 increase in depreciation expense and an increase of $2,189 in amortization expense for capitalized software.

Other Expenses and Income

Interest and other income: Interest and other income for the nine months ended September 30, 2012 decreased $6,017 or (39.6%), to $9,192, as compared to $15,209 for the nine months ended September 30, 2011. The period over period decrease was attributable to a decrease in interest and dividend income on our cash balances as we have liquidated our bond investments and currently hold only one exchange traded fund and the majority of our investments are in a money market account.

Interest expense : Interest expense relates to the interest on our notes payable to certain note holders of the company. The increase in interest expense of $2,396, or 1.9%, to $129,939 for the nine months ended September 30, 2012, compared to $127,543 for the nine months ended September 30, 2011, was attributable to an increase in the accrued interest balance of the notes payable to our note holders. Interest expense includes the amortization of a discount of $54,971 and $49,317 at September 30 2012 and September 30, 2011, respectively, for the note payable to one of our note holders pursuant to which we made monthly payments. Payments on the discounted note were $144,000 for each of the nine months ended September 30, 2012 and September 30, 2011.

Comparison of the Year Ended December 31, 2011 with the Year Ended December 31, 2010

	Year Ended December 31,		December 31, 2010 to 2011 % change
	2011	2010	
	(in thousands)		
Revenue:			
Recruitment services	$4,000	$4,000	-
Consumer advertising and consumer marketing solutions	1,569	385	308
Total revenue	5,569	4,385	27.0
Operating expenses:			
Cost of services	817	722	13.2
Sales and marketing	1,022	658	55.3
General and administrative	723	897	(19.4)
Depreciation and amortization	109	88	23.9
Total operating expenses	2,671	2,365	12.9
Income from operations	2,898	2,020	43.5
Other income (expense):			
Interest and other income	18	17	0.8
Interest expense	(170)	(172)	(0.7)
Other expense, net	(152)	(154)	(0.9)
Net income	$2,746	$1,865	47.0%

Revenue

The following tables set forth our results of operations for the periods presented as a percentage of revenue for those periods (certain items may not foot due to rounding). The period to period comparison of financial results is not necessarily indicative of future results.

	2011	2010
Percentage of revenue by product:		
Recruitment revenue	72	91
Consumer advertising and consumer marketing solutions revenue	28	9

Total revenue was $5,569,342, an increase of $1,184,688, or 27%, for the year ended December 31, 2011 compared to $4,384,654 for the year ended December 31, 2010. Revenue from our recruitment solutions remained flat as our base fixed fee pursuant to our contract with Monster did not change from 2010 to 2011 and, although we continued to exceed our contract minimums, we did not exceed the number of applications required to receive additional revenue from Monster. Revenue from our consumer advertising and consumer marketing solutions was $1,569,342, an increase of $1,184,688, or 308%, for the year ended December 31, 2011 compared to $384,654 for the year ended December 31, 2010, primarily due to $1,130,667 of revenues derived from the agreement entered into with Apollo and to a lesser extent a $54,021 increase in partner advertising revenue due to an overall increase in professional hiring demand and further market penetration of our consumer advertising and consumer marketing solutions.

Operating Expenses

Cost of services expense: Our cost of services expense for the year ended December 31, 2011 was $817,254, an increase of $95,251, or 13.2%, as compared to $722,003 for the year ended December 31, 2010. The year over year increase was primarily attributable to an increase of approximately $66,000 related to the maintenance and operation of our systems and websites, an increase of $12,000 in operations salaries and benefits and a decrease of $26,000 in our revenue sharing costs related to the number of advertisements placed on partner websites in 2011.

Sales and marketing expense: Sales and marketing expense the year ended December 31, 2011 was $1,021,839, an increase of $364,028, or 55.3%, as compared to $657,811 for the year ended December 31, 2010. The year over year increase primarily consisted of $223,000 of online marketing and public relations expenses related to our revenue growth in the consumer advertising and marketing solutions and a $141,000 increase in marketing salaries and benefits resulted from hiring additional sales and marketing staff in 2011 to support our revenue growth.

General and administrative expense: Our general and administrative expense for the year ended December 31, 2011 were $723,093, a decrease of $174,128, or 19.4%, as compared to $897,221 for the year ended December 31, 2010. The year over year decrease in general and administrative expense was primarily due to a decrease of $243,000 in additional compensation payments paid to one of the members. The decrease in additional compensation payments consists of $221,679 for a down payment and earnest money paid in 2010 for a condominium apartment in Miami, Florida which was primarily used by the company and a decrease of $21,425 in expenses related to the condominium (please see "*Agreements with Directors and Executive Officers*" for further information regarding the additional compensation payments), offset by an increase of $7,000 in personnel expenses primarily related to payroll, an increase of $29,000 as we incurred additional occupancy costs as a result of staffing increases, $17,000 of increased travel expense related to our revenue growth, $10,000 of increased office expense to support additional staff and $13,000 for increased legal and accounting services, also related to our revenue growth.

Depreciation and amortization expense: The $21,000 increase in depreciation and amortization expense for the year ended December 31, 2011, as compared to the year ended December 31, 2010 was due to a $21,000 increase in amortization expense for additions to capitalized software related to updates and enhancements to our technology platforms.

Other Expenses and Income

Interest and other income: Interest and other income for the year ended December 31, 2011 increased $137, or 0.8%, to $17,540, as compared to $17,403 for the year ended December 31, 2010. The change was attributable to a decrease in interest income of approximately $14,000 on our cash balances due to lower interest rates and lower balances on our interest bearing accounts offset by an increase in dividend income of $13,000 on our marketable securities and cash equivalents.

Interest expense: The decrease in interest expense of $1,000, or 0.7%, to $170,452 for the year ended December 31, 2011, compared to $171,685 for the year ended December 31, 2010, was attributable to a reduction in the accrued interest balance of the note payable to one of the note holders. Interest expense includes the amortization of a discount of $66,259 and $62,376 at December 31, 2011 and 2010, respectively, for the note pursuant to which we made a principal reduction payment. Payments on the notes were $192,000 for the years ended of December 31, 2011 and 2010.

Critical Accounting Policies and Estimates

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company," we may delay adoption of new or revised accounting standards applicable to public companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period for complying with such new or revised accounting standards. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Upon issuance of new or revised accounting standards that apply to our financial statements, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting guidelines.

Our management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments, including those described below. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates.

While our significant accounting policies are more fully described in Note 3 to our financial statements included at the end of this prospectus, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we use in the preparation of our financial statements.

Accounts Receivable

Our policy is to reserve for uncollectible accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. We periodically reviews our accounts receivable to determine whether an allowance for doubtful accounts is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Goodwill and Intangible Assets

We account for goodwill and intangible assets in accordance with Accounting Standards Codification ("ASC") 350 Intangibles - Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

We evaluate goodwill for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of goodwill or a significant decrease in expected cash flows.

Pursuant to recent authoritative accounting guidance, we elect to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. We are not required to calculate the fair value of a reporting unit unless we determine that it is more likely than not that its fair value is less than its carrying amount. If we determine that it is more likely than not that its fair value is less than its carrying amount, then we will perform the two-step goodwill impairment test. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. If the carrying value exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of that goodwill. Any excess of the goodwill carrying value over the respective implied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value.

Capitalized Technology Costs

We account for capitalized technology costs in accordance with Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 350-40 Internal-Use Software, we capitalize certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Included in capitalized software at September 30, 2012 are internal personnel costs and external costs which were properly capitalized in accordance with SoP 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* and/or FASB Statement No. 86, *Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed.*

We update our technology platform continuously, with new releases occurring approximately every 3 – 4 days. The majority of the costs incurred to create these updates are personnel costs for which we have a dedicated team of employees. A portion of the salaries & benefits for these employees are the costs that are capitalized. We continuously document all changes and enhancements made to our software platforms, track the internal hours incurred to complete such changes and enhancements and capitalize changes and enhancements that meet the criteria under SoP 98-1 or FASB Statement No. 86.

From time to time, we incur significant consulting costs and/or costs for materials that are related to major site enhancements or platform upgrades. These costs are typically 50% to 80% of our total new annual capitalized software costs. Consulting costs are also capitalized in accordance with the above pronouncements.

Revenue Recognition

Our principal sources of revenue are recruitment revenue and consumer marketing and consumer advertising revenue. Our recruitment revenue is derived from our strategic partnership agreement with Monster Worldwide.

Consumer marketing and consumer advertising revenue is recognized either based upon a fixed fee for revenue sharing agreements in which payment is required at the time of posting, or billed based upon the number of impressions (the number of times an advertisement is displayed) recorded on the websites as specified in the customer agreement.

We apply the revenue recognition principles set forth in Securities and Exchange Commission Staff Accounting Bulletin ("SAB") 104 "Revenue Recognition" with respect to all of its revenue. Accordingly, the company records revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery of its services has occurred, (iii) fees for services are fixed or determinable, and (iv) collectability of the sale is reasonably assured.

Fair Value Measurement

U.S. GAAP establishes a hierarchal disclosure framework which ranks the "observability" of inputs used in measuring financial instruments at fair value. The observability of inputs is impacted by a number of factors, including the type of financial instruments and their specific characteristics. Financial instruments with readily available quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

The three-level hierarchy for fair value measurement is defined as follows:

Level I — inputs to the valuation methodology are quoted prices available in active markets for identical instruments as of the reporting date. The type of financial instruments included in Level I include unrestricted securities, including equities and derivatives, listed in active markets. We do not adjust the quoted price for these instruments, even in situations where we hold a large position and a sale could reasonably impact the quoted price.

Level II — inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. The type of financial instruments in this category includes less liquid and restricted securities listed in active markets, securities traded in other than active markets, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.

Level III — inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category include investments in privately-held entities, non-investment grade residual interests in securitizations, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs. Investments in fund of funds are generally included in this category.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to any of our fair value measurements requires judgment and considers factors specific to each relevant investment where the fair value is based on unobservable inputs.

Income Taxes

Prior to reorganization, the company was a limited liability company that elected to be taxed as a partnership. As such the company's income or loss is required to be reported by each respective member on its separate income

tax returns. Therefore, no provision for income taxes has been provided in the accompanying financial statements. In accounting for uncertainty in income taxes, we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The company recognizes interest and penalties on any unrecognized tax benefits as a component of income tax expense. Based on an evaluation of the company's tax positions, management believes all positions taken would be upheld under an examination.

Liquidity and Capital Resources

The following table summarizes our liquidity and capital resources as of and for each of the nine months ended September 30, 2012 and September 30, 2011 and years ended December 31, 2011 and 2010, respectively, and is intended to supplement the more detailed discussion that follows:

	Nine Months Ended September 30,		Year Ended December 31,	
Liquidity and Capital Resources	**2012**	**2011**	**2011**	**2010**
	(in thousands)		(in thousands)	
Cash and cash equivalents	$1,898	$ 1,595	$2,254	$ 913
Short-term investments	254	481	375	753
Working capital	3,563	3,342	3,829	2,714

Our principal sources of liquidity are our cash and cash equivalents, marketable securities and cash generated from operations. Our payment terms for our two primary customers are 45 and 60 days, respectively. Average days to pay are 57 and 75 days, respectively. We consider the difference between the payment terms and payment receipts a result of transit time for invoice and payment processing and to date have not experienced any liquidity issues as a result of the payments extending past the specified terms. Cash and cash equivalents and short term investments consist primarily of cash on deposit with banks and investments in money market funds, corporate and municipal debt and U.S. government and U.S. government agency securities.

The non-renewal of our agreement with Monster Worldwide will have a material impact on revenue and cash flow. Under our agreement with Monster Worldwide, we have agreed to provide limited support and access to data to permit Monster Worldwide to continue to meet certain obligations to its customers in 2013. With respect to job postings that Monster sold prior to the expiration of our agreement on December 31, 2012, we are permitting Monster to maintain such postings on our websites until the earlier of (a) the date that Monster Worldwide's obligation to maintain such posting expires or (b) December 31, 2013. In addition, we will continue to provide Monster with access to our data until December 31, 2013. We expect to incur only de minimis additional labor and de minimis additional costs, and will not receive any additional payments from Monster Worldwide subsequent to the expiration of our agreement. Additionally, as of January 1, 2013, we will be permitted to sell our products and services directly to employers, except for those identified as restricted to LinkedIn.

We currently anticipate that our available funds and cash flow from operations will be sufficient to meet our working capital requirements for the next twelve months.

	Nine Months Ended September 30,		Year Ended December 31	
Cash Flow Data	**2012**	**2011**	**2011**	**2010**
	(in thousands)		(in thousands)	
Cash provided by (used in):				
Operating activities	$ 2,025	$ 2,161	$ 2,852	$ 1,655
Investment activities	18	143	262	29
Financing activities	(2,399)	(1,621)	(1,772)	(1,914)
Net increase (decrease) in cash and cash equivalents	$ (356)	$ 683	$ 1,342	$ (230)

Cash and Cash Equivalents

The company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Restricted Cash – In connection with an operating lease agreement, the company was required to maintain a certificate of deposit in a restricted account in the amount of $45,288 at September 30, 2011. The certificate matured in October, 2011. Restricted cash held as security under this arrangement amounted to $0 at September 30, 2012.

In connection with an operating lease agreement, the company was required to maintain a certificate of deposit in a restricted account in the amount of $45,288 at December 31, 2010. The certificate matured in 2011. Restricted cash held as security under this arrangement amounted to $0 and $45,288 at December 31, 2011 and December 31, 2010, respectively.

Net Cash Provided by Operating Activities

Net cash provided by operating activities during the nine months ended September 30, 2012 was $2,024,935, primarily due to our increased revenue and increase in operating performance. The cash flow provided from operations in the nine months ended September 30, 2012 was due to changes in our assets and liabilities consisting of an increase in accounts receivable of $120,906, a decrease in deferred revenue of $150,000, an increase in prepaid expenses of $31,823 and an increase in accounts payable and accrued expenses of $45,211. Accounts receivable increased approximately 4.5% in the nine months ended September 30, 2012 while our revenue grew 13.7%. The increase in accounts receivable was primarily due to increased revenue related to our June 11, 2012 insertion order from Apollo Group, the increase in prepaid expenses consisted of prepaid business and health insurance while the increase in accounts payable and accrued expenses of $45,211 consists of an increase of approximately $55,000 related to accrued public offering costs and a decrease of approximately $10,000 related to operating expenses. We had net income in the nine months ended September 30, 2012 of $2,013,070 which included non-cash depreciation and amortization of $84,822 and non-cash interest and accretion added to our notes payable of $129,939 and $49,462 of bad debt expense.

Net cash provided by operating activities for the nine months ended September 30, 2011 was $2,160,945, primarily due to our increased revenue. The cash flow provided by operating activities in the nine months ended September 30, 2011 was primarily a result of changes to our assets and liabilities consisting of an increase in accounts receivable of $242,879, a decrease in prepaid expenses of $5,882 and a decrease in accounts payable and accrued expenses of $20,242. The increase in accounts receivable was due to receivables related to additional revenue from our Apollo agreements entered into in 2011, the decrease in prepaid expense consists of prepaid rent at December 31, 2010 and the increase in accounts payable and accrued expenses is a result of timing of payments related to the growth of our business activities. In the nine months ended September 30, 2011 we had net income of $2,154,697 which included non-cash expenses for depreciation and amortization of $81,134, a net loss in the value of investments of $14,327 and non-cash interest and accretion added to our notes payable of $127,542.

Net cash provided by operating activities during the year ended December 31, 2011 was $2,851,921, which primarily resulted from our increased revenue. The cash flow from operations provided in 2011 was primarily due to changes in our assets and liabilities consisting of an increase in accounts receivable of $478,000, partially offset by an increase in deferred revenue of $150,000, an increase in other assets of $5,882 and an increase in accounts payable of $126,281. Accounts receivable, adjusted for deferred revenue in accounts receivable, increased approximately 20% in 2011 while our revenue grew 27%. The increase in accounts receivable and deferred revenue was due to our revenue growth in 2011 as compared to 2010. We had net income in 2011 of $2,745,652 which included non-cash depreciation and amortization of $108,592, a non-cash net loss on the sale of investments of $32,588 and non-cash interest and accretion added to our notes payable of $170,452.

Net cash provided by operating activities in the year ended December 31, 2010 was $1,655,603, which primarily resulted from our increased revenue. The cash flow from operating activities in 2010 was primarily a result of changes to our assets and liabilities consisting of an increase in accounts receivable of $459,803 and a decrease in accounts payable and accrued expenses of $30,411. The increase in accounts receivable was due to our revenue growth in 2010 over 2009 and a decrease in accounts payable and accrued expenses as a result of timing of payments related to the growth of our business activities. In 2010 we had net income of $1,865,307 which included non-cash expenses for depreciation and amortization of $88,030, a non-cash gain on the sale of investments of $308 and non-cash interest and accretion added to our notes payable of $171,686.

Net Cash Provided by Investment Activities

Net cash provided by investing activities for the nine months ended September 30, 2012 was $18,204. The cash provided by investing activities consisted of $150,796 in proceeds from the sale of investments offset by $132,592 invested in developed technology as we incurred costs to update and enhance our websites.

Net cash provided by investing activities for the nine months ended September 30, 2011 was $142,582. Cash provided by investing activities included $225,154 of net proceeds from marketable securities investments offset by $73,492 invested in developed technology and $9,080 for purchases of computer hardware.

Net cash provided by investment activities for the year ended December 31, 2011 was $262,061. The cash provided by investment activities consisted of an increase of $325,155 in the net proceeds from our investments in marketable securities and the release of restricted cash related to our operating lease of $45,288, offset by an increased investment of $92,658 in developed technology as we incurred increased costs to update and enhance our websites and $15,724 for purchases of computer hardware.

Net cash provided by investment activities for the year ended December 31, 2010 was $28,654. Cash provided by investment activities included $138,320 in net proceeds from the sale and purchase of marketable securities offset by $100,277 invested in developed technology and $9,389 for purchases of computer hardware.

Net Cash Used in Financing Activities

Net cash used in financing activities was $2,399,130 for the nine months ended September 30, 2012. The cash used in financing activities consisted of $1,650,000 in distributions to members of the company, $144,000 in payments on our notes payable to founding members of the company and $605,130 of our public offering costs, which were deferred.

Net cash used in financing activities for the nine months ended September 30, 2011 was $1,621,010 and consisted of $1,465,010 in distributions to the members of the company, $144,000 of payments on our notes payable to founding members of the company and $12,000 of deferred public offering costs.

Net cash used in financing activities was $1,772,192 for the year ended December 31, 2011. The cash used in financing activities for 2011 consisted of $1,553,292 in distributions to members of the company, $192,000 in principal payments on our notes payable to founding members of the company and $26,900 of our public offering costs, which were deferred.

Cash used in financing activities for the year ended December 31, 2010 was $1,914,000 and consisted of $1,722,000 in distributions to the members of the company and $192,000 of principal payments on our notes payable to founding members of the company.

Off-Balance Sheet Arrangements

Since inception, we have not engaged in any off-balance sheet activities as defined in Regulation S-K Item 303(a)(4).

Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board ("FASB") issued amended standards that eliminated the option to report other comprehensive income in the statement of stockholders' equity and require companies to present the components of net income and other comprehensive income as either one continuous statement of comprehensive income or two separate but consecutive statements. The amended standards do not affect the reported amounts of comprehensive income. In December 31, 2011, the FASB deferred the requirement to present components of reclassifications of other comprehensive income on the face of the income statement that had previously been included in the June 2011 amended standard. These amended standards are to be applied retrospectively for interim and annual periods beginning after December 15, 2011. The company adopted these standards on January 1, 2012 and the adoption will not impact the company's financial results or disclosures, but will have an impact on the presentation of comprehensive income.

In September 2011, the FASB issued amended standards to allow entities the option to first perform a qualitative assessment as to whether goodwill impairment indicators exist, before undertaking the existing two-step test. The objective of the qualitative assessment is to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is more likely than not, the two-step test must still be performed. The amended standards are intended to reduce costs of evaluating annual goodwill impairment. These amended standards are to be applied for annual periods beginning after December 15, 2011, with early adoption permitted. The company elected to early adopt these standards in the year ended December 31, 2011, and the adoption did not have a material impact on the company's financial results or disclosures.

In May 2011, the FASB issued amended standards to achieve common fair value measurements and disclosures between GAAP and International Financial Reporting Standards. The standards include amendments that clarify the intent behind the application of existing fair value measurements and disclosures and other amendments which change principles or requirements for fair value measurements or disclosures. The amended standards are to be applied prospectively for interim and annual periods beginning after December 15, 2011. The company adopted these standards on January 1, 2012 and the adoption of this guidance did not have a material impact on the company's financial position, results of operations or disclosures.

In July 2012, the FASB amended the standards for testing indefinite-lived intangible assets for impairment to guidance that is similar to the guidance for goodwill impairment testing. An entity will have the option not to calculate annually the fair value of an indefinite-lived intangible asset if an entity determines that it is more likely than not that the asset is impaired. The objective of the amendment is to reduce the cost and complexity of performing an impairment test for indefinite-lived intangible assets by simplifying how an entity tests those assets for impairment and to improve consistency in impairment testing guidance among long-lived asset categories. These amended standards are to be applied for fiscal years beginning after September 15, 2012, including interim periods with early adoption permitted. The company has elected to early adopt these standards for the year ending December 31, 2012. The adoption of this pronouncement did not have a material impact on the company's financial results or disclosures.

Business

Overview

Professional Diversity Network develops and operates online networks dedicated to serving diverse professionals in the United States. To date, we have been particularly focused on Hispanic-American and African-American professionals and recently launched additional websites dedicated to other diverse professional segments, including women, Asian-American, LGBT (lesbian, gay, bisexual and transgender), differently-abled and military professionals. We currently have over two million members and, as of the date of this prospectus, more than 3,000 companies and organizations, including 60% of the Fortune 500 companies, have listed job postings on our websites. Most of these listings have come to us through our exclusive agreement with Monster Worldwide for our recruitment services. Our agreement with Monster Worldwide began in December 2007, expired on December 31, 2012, and was not renewed. On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to the LinkedIn arrangement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising appearing on our websites. Since January 1, 2011, we have had a strategic partnership with the University of Phoenix (through its parent company, the Apollo Group, Inc.), which advertises on our websites. Regardless of the strategic partner we are working with, we believe that our networking platforms provide an effective means to meet the career advancement needs of diverse professionals, the employers that seek to hire them and the advertisers that seek to reach them.

Our major assets are two of our websites – iHispano.com, which has over 1.2 million members in its network and AMightyRiver.com, which has over 600,000 members in its network. In the nine months ended September 30, 2012, iHispano.com had over 3.7 million unique visitors and over 4.3 million visits, while AMightyRiver.com had over 1.0 million unique visitors and over 1.2 million visits.

We calculate unique visitors for each of our websites as users who have visited that particular website at least once regardless of whether they are members. A user who visits one of our websites, regardless of frequency, is only counted as one unique visitor, based on data provided by Google Analytics, a leading provider of digital marketing intelligence.

We define the number of visits for each of our websites as the number of times a user has been to that particular website. If a user is inactive on the website site for 30 minutes or more, any future activity will be counted as a new visit. Users that leave one of our websites and return to the same website within 30 minutes will be counted as part of the original visit.

We recently launched additional online professional networking websites that serve other diverse communities – including women (WomensCareerChannel.com), Asian-Americans (ACareers.net), LGBT (OutProNet.com), enlisted and veteran military personnel (Military2Career.com) and differently-abled (ProAble.net) professionals. Although each of these new professional networking websites is fully operational, these websites are and continue to be in the early stages of development. Since its inception in September 2011, WomensCareerChannel.com has experienced significant growth in terms of unique visitors, visits and membership. In the nine months ended September 30, 2012, this website had over 700,000 visits and over 600,000 unique visitors. By September 30, 2012, WomensCareerChannel.com had over 75,000 members.

Our company is built on the philosophy of “relationship recruitment,” connecting talent with opportunity within the context of a common culture or affinity. We provide an environment that celebrates the identity of our members and fosters a sense of community and trust. We believe that we provide value to our members by enabling them to leverage their connections and share beneficial information with other members and employers that participate on our platform, providing access to employment opportunities and valuable career resources. At the same time, we believe that our members and their level of engagement is attractive to employers and advertisers that seek to target an audience of diverse professionals for hiring purposes, to increase brand awareness or to market products and services.

We believe our revenue model is aligned with our focus on serving our members. We currently provide members with access to our websites at no cost, a strategy which we believe will allow us to continue to grow our membership base and promote high levels of member engagement for the mutual benefit of members, employers and advertisers. For the year ended December 31, 2011, we generated all of our revenue from two sources: recruitment, which generated approximately 72% of our revenue, and advertising services, which generated approximately 28% of our revenue. *See Risk Factor – "Our revenues are highly dependent on two customers, and we will continue to be dependent on a small number of customers."*

We were founded on October 23, 2003 under laws of the state of Illinois as IH Acquisition LLC, for the purpose of acquiring the assets, consisting primarily of an online job board for Hispanic professionals. On February 4, 2004, we changed our name to iHispano.com LLC. In 2007, we changed our business platform and implemented technology to operate our business as communities of professional networking sites for diverse professionals, and we have continued with this business platform ever since. In September 2008, we began to brand ourselves as Professional Diversity Network. On March 15, 2012, we changed our name from iHispano.com LLC to Professional Diversity Network, LLC.

Recruitment Revenue

Direct Sales to Employers

We are developing our capabilities to market and sell recruitment services directly to employers that are not subject to the LinkedIn restricted account list. We have segmented the diversity recruitment market into three sectors:

- Federal, state and local governments and companies and contractors who serve these governmental entities.
- Small and medium sized businesses as defined by companies with less than 2,500 employees
- Large enterprises with greater than 2,500 employees.

Our sales team expects to approach these markets using a combination of telephone and email marketing as well as in some cases personal visits to companies and or their recruitment agencies. We also plan to attend major recruitment conferences where diversity hiring recruiters are in attendance. Our sales team will not have the ability to sell to any of the 1,000 companies that is on the restricted account list pursuant to our agreement with LinkedIn. Our alliance agreement with Monster requires us to maintain the diversity-based job postings that originated from Monster Worldwide prior to December 31, 2012. We are not restricted in selling those companies any additional products or services nor are we prevented from selling those companies directly upon the end of the fulfillment period.

We have begun to invest in our direct sales infrastructure and expect to continue to do so in the future. These costs are primarily for sales personnel and to support the sales team with tools such as client relationship management systems, personal computers and travel expenses. The sales expenses are variable and can be adjusted to meet market conditions. However, there is a risk that we will not successfully sell our products and services directly to employers at a level that supports the cost of providing those services.

LinkedIn

On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn, which became effective on January 1, 2013. Pursuant to our agreement, LinkedIn may resell to its customers diversity-based job postings and recruitment advertising on our websites. Our agreement with LinkedIn provides that LinkedIn make fixed quarterly payments to us that are approximately half of the fixed quarterly payments we received from Monster Worldwide and a percentage commission for sales of our services in excess of certain thresholds. The fixed quarterly payments are payable regardless of sales volumes or any other performance

metric. Although such fixed quarterly payments are significantly less than the fixed quarterly payments that we receive from Monster Worldwide, we believe that we have the potential to exceed our revenues from our previous agreement with Monster Worldwide because (i) we may earn additional commission payments with LinkedIn if certain sales levels are achieved, and (ii) we may earn revenue by selling our services directly, as described above. Under our agreement with LinkedIn, we will receive (i) no commissions on the first $10 million of LinkedIn's revenue from the sale of our services during each calendar year, (ii) 20% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $10 million and less than $50 million, and (iii) 15% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $50 million. However, there can be no assurance that we will meet or exceed revenues earned through Monster Worldwide in prior periods. As an example solely to illustrate the stair-step structure of our commission schedule with LinkedIn, if LinkedIn sells $60 million of our services during any calendar year, we would receive $9.5 million in commission revenue for such year, in addition to our fixed payments, because we would earn no commission revenue for the first $10 million of LinkedIn sales of our services, $8 million in commission revenue for the next $40 million of LinkedIn sales of our services and $1.5 million in commission revenue for the remaining $10 million of LinkedIn sales of our services.

During the term of our agreement with LinkedIn, we may not permit any competitor of LinkedIn to resell our diversity-based recruitment services. Our agreement does not prohibit LinkedIn from selling its own or any third party's diversity recruitment services, however, during the term of our agreement with LinkedIn and for a period of one year thereafter, we may not sell our diversity-based recruitment services, directly or indirectly, to any of the 1,000 companies on LinkedIn's restricted account list. The companies in such restricted accounts list range are of varying sizes, operate in diverse geographical locations and conduct business in different sectors. We believe LinkedIn designated these particular companies in its restricted account list because LinkedIn has established business relationships with these companies and feels that these companies are potential purchasers of diversity recruitment services. We are permitted, however, to market and sell our products to any company that is not on such restricted account list after our exclusive agreement with Monster Worldwide expired on December 31, 2012.

The term of our agreement with LinkedIn is three years, subject to LinkedIn's right, in its sole and absolute discretion, to terminate our agreement on the six-month anniversary of the effective date upon not less than 30 days' prior notice and during the fourth calendar quarter of the first and second years of the term of our agreement upon not less than 90 days' prior notice. If not terminated sooner, the term of our agreement with LinkedIn will automatically renew for successive one-year terms unless either party delivers a notice of non-renewal with 90 days' prior notice.

Monster Worldwide

Historically, all of our recruitment revenue has been derived from our exclusive strategic partnership with Monster Worldwide, through which we posted job opportunities for employers on our websites and on the websites of diverse professional organizations with which we have cross-posting agreements. As of the date of this prospectus, more than 3,000 companies and organizations, including 60% of the Fortune 500 companies, have listed job postings on our websites.

Our alliance agreement with Monster Worldwide expired on December 31, 2012 and was not renewed. Pursuant to this agreement Monster Worldwide had been the exclusive seller of job postings on our websites. Monster Worldwide sells, among other services, diversity and inclusion recruitment solutions (including job postings, resume search services and recruitment media advertising) to employers that seek diverse job candidates and maintains a database of resumes from applicants seeking employment opportunities. Pursuant to our agreement with Monster Worldwide, Monster Worldwide posted job opportunities of certain of these employers on our websites and on the websites of diverse professional organizations with which we have cross-posting arrangements. Also, we posted resumes of our members who also wished to have their resume posted in Monster Worldwide's resume database. We also provided resume search services, recruitment media advertising, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising,

e-newsletter marketing and research and outreach services to employers secured by Monster Worldwide as customers of its diversity and inclusion recruitment solutions.

Our agreement with Monster Worldwide provided for an annual fixed fee that is subject to adjustment based on certain criteria, e.g. The flat fee might be decreased by 10% for any calendar quarter where the ratio of our job applicants to jobs posted falls below a certain threshold. The flat fee might be increased if Monster Worldwide's gross revenue from diversity and inclusion services (e.g., job postings, resume search services and recruitment media advertising) exceeded a certain threshold. Monster Worldwide's gross revenue subject to our agreement was monitored through an automated daily export of views and applications related to the postings to ensure that contract minimums are met or additional fees are to be billed. To date, the flat fee payable by Monster Worldwide did not decrease or increase for failing to meet or exceeding applicable thresholds. We derived 72% of our total revenue for the year ended December 31, 2011, and 91% of our total revenue for the year ended December 31, 2010, from our agreement with Monster Worldwide. For the nine months ended September 30, 2012, 63% of our revenue was generated from our agreement with Monster Worldwide.

Following the expiration of our alliance agreement with Monster Worldwide, we expect to experience significant decreases in revenue for a period of time because (i) our agreement with LinkedIn provides for fixed quarterly payments that are approximately half of the fixed quarterly payments we received from Monster Worldwide (as described below) and we cannot predict how much commission revenue, if any, we will earn through LinkedIn and (ii) our sales force will require time to generate sales because we cannot and did not begin to market and sell our recruitment services directly to companies until after our agreement with Monster Worldwide expired on December 31, 2012. We expect to experience such decrease in revenue until such time as LinkedIn and our sales team are able to generate sufficient sales to replace the revenue previously generated by our agreement with Monster Worldwide.

During the term of the agreement, we are prohibited from selling products or services competitive with Monster Worldwide or enabling any competitor of Monster Worldwide (e.g., CareerBuilder or any other provider of job search services) to post jobs on our websites or otherwise provide content to, or derive content or advertising from, us. We are not restricted from selling consumer media advertising and marketing solutions, and our agreement with Monster Worldwide expressly provides that we will develop and maintain a network of "media partners" (such as Apollo Group) and permits us to fulfill sales of recruitment media on our media partners' websites and provide other services as further described in the immediately following section. See the section entitled *"- University of Phoenix."* We derived 37% of our total revenue for the nine months ended September 30, 2012 and 28% of our total revenue for the nine months ended September 30, 2011 from sales of such consumer media advertising and marketing solutions. We derived 28% of our revenue for the year ended December 2011, and 9% of our total revenue for the year ended December 2010, from sales of such consumer media advertising and marketing solutions."

Although our agreement with Monster Worldwide was in place since 2007, and was renewed for the last five years, it expired on December 31, 2012 and was not renewed. Under our agreement with Monster Worldwide, we have agreed to provide limited support and access to data to permit Monster Worldwide to continue to meet certain obligations to its customers in 2013. With respect to job postings that Monster sold prior to the expiration of our agreement on December 31, 2012, we are permitting Monster to maintain such postings on our websites until the earlier of (a) the date that Monster Worldwide's obligation to maintain such posting expires or (b) December 31, 2013. In addition, we will continue to provide Monster with access to our data until December 31, 2013. We expect to incur only de minimis additional labor and de minimis additional costs, and will not receive any additional payments from Monster Worldwide subsequent to the expiration of our agreement.

Advertising Revenue - University of Phoenix

In January 2011, we entered into a marketing media services agreement with Apollo Group, which is the parent of the University of Phoenix. The agreement provides the framework for our relationship with Apollo Group. It has no expiration date but may be terminated by either party upon thirty days' prior written notice. During the term of the agreement, we may not perform advertising services for any other institution of higher education,

whether for-profit or non-profit, other than Apollo Group. The agreement requires us to enter into separate purchase orders or statements of work, referred to as "media schedules," which describe the services we provide to Apollo Group on a project basis and the compensation we are paid. To date, we have entered into two media schedules with Apollo Group. The first media schedule by its terms covered a period of six months ending June 30, 2011, which Apollo Group and we agreed to extend until August 31, 2011, and provided for fees to us in the amount of $664,000. It was our trial run for the "Education to Career" networking portal site, or E2C Site, and related services. The E2C Site is intended to enhance the University of Phoenix's career placement services by linking to our websites and allowing users from the University of Phoenix website to join a group with privileged access to information regarding a featured employer, including job opportunities and descriptions, and the employer's community.

Based on Apollo Group's satisfaction with the E2C Site and our related services, we entered into a media schedule which covers a longer period than the term of the first media schedule. On February 7, 2013, we renewed our agreement with Apollo Group, which is effective until March 31, 2014, and provides for fees to us in the amount of $116,667 per month. The media schedule expanded the scope of our services to also include the "Education to Education" networking portal site, or E2E Site, and related services. The E2E Site is intended to drive visitors from our iHispano.com and AMightyRiver.com websites to the University of Phoenix website. The E2E Site provides visitors with information regarding the University of Phoenix (including program information, degree requirements, tuition, financial assistance and counselors), the value of education and other educational topics, feature stories regarding University of Phoenix graduates and students and scholarship and other programs. We promote the University of Phoenix on our websites and on the E2E Site as our exclusive education partner. We promote the E2E Site and University of Phoenix through advertising banners, email blasts and blogs focused on education. With respect to the E2E Site and E2C Site that we are required to maintain, our agreement with Apollo Group provides that such sites must be functional no less than 99.9% of the time in any given month, exclusive of certain pre-scheduled down times. To date, we have satisfied this requirement.

Pursuant to our agreement with Apollo Group and related media schedules, we receive fees for placing advertising media on our websites to promote the University of Phoenix and for creating, maintaining and operating the E2C Site and E2E Site. In 2011, we recognized revenue of $1.1 million in respect of fees from Apollo Group for our services. This constituted 20% of our total revenue and 72% of our revenue from consumer media advertising and marketing solutions for the year ended December 31, 2011. For the nine months ended September 30, 2012, 32% of our total revenue and 87% of our revenue from consumer media advertising and marketing solutions was generated from our agreement with Apollo Group. On June 11, 2012, we agreed to an insertion order with Apollo Group. The insertion order provides for payment to us of up to $150,000 per month for a period of 12 months based upon the number of persons we refer to the University of Phoenix who express an interest in obtaining information about attending the University of Phoenix. There is no guaranteed payment associated with this insertion order and for the nine months ended September 30, 2012, PDN generated $313,000 of revenue.

Our Mission

Our mission is to serve as an important factor in the career development of diverse professionals who have traditionally faced obstacles to reaching their full potential. We believe that the work we do, and the power of our online network to connect talent with opportunity, can improve the career and financial prospects of our members by empowering them to invest in their professional development, creating employment opportunities for our members, and enabling them to achieve higher levels of professional success.

Our Values and Company Culture

As a company, we celebrate diversity. We endeavor to capture the distinct inspirational culture of each community we serve. We strive to put our members first in every decision we make and with every new product we build. We are dedicated to helping fulfill the professional aspirations of those we serve. We aspire to help secure the financial futures of our members and their families.

We believe our creative team is skilled in communicating in a culturally relevant manner the messaging of the employers that participate on our platform, and we are dedicated to helping them reach their hiring goals to create a more diverse workforce that better reflects our nation is demographic.

Industry Background and Our Opportunity

We believe that we are well-positioned for growth because our business benefits from several emerging trends – the increasing socialization of the Internet, the growing ethnic diversity of the United States population and labor force, a regulatory environment that promotes diversity in the workplace, the growing ethnic population's spending power and the acceptance and growth of online recruitment and advertising.

Increasing Socialization of the Internet

The Internet has revolutionized how information is created and communicated – a wealth of information is readily accessible by browsing the Internet anonymously. However, we believe the social aspect of the Internet is emerging as an increasingly powerful influence on our lives. While an individual's interpersonal connections traditionally have not been visible to others, social and professional networking websites enable members to share, and thereby unlock, the value of their connections by making them visible. Today, personal connections and other information, such as online social and professional networking websites, are increasingly becoming a powerful tool for a growing population of users to connect with one another.

Growing Ethnic Diversity of the U.S. Population and Labor Force

According to the 2010 U.S. Census, the Hispanic-American population grew 43% from 35.3 million in 2000 to 50.5 million in 2010. The Hispanic-American population accounted for 56% of America's population growth from 2000 to 2010. Not surprisingly, diversity hiring is increasingly becoming a common, if not standard, business practice by major employers. According to a job report published on February 5, 2010 on private sector hiring in 2008 by the U.S. Equal Employment Opportunity Commission, or EEOC, the percentage of minority employment in the U.S. compared to overall employment tripled between 1966 and 2008, from 11% to 34%. Of the approximately 62 million private sector employees nationwide covered by the 2008 survey, approximately 30 million (48%) were women and 21 million (34%) were minorities. In the U.S., Hispanic-Americans had the fastest growth rate in the U.S. private sector, with employment of Hispanic-Americans increasing from 2.5% to more than 13% between 1966 and 2008. The share of the labor force that is Hispanic-American is projected to increase to 18.6% in 2020, according to the Bureau of Labor Statistics, with Hispanic-Americans expected to account for the vast majority – 74% – of the 10.5 million workers added to the labor force in the U.S. from 2010 to 2020.

Regulatory Environment Favorable to Promoting Diversity in the Workplace

As outlined in Executive Order 13583, signed by President Obama on August 18, 2011, companies considering contracting with the federal government must be prepared to demonstrate the diversity of their workforce. Companies that have a federal contract worth $50,000 or more and have 50 or more employees must implement an affirmative action plan that analyzes the representation of women and minorities in both recruitment and advancement, and where necessary, outlines good faith efforts to increase that representation.

In the public sector, Section 342 of the recently enacted Dodd-Frank Act creates 20 Offices of Minority and Women Inclusion at various regulatory agencies, including the Treasury, the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the 12 Federal Reserve banks and the newly created Consumer Financial Protection Bureau. The Offices of Minority and Women Inclusion will monitor diversity within their ranks and the pool of contractors who provide goods and services to the government. Previously, the Federal Reserve system and some of the agencies were essentially exempt from contract diversity efforts.

Rising Spending Power of Ethnic Population

The spending power of diverse groups is expected to continue to grow in the United States. According to a January 2011 report by the Kenan-Flagler Business School at the University of North Carolina, by 2014, the buying power of the Hispanic-American population will have grown by 613% since 1990, African-Americans by 257% and Asian-Americans by 498%. According to an article published in the third quarter of 2009 by the Selig Center for Economic Growth at the University of Georgia, it is projected that Hispanic-Americans will wield $1.33 trillion in spending power by 2014, and in a report published in September 2011 by Nielsen Media Research, a consumer research firm, Nielsen Media Research projects that the buying power of African-Americans will exceed $1 trillion by 2015.

Acceptance and Growth of Online Recruitment and Advertisement

Businesses now recognize and strive to take advantage of the socialization of the Internet for recruitment and for brand management, marketing and advertising. Results of the 2011 Social Recruiting Survey by Jobvite, Inc., an online professional network, indicate that 89% of companies surveyed are using or planning to use online social networking tools for recruitment and 64% have successfully hired through an online social networking website. The market for advertising on online social networks in the United States is also expected to continue to grow rapidly from $2.54 billion in 2011 to an estimated $3.63 billion in 2012 and $5.59 billion by 2014, according to a February 24, 2012 article published by eMarketer, Inc.

Because of these emerging trends, the company believes there is a great opportunity for growth. Ninety-four companies in the Fortune 100 feature diversity hiring on their online career centers. The online diversity recruitment market is highly fragmented. We believe that we can consolidate this market and maximize shareholder value through strategic acquisitions and through organic growth.

Our Solutions

We offer a variety of solutions to meet the needs of diverse professionals, the employers that seek to hire them and the advertisers that seek to reach them.

Our Online Professional Networking Solutions

In keeping with our tagline, “the power of millions for the benefit of one,” our primary focus is on the members who power our network. To our members, we offer a variety of online professional networking and career placement solutions at no charge, including the following:

- *Talent Recruitment Communities*. Each of our websites provides customized “talent recruitment communities” that are company-specific and provide opportunities to engage with employers and receive valuable information and rich media content.
- *Job Postings and Company Information.* Members may search for job postings and company information by company name, industry and state.
- *Identity and Contact Management*. Each of our members can create an online professional profile which may include job title, employer, contact information, career history, events, education, resume and cover letter, and other information. Each member may choose what information, including the member’s profile and resume, is available to other members and the general public based upon his or her preferred privacy settings.
- *Networking*. Members may network by searching for other members on our websites, extending invitations, connecting, and sharing profile information. Members are able to integrate from their email contacts (such as Gmail) and online social networking websites (such as Facebook) those members on our websites whom they already know.

  Members may communicate, access and share information via chat, instant message, blogs, forums, and videos. Members may also join professional associations and corporate groups which

provide forums for members to discuss topics of interest and meet other members who share common professional backgrounds and career interests.

- *Mentoring Program*. Our mentoring program promotes professional growth within our communities by pairing experienced professionals with students and aspiring professionals who need career guidance or help with their skills. Members may choose to participate in our online mentoring program as mentors or mentees.
- *Career Tools and Skill-Based Content*. Our websites offer career tools (including resume/cover letter preparation, self-evaluation and one-one-one critique) and skill-based content on a wide variety of career-oriented topics.
- *E-Newsletter and Nation-wide Event Information*. We offer our members an e-newsletter and information regarding career-related events.

Solutions for Employers and Recruiters

We post job listings of employers through our strategic partnership with LinkedIn. Such employers include large corporations, small- and medium-sized businesses, educational institutions, government agencies, non-profit organizations and other enterprises. We believe we offer them an online platform to identify and acquire diverse talent for their hiring needs. We believe that online professional networking websites like ours are well equipped to provide access not only to candidates actively seeking new employment, but also to a growing network of potential candidates who may not currently be seeking new employment but may be well-qualified for, and receptive to, new opportunities. The hiring solutions we offer include:

- *Talent Recruitment Communities*. Each of our websites provides customized, company-specific "talent recruitment communities" that permit employers to engage with our members and deliver valuable information and rich media content.
- *Single and Multiple Job Postings*. At the core of our recruitment solutions is the ability for employers to post jobs on our websites and the websites of the professional organizations for which we power career centers and job boards and with which we have cross-posting agreements.
- *Resume Database Access*. We provide employers with access to our database of resumes submitted by members who give consent to do so.
- *Hiring Campaign Marketing and Advertising*. We can assist employers in implementing targeted marketing and advertising campaigns to fill their hiring needs.
- *Research*. Based upon our audience, we have the ability to provide valuable research to corporate partners relating to their products or services.
- *Employment Recruitment Intelligence Compliance Assistance (ERICA)*. Launched in September 2011, our ERICA service is a new technology-based platform designed to streamline compliance with the diversity recruitment requirements of the Office of Federal Contract Compliance Programs (OFCCP), which generally require that companies having a federal contract worth $50,000 or more and having 50 or more employees must implement an affirmative action plan that analyzes the representation of women and minorities in both recruitment and advancement, and where necessary, outlines good faith efforts to increase that representation. We are currently incorporating ERICA into each of our online professional networking communities.

  We believe the new compliance resource will help a participating business achieve its diversity recruitment goals and stay current with standards for inclusiveness. The new tool will update the status of every available job nightly and distribute alerts to each of the 50 state employment websites as well as to members of each of our diverse online professional communities.

Solutions for Advertisers

We enable advertisers to target and reach large audiences of diverse professionals and connect them to relevant products and services.

- *Advertising campaign services*. We assist advertisers in building campaigns and provide additional creative services. Our branding and marketing platform employs email marketing, social media, search engines, traffic aggregators and strategic partnerships. Through these avenues, we enhance brand awareness for our customers and sponsors, inform users and members about their products and services, and provide access to data.

Our Competitive Strengths

We believe the following elements give us a competitive advantage to accomplish our mission:

- *Dedicated Focus on Diverse Professionals.* We believe our focus on providing career opportunities for diverse professionals differentiates us from other online social networking websites, such as Facebook. We believe our websites have a distinctly career-oriented feel and utility when compared with other online social networking websites. We believe that users prefer to manage their professional and social identities and contacts separately. While other online professional networking websites, such as LinkedIn Corporation, or LinkedIn, also have a professional focus, we are singularly focused on diverse professionals in the United States.

  We believe that we communicate effectively with each of our diverse communities and create environments that harness a natural affinity among members of common culture, ethnicity, gender, orientation, nationality and experience to stimulate increased member trust, networking and engagement.

- *Platform That Harnesses the Power of Web Socialization*. We believe that our membership base will continue to grow and that our platform will be an increasingly powerful tool that enables our members to leverage their connections and shared information for the collective benefit of all of the participants on our platform. We believe that we are the first online professional network to focus on the diversity recruitment sector.

- *Relationships with Strategic Partners.* We believe that our relationships with strategic partners are difficult to replicate and give us a competitive advantage in the networking opportunities, career tools and resources we can offer to our members, as well as the diverse audiences we can access for employers and advertisers.

- *Relationships with Professional Organizations.* Our team has experience working with multicultural professional organizations.

  We partner with a number of leading minority professional organizations, including:

  - Association for Latino Professionals in Finance and Accounting (ALPFA)
  - Society of Mexican American Engineers and Scientists (MAES)
  - Latinos in Information Science and Technology (LISTA)
  - National Association of Hispanic Journalists (NAHJ)
  - National Hispanic Christian Leadership Conference (NHCLC)
  - National Hispanic Professionals Organization (NHPO)
  - The Rainbow PUSH Coalition

- *Customized Technology Platform*. Our technology platform has been custom-designed and built to facilitate networking engagement and job searching. We believe that it would be costly and time consuming for a new entrant in to the online professional networking space to replicate a technology platform with comparable functionality.

Our Key Metrics

We monitor several key metrics, including our number of members and unique visitors, in order to assess our business, identify challenges and opportunities, produce financial forecasts, formulate strategic plans and make business decisions.

	As at September 30	As at December 31		
	2012	2011	2010	2009
iHispano.com members[1]	1,205,005	1,116,790	667,499	234,572
AMightyRiver.com members[1]	689,935	606,844	339,915	80,283
Members in our other networks[1]	104,585	18,590	152	-
Total members across our networks[1]	1,999,525	1,742,224	1,007,566	314,855

1 The reported number of members is higher than the number of actual individual members because some members have multiple registrations, other members have died or become incapacitated and others may have registered under fictitious names. Although members who have been inactive for 24 months will be automatically deleted from our member database, a substantial majority of our members do not visit our websites on a monthly basis. Please see our risk factor entitled "*The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members*" on page 22.

We believe the number of members is a key indicator of the growth of our online network and our ability to monetize the benefits resulting from such growth to the businesses and professional organizations to which we sell recruitment and marketing solutions. To date, our member base has, in large part, grown virally through users and members who invite colleagues and peers to join their network. Growth of our member base depends, in part, on our ability to successfully develop and market our solutions to professionals who have not yet become members of our network.

	Nine Month Total	Annual Total For the year ending December 31		
	2012	2011	2010	2009
Unique visitors to iHispano.com	3,705,264	4,711,780	4,580,489	3,488,075
Unique visitors to AMightyRiver.com	1,073,137	3,632,160	2,840,572	1,953,152
Unique visitors to our other networks	922,475	209,941	1,264	-
Total unique visitors across our networks	5,700,876	8,553,881	7,422,325	5,441,227
Visits to iHispano.com[1]	4,377,541	6,107,939	6,516,086	4,746,758
Visits to AMightyRiver.com[1]	1,226,277	4,844,004	3,892,309	2,593,147
Visits to our other networks[1]	1,060,636	247,185	5,946	-
Total visits across our networks[1]	6,664,454	11,199,128	10,414,341	7,339,905

1 A substantial majority of visits are generated by a minority of our members and users. Please see our risk factor entitled "*The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members"* on page 22.

We define a member of one of our websites as an individual user who has created a member profile on that website as of the date of measurement. If a member is inactive for 24 months then such person will be automatically de-registered from our database.

We believe the number of members is a key indicator of the growth of our online network and our ability to monetize the benefits resulting from such growth for the businesses and professional organizations to which we sell recruitment and marketing solutions. To date, our member base has, in large part, grown virally through users and members who invite colleagues and peers to join their network. Growth in our member base depends,

in part, on our ability to successfully develop and market our solutions to professionals who have not yet become members of one of our websites.

	Annual Total For the year ending December 31		
	2011	2010	2009
Unique visitors to iHispano.com	4,711,780	4,580,489	3,488,075
Unique visitors to AMightyRiver.com	3,632,160	2,840,572	1,953,152
Unique visitors to our other networks	209,941	1,264	-
Total unique visitors across our networks	8,553,881	7,422,325	5,441,227
Visits to iHispano.com[1]	6,107,939	6,516,086	4,746,758
Visits to AMightyRiver.com[1]	4,844,004	3,892,309	2,593,147
Visits to our other networks[1]	247,185	5,946	-
Total visits across our networks[1]	11,199,128	10,414,341	7,339,905

1 A substantial majority of visits are generated by a minority of our members and users. Please see our risk factor entitled "*The reported number of our members is higher than the number of actual individual members, and a substantial majority of our visits are generated by a minority of our members"* on page 22.

We calculate unique visitors for each of our websites based on users who have visited that particular website at least once regardless of whether they are members. A user who visits one of our websites, regardless of frequency, is only counted as one unique visitor, based on data provided by Google Analytics, a leading provider of digital marketing intelligence.

We define the number of visits for each of our websites as the number of times a user has been to that particular website. If a user is inactive on the website site for 30 minutes or more, any future activity will be counted as a new visit. Users that leave one of our websites and return to the same website within 30 minutes will be counted as part of the original visit.

We view visits and unique visitors as key indicators of growth in our brand awareness among users and whether we are providing our members with useful products and features, thereby increasing member engagement. The unique visitor metric reflects our ability to attract new users, which is crucial to increasing the number of our members. The visits metric indicates our ability to keep our users and members engaged. Because we believe our member base has, in large part, grown virally through users and members who invite colleagues and peers to join their network, we expect that an increase in the number of unique visitors will result in an increase in the number of members, and vice versa. We plan to make improvements to features and products that we believe will also increase visitor, unique visitor and member traffic to our websites. During 2010, our websites had a total over 7 million unique visitors and over 10 million visits, respectively, which increased to over 8 million unique visitors and 11 million visits, respectively, during 2011.

Our Strategy

Our strategy for accomplishing our mission involves the following elements:

- *Launch and Acquire Additional Minority Professional Networking Websites*. We believe that we can significantly expand our member base by acquiring other online professional networking websites focused on Hispanic-American and African-Americans and other diverse communities, launching our own websites focused on diverse communities and growing our existing websites. Increasing our membership will play a central role in our ability to increase advertising revenue and to enhance the value we provide to employers seeking to attract diverse talent. We believe the diversity recruitment and diversity marketing industries are fragmented and there is an opportunity to consolidate some of the smaller companies in these sectors.

- *Employ Marketing Campaigns that Increase Traffic and Membership*. We believe a key driver of our growth has, in large part, been through users and members who invite colleagues and peers to join our network. However, we believe that we can increase our users and members through enhanced marketing efforts, such as media conferences, sponsored events, email marketing, ongoing search engine optimization and improved social media strategies.
- *Sell our diversity recruitment services directly to employers.* As of January 1, 2013, we will have the ability to sell our products and services directly to employers, except for any of the 1,000 companies on the restricted account list pursuant to our agreement with LinkedIn. We are transferring certain existing employees with diversity recruitment experience from client services to sales and will seek to hire additional personnel to focus on this marketing and sales initiative. We expect our direct recruitment marketing and sales efforts to include targeted e-mails, telephone calls and in person meetings.
- *Facilitate LinkedIn in selling our services to its clients.* LinkedIn will be the only entity, other than us to sell our products and services. The success of the LinkedIn reseller relationship is key to our future growth prospects. We intend to provide LinkedIn with support to facilitate their sales of our products and services.
- *Grow Revenue from Consumer Advertising*. We plan to build a sales and marketing team that will focus on selling our advertising. We have a three-pronged strategy to increase our advertising revenue: (i) we intend to invest in hiring additional personnel for our client services team so that it can better manage and optimize client campaigns; (ii) we intend to expand our marketing efforts to increase website traffic and membership; and (iii) we plan to build a sales team to market our consumer advertising solutions to targeted customers.
- *Grow our Recruitment Platform*. We plan on investing in our recruitment platform by adding additional services in order to enhance the user and recruiter experience. Our product roadmap builds upon our relationship recruitment platform.
- *Strengthen and Develop Relationships with Strategic Partners*. We are working to strengthen our relationships with existing strategic partners and develop new relationships with online networking websites and professional organizations, with a view toward increasing traffic to our websites and broadening our base for membership and our hiring and marketing solutions.
- *Hire Strategically*. As we grow, we expect to make strategic hires designed to improve efficiency and expand sales, marketing and customer service capabilities of our existing operations and to identify, pursue and manage growth opportunities. We intend to hire experienced individuals in sales, marketing and technology.
- *Add Functionality to Increase Member Value and Generate Revenue*. We are working to enhance the functionality of our websites, improve our applications, tools and resources and more efficiently and effectively utilize information captured on our websites. New concepts may include, cultural community couponing and business directory services. Such enhancements and improvements should add value for our members and the companies and professional organizations that participate on our websites, as well as add revenue-generating opportunities for us.

Sales, Marketing and Customer and Member Support

We believe our member base has grown virally principally through member invitations to others to join our online networks. Additionally, we seek to drive member growth through the efforts of our sales organization, media conferences, press releases, sponsored events, and email marketing, search engine optimization and social media strategies.

Our marketing team has expertise in multicultural marketing. We expect to continue to provide compelling content that underscores our mission of supporting diverse professionals and encouraging diverse browsers to

visit our websites. Additionally we will continue to invest strategically in search engine optimization and search engine marketing to promote our online communities. We continually develop relationships with professional organizations and community groups, such as the National Hispanic Christian Leadership Council, to bring our services to individuals offline as well as online.

We believe consumer advertisers and agencies are increasingly seeking websites and communities that enable them to access diverse audiences. We expect to expand our efforts to connect with these advertisers and build on our consumer-advertising infrastructure. In 2011, we invested in a new online advertising hosting system that allows us to more effectively manage customer campaigns. We plan continued investment in advertising optimization tools to increase our customers' productivity on our websites. In addition to seeking new advertising customers, we will also look to expand the marketing and advertising solutions to our existing customers. In 2013, we plan on hiring additional experienced sales professionals.

At the core of our talent recruitment groups are our expert online community managers. Our community managers encourage interaction between job seekers and recruiters, police for inappropriate online activity, optimize recruitment campaigns and provide reporting and client services for the businesses that use our hiring solutions.

The community managers for our websites respond to both business and technical inquiries from members, businesses and professional organizations relating to their accounts, including guidance on how to utilize our applications, tools and resources. Self-service support also is available on our websites and users can contact us via e-mail or telephone.

Customers

As of the date of this prospectus, more than 3,000 companies and organizations, including 60% of the Fortune 500 companies, have listed job postings on our websites. Prior to January 1, 2013 of our revenue from our recruitment solutions were generated through our agreement with Monster Worldwide. Following the launch of our partnership with LinkedIn on January 1, 2013, we will seek to market directly to employers of diverse employees through our direct sales initiative and through our agreement with LinkedIn, although both strategies are new and untested and our ability to successfully pursue either strategy is uncertain. Further, 89% of revenues derived from our consumer advertising and marketing solutions were derived through our agreement with Apollo Group. A non-renewal of or a material change in our relationship with LinkedIn or Apollo Group would have a material adverse effect on our financial results. See "*Risk Factors – Our revenues are highly dependent on two customers and we will likely continue to be dependent on a small number of customers.*"

Over the next several years, we plan to expand our efforts to secure consumer-based advertising revenues by deploying a sales force to target advertisers and agencies that are seeking to market to diverse professional audiences. Online diversity market advertising is increasing in the United States. We believe this focus is driven by the significant increases in purchasing power of ethnically diverse populations. It is estimated that from 1990 to 2014, the buying power of United States Hispanic Americans will have grown by 613%, African Americans by 257% and Asian Americans by 498%, according to a 2011 report published by Profs. James H. Johnson, Jr. and John D. Kasarda of the Keenan-Flagler Business School at The University of North Carolina.

The Association of Hispanic Advertising Agencies, or AHAA, in its 2010 Report on Hispanic Advertising Spending, found that Hispanic advertising spending in the U.S. rose 14% to $4.3 billion in 2010 compared to 2009, reversing a two-year slowdown and increasing the aggregate Hispanic advertising spending in the U.S.

Many large corporations are increasingly setting aside advertising budgets for Hispanic-American outreach, according to an IBISWorld Inc. report published in August 2011. According to this report, since the recession of

2009, advertising spending on Hispanic-American media grew 1.9% more than that of non-Hispanic-American media, with the largest gains experienced in television, magazines and the Internet.

Technology Infrastructure

We refer to our customized relationship recruitment technology platform as Affinity Relationship Recruitment Generation V (ARR-V). Benefits of our technology platform include:

- *Ease of Use for Professional Networking.* Our ARR-V technology emphasizes ease-of-use, allowing our members to create, manage and share their professional identity online, build and engage with their connections, access shared knowledge and insights, and find career opportunities.
- *Integration with Facebook and LinkedIn*. Our websites are developed with Personal Home Page script (PHP), a commonly used, general-purpose server-side scripting language, which enables our members to access and integrate their LinkedIn and Facebook communities for a high level of professional engagement in one location on our websites.
- *Job Searching; Employer Auto-Matching Tool, or EAMT*. Our ARR-V technology is a robust platform for our members to post their resumes and search for career opportunities, and for businesses to post job openings. Our members can execute targeted matches through our customized career to employer auto-matching tool.
- *Member Generated Content*. Our members can easily input, access, communicate, and share information, via chat, instant message, blogs, forums, and videos. Our ARR-V technology utilizes the content generated by our members, job postings by recruiters and marketing information from sponsors on our websites to provide relevant information to our visitors. We continually work to improve the pertinence of the information on our websites.
- *Member Engagement*. Our platform draws on the cultural affinity within our diverse communities, user generated content, job postings and relevant advertising media to encourage a high degree of member engagement on our websites. We believe that engagement enhances the value we offer to our members, as well as to the businesses and professional organizations, that use our websites.
- *Advertising Media Platform*. Our ARR-V technology allows us to place targeted advertising media for our advertising customers based upon information we collect from our users, including browsing history. Our advertising service technology enables us to specifically deliver advertisements to our audience by geography, via geo-targeting to specific zip codes, and to retarget relevant advertisements to our audience based upon prior activity on our websites.
- *Vertical and Horizontal Scalability*. Our ARR-V platform is designed to allow us to scale both “vertically” and “horizontally”. We can scale vertically, within a specific demographic group, by increasing members and visitors. We can scale horizontally, among different or additional demographic groups, by launching new community websites focused on such groups, and community websites rebranded for our strategic partners. This enables our company to quickly move into new opportunities with strategic partners or alone without making a sizeable additional investment.

We regularly evaluate our ARR-V technology to improve ease-of-use, enhance and expand our tools and resources, optimize user engagement, and implement industry best practices.

Operations

Our websites are hosted by EsoSoft Corporation in Los Angeles, California. Our hosting has been with EsoSoft since 2008, and we believe we have experienced positive performance results since that time. Our websites have backup and contingency plans in place in the event that an unexpected circumstance occurs.

Intellectual Property

To protect our intellectual property rights, we rely on a combination of federal, state and common law rights, as well as contractual restrictions:

- We rely on trade secret, copyright, and trademark rights to protect our intellectual property. We pursue the registration of our domain names and trademarks in the United States. Our registered trademarks in the United States include the "iHispano" mark with stylized logo, the "A Mighty River" mark with stylized logo, and the "Professional Diversity Network" mark with our tagline "the power of millions for the benefit of one," as well as others.
- We strive to exert control over access to our intellectual property and customized technology by entering into confidentiality and invention assignment agreements with our employees and contractors and confidentiality agreements with third parties in the ordinary course of our business.

Nevertheless, our efforts to protect our proprietary rights may not be successful. Any significant impairment of our intellectual property rights could adversely impact our business or our ability to compete. Also, protecting our intellectual property rights is costly and time-consuming. Any unauthorized disclosure or use of our intellectual property could make it more expensive to do business and adversely affect our operating results.

Other companies in the Internet, social media, technology and other industries own patents, copyrights, and trademarks, and we expect that from time to time they may request license agreements, threaten litigation, or file suits against us for alleged infringements or other violations of intellectual property rights.

Competition

We face significant competition in all aspects of our business. Specifically, with respect to our members and our recruitment consumer advertising and marketing solutions, we compete with existing general market online professional networking websites, such as LinkedIn, as well as ethnic minority focused social networking websites, such as Black Planet and MiGente, and other companies such as Facebook, Google, Microsoft and Twitter that are developing or could develop competing solutions. Following the expiration of our agreement with Monster Worldwide on December 31, 2012, Monster Worldwide will be another competitor. We also generally compete with online and offline enterprises, including newspapers, television, direct mail marketers that generate revenue from recruiters, advertisers and marketers and professional organizations. With respect to our hiring solutions, we also compete with traditional online recruiting companies such as Career Builder, talent management companies such as Taleo, and traditional recruiting firms.

Larger, more well-established companies may focus on professional networking and could directly compete with us. Other companies might also launch new competing services that we do not offer. Nevertheless, we believe that our focus on diverse online professional networking communities is a competitive strength in our market.

Government Regulation

We are subject to a number of federal, state and foreign laws and regulations that affect companies conducting business on the Internet. These laws are still evolving and could be amended or interpreted in ways that could be detrimental to our business. In the United States and abroad, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. Any court ruling or other governmental action that imposes liability on providers of online services for the activities of their users and other third parties could materially harm our business. In addition, rising concern about the use of social networking technologies for illegal conduct, such as the unauthorized dissemination of national security information, money laundering or supporting terrorist activities may in the future produce legislation or other governmental action that could require changes to our products or

services, restrict or impose additional costs upon the conduct of our business or cause users to abandon material aspects of our service.

In the area of information security and data protection, many states have passed laws requiring notification to users when there is a security incident, or security breach for personal data, or requiring the adoption of minimum information security standards that are often unclear and difficult to implement. The costs of compliance with these laws are significant and may increase in the future. Further, we may be subject to significant liabilities if we fail to comply with these laws.

We are also subject to federal, state, and foreign laws regarding privacy and protection of member data. We post on our websites our privacy policy and terms of use. Compliance with privacy-related laws may be costly. However, any failure by us to comply with our privacy policy or privacy-related laws could result in proceedings against us by governmental authorities or private parties, which could be detrimental to our business. Further, any failure by us to protect our members' privacy and data could result in a loss of member confidence in us and ultimately in a loss of members and customers, which could adversely affect our business.

Because our services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with their laws, including in jurisdictions where we have no local entity, employees, or infrastructure.

Facilities

We lease approximately 4,600 square feet of space for our headquarters in Chicago, Illinois under a lease that expires on June 30, 2015.

Employees

As of the date of this prospectus, we have 23 employees. From time to time, we also engage independent contractors to perform various services. None of our employees are covered by a collective bargaining agreement. We believe that we have good relationships with our employees.

Legal Proceedings

We are subject to legal proceedings and litigation arising in the ordinary course of business, although no such proceeding or litigation is currently pending.

Management

The name, age and position of each of our executive officers as of the date of this prospectus, and the names of certain persons who have agreed to serve as directors on or before the closing of the offering are as follows:

Executive Officers and Directors

Name	Age	Position
James Kirsch	51	Chief Executive Officer and prospective Chairman of the Board
Rudy Martinez	53	Executive Vice President, CEO of iHispano.com Division
Myrna Newman	56	Chief Financial Officer and Secretary
Chad Hoersten	36	Chief Technology Officer
Daniel Sullivan	43	Chief Revenue Officer
Ayan Kishore	27	Executive Vice President - Operations and Technology
Kevin McFall	48	Executive Vice President, Head of AMightyRiver.com Division
Tandalea Mercer	35	Executive Vice President - Compliance
Daniel Marovitz (1)	40	Prospective Director
Stephen Pemberton (1)	45	Prospective Director
Barry Feierstein (1)	52	Prospective Director
Andrea Sáenz	40	Prospective Director

(1)Prospective member of our audit, compensation and nominating and corporative governance committees.

James Kirsch (51) has served as our Chief Executive Officer and as a member of our management board since 2008. Mr. Kirsch served as Chief Strategic Officer at AMightyRiver.com, a division of PDN from 2004 to 2008 and from 1996 to 2001 as Chief Executive Officer of eSpecialty Brands a online retail company. Previously, Mr. Kirsch served as Chief Executive Officer at iMaternity.com, the ecommerce partner of iVillage.com from 1983 to 1996 and Manager, Vice President and Chief Operating Officer at Dan Howard Industries, a vertically integrated retailer of apparel. He holds a B.S. in Economics and Political Science from University of Arizona. We believe Mr. Kirsch should serve on the board of directors because of his experience and vision in leading the company since 2008.

Rudy Martinez (53) is one of our founders, Executive Vice President and a member of our management board, and has lead our iHispano.com division since 2000. Prior to joining the company, Mr. Martinez served from 1995 to 1998 as Division President for Trilogy Consulting, a firm which specialized in Pharmaceutical and Healthcare consulting. Mr. Martinez graduated from Indiana University, Bloomington with a B.A. in Forensics and completed the Dartmouth Tuck School of Business – Building High Performance Business Program.

Myrna Newman (56) has been our Chief Financial Officer and Secretary since February 2012. Prior to joining PDN, Ms. Newman served as interim Chief Financial Officer for Jewish Vocational Services of Chicago from 2009 to 2010. From 2008 to 2009, Ms. Newman was Corporate Controller for Atlas Material Testing L.L.C., a manufacturer of weathering and material testing solutions. She served as Controller, Chief Accounting Officer and Principal Financial Officer of Motient Corporation, a wireless data communications network from April 2003 until June 2007. Prior to that, Ms. Newman was Vice President of Finance at Heads and Threads International LLC, an importer and distributor of metal fasteners. Ms. Newman is a Certified Public Accountant and received an M.B.A. from the University of Chicago Graduate School of Business and her B.S. in Accountancy from DePaul University.

Chad Hoersten (36) serves as Chief Technology Officer of PDN, a position he has held since 2008. He was the lead web developer of iHispano.com, a division of PDN, from 2004 to 2008. Mr. Hoersten served as a senior software engineer at Rockwell Automation from 1999 to 2002. Mr. Hoersten holds a B.S. in computer engineering from the University of Cincinnati.

Daniel Sullivan (43) has served as Chief Revenue Officer at Professional Diversity Network since October, 2011. Prior to joining PDN, Mr. Sullivan worked in a number of sales related roles at Monster Worldwide from January of 2000 to September of 2011. Mr. Sullivan worked as a Sales Manager with Akzo Nobel from January 1998 to January 2000. Mr. Sullivan graduated from the University of Massachusetts, Boston with a B.S. in Political Science.

Ayan Kishore (27) has served as Executive Vice President—Operations and Technology since July 2012. Prior to joining the company, Mr. Kishore served from 2009 to 2012 as the Chief Executive Officer and founder of Careerimp, a technology firm specializing in advanced web tools for jobseekers. Mr. Kishore was a business technology consultant at Deloitte Consulting from 2006 to 2008. He holds a Masters in Human-Computer Interaction (Computer Science) from Carnegie Mellon University and a B.S. in Computer Engineering from Georgia Tech.

Kevin McFall (48) is our Executive Vice President and head of our AMightyRiver.com division, and has lead AMightyRiver.com since 2010. Mr. McFall is also currently founder and practice leader at Red Clay Digital , LLC, a digital publishing consulting firm, since June 2009. We intend to employ Mr. McFall on a full-time basis prior to the commencement of the offering. Previously, Mr. McFall served as Vice President, Global Business Development and Product Strategy at Cision from December 2009-June 2011. He was co-founder and vice president of products and business development for RushmoreDrive.com, a social and vertical search business of IAC Corporation from 2007-2009. Prior to joining IAC, he directed the digital product and affiliate network programs for Zap2it.com, an entertainment news and information website that is a wholly-owned subsidiary of the Tribune Company. Mr. McFall graduated from University of Illinois at Urbana-Champaign with a B.S. in Mathematics and Computer Science.

Tandalea Mercer (35) is our Executive Vice President of Compliance, and has held this position since September 2011. Ms. Mercer is currently also Senior Manager of Diversity and Inclusion at HCL Technologies, Inc., an information and technology services company, and has held that position since October 2011. We intend to employ Ms. Mercer on a full-time basis prior to the commencement of the offering. From January 2010 to January 2011, Ms. Mercer was a diversity specialist consultant for the New York City Department of Education. Prior to that, Ms. Mercer was Senior Manager of Affirmative Action/Diversity Metrics at Verizon, a global telecommunications company. Ms. Mercer has also been an Equal Employment Opportunity Specialist at the county government of Fairfax, Virginia from 2005 to 2006 and Equal Employment Opportunity Compliance Officer at the Office of Federal Contract Compliance Programs of the U.S. Department of Labor from 2003 to 2005. Ms. Mercer earned a B.A. in Political Science and English from Delaware State University, and an M.S./M.P.A. Dual Degree in Urban Policy Analysis and Management from The New School University.

Daniel Marovitz (40) is a prospective director. He is the founder of Buzzumi, a software platform that helps consulting and advice-based businesses operate online. From 2007 to 2011, he served as Head of Product Management and member of the board of Deutsche Bank's Global Transaction Bank. Previously, Daniel served as Chief Information Officer for Investment Banking of Deutsche Bank and the Chief Operating Officer of technology from 2002 to 2007. Mr. Marovitz joined Deutsche Bank in 2000 as Managing Director and Chief Operating Officer of the eGCI group at Deutsche Bank. Previously, he was Vice President of Commerce at iVillage, an online women's network from 1998 to 2000. Mr. Marovitz also worked for Gateway 2000 where he served as the head of Gateway.com from 1996 to 1998 and was the co-founder of Gateway's Japanese subsidiary in Tokyo from 1994 to 1996. Mr. Marovitz earned a B.A. in Romance Studies and Asian Studies and graduated *cum laude* from Cornell University in 1994. Mr. Marovitz is an experienced operational and theoretical thought leader regarding Internet companies. We believe that as a member on our board of directors, he would bring valuable advice relating to Internet activities, user experience and online marketing to the company.

Stephen Pemberton (45) is a prospective director. In 2011, he joined Walgreen Co., a retail pharmacy company, as Divisional Vice-President and Chief Diversity Officer. From 2005 to 2010, Mr. Pemberton was Chief Diversity Officer and Vice-President of Diversity and Inclusion at Monster Worldwide.com. Mr. Pemberton

received a B.A. in Political Science from Boston College in 1989. We believe Mr. Pemberton is a respected authority on diversity and inclusion matters in the workplace. We believe that as a member on our board of directors, he would add value by providing the board of directors with insight and experience he has gained from his service as a Chief Diversity Officer at two public companies.

Barry Feierstein (52) is a prospective director. He has been employed at the University of Phoenix, an online institution of higher learning and a wholly owned subsidiary of the Apollo Group since 2010, and appointed Chief Business Operating Officer in 2011. Prior to that, he served as Executive Vice President of Sales & Marketing for Sallie Mae, a student loan service company, from December 2007 to November 2009, and Senior Vice President of Private Credit Lending at Sallie Mae from January 2007 to December 2007. Mr. Feierstein graduated with a B.A. in Economics and History from Tufts University and earned an M.B.A. from Harvard Business School. Mr. Feierstein has expertise in online marketing, with a specific concentration in online education and marketing. We believe his ability to analyze complex Internet marketing strategies, and experience in connecting education to careers would be an asset to the board of directors.

Andrea Sáenz (40) is a prospective director. Since May 2011, she has served as Chief of Staff for the Chicago Public Schools. From August 2010 to May 2011, Ms. Sáenz was Board Resident at the U.S. Department of Education. From July 2006 to August 2010, Ms. Sáenz was executive director for the Hispanic Alliance for Career Enhancement, a nonprofit organization dedicated to the advancement of Latino professionals. Prior to holding that position, she was a fellow at the University of Pennsylvania Fels Institute of Government. Ms. Sáenz began her career at Congreso de Latinos Unidos, an organization focusing on Latino-American communities. She holds a B.A. in Latin American studies from Scripps College and a Master's Degree in government administration from the University of Pennsylvania. We believe Ms. Sáenz is an accomplished leader in the field of professional and educational advancement with expertise in educational and career access for minorities, with particular experience in the Not-For-Profit and government sectors.

Management Board

As of the date of this prospectus, our company is currently managed by our board of managers. Substantially simultaneously with the effectiveness of the registration statement of which this prospectus is a part, we will reorganize from an Illinois limited liability company to a Delaware corporation, and our board of managers will be dissolved and replaced with the board of directors described above. Of the five members on the board of managers, only James Kirsch will serve as a member of our board of the directors following our reorganization. Rudy Martinez will continue to be Executive Vice President and Chief Executive Officer of our iHispano.com division, but will not be on our board of directors. Daniel Ladurini, Ferdinando Ladurini and Daniel Kirsch will not be employed by or serve our company in any capacity. Daniel Kirsch and James Kirsch, and Ferdinando Ladurini and Daniel Ladurini, are father and son, respectively. The following are brief biographies of the members of our company's current management board.

James Kirsch (51) A brief biography of Mr. Kirsch appears above in the section entitled "Executive Officers and Directors".

Rudy Martinez (53) A brief biography of Mr. Martinez appears above in the section entitled "Executive Officers and Directors".

Daniel Ladurini (52) has been on our board of managers since 2005 and has been director and senior partner at Fiumalbo Investors, a strategic investment firm that specializes in new businesses and new market start ups from 1994 to present. Previously, Mr. Ladurini was managing partner, director of revenue, at Trilogy Consulting Corporation from 1982 to 1994.

Ferdinando Ladurini (72) has been on our board of managers since 2005 and served as director at Fiumalbo Investors, a strategic investment firm that specializes in new businesses and new market start ups from 1994 to the present. Previously, Mr. Ladurini was managing partner, director of finance, at Trilogy Consulting from 1982 to 1994.

Daniel S. Kirsch (86) has been on our board of managers since 2005 and was founder and CEO of Dan Howard Industries, a manufacturing and retail company, from 1954-2001. Mr. Kirsch has been retired since 2001. He is a graduate of the University of Illinois with a bachelor's degree in Economics.

Director Independence

Our board of directors has reviewed the materiality of any relationship that each of our directors and prospective directors has with us, either directly or indirectly. Based on this review, our board has determined that Messrs. Marovitz, Pemberton and Feierstein and Ms. Sáenz will be "independent directors" as defined by Rule 5605(a)(2) of the Marketplace Rules of The NASDAQ Stock Market, or NASDAQ, at the time they become directors on or before the closing of the offering. We do not have any oral or written agreement with any company including, Monster Worldwide and Apollo Group, for representatives from any company to serve on our board of directors.

Committees of the Board of Directors

Our management board has provided for the establishment of an audit committee, a compensation committee and a nominating and governance committee following our reorganization into a Delaware corporation, which will occur prior to the consummation of this offering. The composition and function of each of these committees is described below.

Audit Committee

Upon the closing of this offering, our audit committee will be comprised of Mr. Marovitz, who will be Chairman of the audit committee, Mr. Pemberton and Mr. Feierstein. Our board of directors has determined that Mr. Marovitz is an audit committee financial expert, as defined by the rules of the Securities and Exchange Commission. Our audit committee will be authorized to:

- approve and retain the independent registered public accounting firm to conduct the annual audit of our financial statements;
- review the proposed scope and results of the audit;
- review and pre-approve audit and non-audit fees and services;
- review accounting and financial controls with the independent auditors and our financial and accounting staff;
- review and approve transactions between us and our directors, officers and affiliates;
- recognize and prevent prohibited non-audit services;
- establish procedures for complaints received by us regarding accounting matters; and
- oversee internal audit functions, if any.

We believe that the composition of our audit committee will meet the independence requirements of the applicable rules of the Securities and Exchange Commission and NASDAQ upon completion of this offering.

Compensation Committee

Upon the closing of the offering, our compensation committee will be comprised of Mr. Feierstein, who will be Chairman of the compensation committee, Mr. Marovitz and Mr. Pemberton. All members of the compensation committee will qualify as independent under the current definition promulgated by NASDAQ. Our compensation committee will be authorized to:

- review and recommend compensation arrangements for management;

- establish and review general compensation policies with the objective of attracting and retaining superior talent, rewarding individual performance and reaching our financial goals;
- administer our stock incentive and purchase plans; and
- oversee the evaluation of the board of directors and management.

Nominating and Corporate Governance Committee

Upon the closing of the offering, our nominating and corporate governance committee will be comprised of Mr. Pemberton, who will be Chairman of the nominating and corporate governance committee, Mr. Feierstein and Mr. Marovitz. All members of the nominating and corporate governance committee will qualify as independent directors under the current definition promulgated by NASDAQ. Our nominating and governance committee will be authorized to:

- identify and nominate candidates for election to the board of directors; and
- develop and recommend to the board of directors a set of corporate governance principles applicable to our company.

Compensation Committee Interlocks and Insider Participation

No prospective member of our compensation committee has at any time been an employee of ours. None of our executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Business Conduct and Ethics

Prior to the commencement of this offering, we intend to adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics will be available on our corporate website at www.prodivnet.com on or before the effectiveness of the registration statement of which this prospectus is a part. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on such website.

Limitation of Directors' and Officers' Liability and Indemnification

The Delaware General Corporation Law authorizes corporations to limit or eliminate, subject to specified conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties. Our proposed certificate of incorporation and bylaws that we intend to adopt prior to the consummation of this offering limit the liability of our directors to the fullest extent permitted by Delaware law.

Prior to the commencement of the offering, we intend to obtain director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us. Our proposed certificate of incorporation and bylaws also provide that we will indemnify and advance expenses to any of our directors and officers who, by reason of the fact that he or she is one of our officers or directors, is involved in a legal proceeding of any nature. We will repay certain expenses incurred by a director or officer in connection with any civil, criminal, administrative or investigative action or proceeding, including actions by us or in our name. Such indemnifiable expenses include, to the maximum extent permitted by law, attorney's fees, judgments, fines, settlement amounts and other expenses reasonably incurred in connection with legal proceedings. A director or officer will not receive indemnification if he or she is found not to have acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interest. We intend to enter into indemnification agreements with our directors and executive officers in addition to the indemnification provided for in our certificate of incorporation and amended and restated bylaws.

Such limitation of liability and indemnification does not affect the availability of equitable remedies. In addition, we have been advised that in the opinion of the Securities and Exchange Commission, indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act and is therefore unenforceable.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for such indemnification.

Director Compensation

We currently do not compensate the members of our board of managers in connection with their service on the board of managers. Of the five members on the board of managers, only James Kirsch will serve as a member of our board of the directors following our reorganization.

Immediately following the reorganization, James Kirsch will be chairman of our board of directors. As one of our executive officers, Mr. Kirsch will not be compensated for his services as a director. Messrs. Marovitz, Pemberton, Feierstein and Ms. Sáenz have agreed to join our board of directors following our reorganization. We expect that each of Messrs. Marovitz, Pemberton, Feierstein and Ms. Sáenz will receive the following compensation for service on our board of directors:

- an annual payment of $5,000; and
- stipends of $1,500 and $1,000 for the chairmen of the compensation and audit committees, respectively.

Upon joining our board of directors, each non-employee director will receive 500 shares of common stock, which will vest in 3 year increments. At this time, we do not have a policy regarding annual grants of common stock to our non-employee directors.

Executive Compensation

Overview

In this section, we describe our compensation programs and policies and the material elements of compensation for the year ended December 31, 2012 for our Chairman and Chief Executive Officer, and our most highly compensated executive officers, other than our Chief Executive Officer, whose total compensation was in excess of $100,000. Other than as disclosed below, we did not have any other employee whose compensation was such that executive compensation disclosure would be required but for the fact that they were not executive officers as of the end of the last fiscal year. We refer to the all individuals whose executive compensation is disclosed in this prospectus as our “named executive officers.”

Decisions on the components of our compensation programs are, until our reorganization into a Delaware corporation, which will occur prior to the closing of this offering, the responsibility of our management board. Following the reorganization into a Delaware corporation, our compensation committee will be responsible for reviewing and evaluating these components, including employee base salaries and benefit plans. The compensation committee will provide advice and recommendations to the board of directors on such matters. See “*Committees of the Board of Directors—Compensation Committee*” for further details on the role of the compensation committee.

Employment Agreements

We intend to enter into employment agreements with Messrs. James Kirsch and Rudy Martinez prior to the commencement of this offering. Mr. Kirsch will serve as our Chief Executive Officer and Mr. Martinez will serve as our Executive Vice President and CEO of our iHispano.com division, positions that they currently hold with Professional Diversity Network, LLC , at annual base salaries of $200,000 and $200,000, respectively. Mr. Kirsch's employment agreement will be for one year and Mr. Martinez's employment agreement will be for one year, each commencing on or about March 4, 2013 with employment on an at-will basis thereafter. The agreements also provide for a discretionary annual bonus and benefits provided to other employees. If we terminate either named executive officer without cause (as defined in the employment agreement) but not due to death or disability, the Company will pay as severance continued salary for six (6) months to the terminated executive upon delivery of a release of claims against the company. No severance payment will be paid if termination is for cause or if the executive resigns. During each named executive officer's employment and for two (2) years thereafter, each named executive officer will agree not to disclose confidential information and will be subject to restrictions on competing or interfering with our business and business relationships and soliciting the services of our employees or independent contractors.

Base Salary

Base salaries for our named executive officers are established based on the executive's level of responsibility and years of experience, taking into account competitive factors. Base salaries of all employees, including executive officers, are reviewed annually and may be increased for merit reasons or due to overall company performance.

Additional Compensation Payments

Pursuant to an investment agreement entered into in 2004 (the "Investment Agreement") by and among the company, Daniel L. Ladurini, the Daniel L. Ladurini GST Trust ("Ladurini Family Trust"), James R. Kirsch and Rudy Martinez, Mr. Kirsch will receive additional compensation payments equal to 30% of the principal payments made by the company under the promissory notes payable to Ferdinando Ladurini in the principal amount of $1,341,676.

Equity Awards

We did not award any equity incentive compensation to any of our named executive officers in 2012, However, we expect to implement the 2013 Equity Compensation Plan prior to the offering.

Non-Equity Incentive Compensation

We did not award any non-equity incentive compensation to any of our named executive officers in 2012.

Retirement Plan and Other Benefits

We currently do not have any retirement plans or provide any other retirement benefits for our employees.

Nonqualified Deferred Compensation

None of our named executive officers participates in or has account balances in nonqualified defined contribution plans or other deferred compensation plans maintained by us.

Perquisites and Other Personal Benefits

We provide Mr. Kirsch with a car allowance of $846 per month and Mr. Martinez a car allowance of $959 per month.

Severance Benefits and Change in Control Arrangements

Except as described under "Employment Agreements" above, none of our named executive officers has any other severance benefits or change in control arrangements.

Summary Compensation Table

The following table provides information regarding the compensation earned during the years ended December 31, 2012 and December 31, 2011 by our Chairman and Chief Executive Officer, and our most highly compensated executive officers, other than our Chief Executive Officer, whose total compensation was in excess of $100,000. We refer to these persons as our "named executive officers" elsewhere in this prospectus.

Name and Principal Position	Year	Salary ($)	All Other Compensation ($) (1)	Total ($)
James Kirsch,	2012	$200,000	$ 372,993(2)(3)	$572,993
Chairman and Chief Executive Officer	2011	200,000	98,401(2)(3)	298,401
Rudy Martinez,	2012	200,000	17,511	217,511
Executive Vice President and CEO of iHispano.com division	2011	200,000	17,511	217,511
Dan Sullivan	2012	150,000	1,500	151,500
Chief Revenue Officer	2011	37,500	—	37,500

(1) Other compensation consists of: (i) car allowance in the amount of $846 per month in 2011 and 2012 for Mr. Kirsch, and in the amount of $959 per month in 2011 and 2012 for Mr. Martinez and (ii) an annual Health Savings Account contribution of $6,000 in each of 2012 and 2011 for Mr. Martinez. In 2012, Mr. Sullivan received Health Savings Account contributions of $1,500.

(2) In 2010, Mr. Kirsch purchased a condominium apartment in Miami, Florida, which was primarily used by the company and was financed by obtaining a bank loan providing initially for interest only payments. Following the closing, the company made payments of interest on the mortgage, condominium association dues, real estate taxes, maintenance and upkeep, purchased furniture and other related expenses on the apartment (collectively, "Condominium Costs") in the amount of $30,465 in 2011 and $46,927 in 2012. The company recorded these payments as additional compensation payments to Mr. Kirsch in the accompanying statements of comprehensive income as part of his compensation for 2011 and 2012. In 2012, the company paid $263,109 in additional compensation as a reimbursement for the additional taxes owed by Mr. Kirsch with respect guaranteed payments related to the Miami condominium. The company will discontinue paying the condominium costs prior to the closing of the offering.

(3) For the year ended December 31, 2012, Mr. Kirsch received $52,800 in additional compensation payments, which represent 30% of the $176,000 in principal payments on our notes payable to one of the founding members of the company, as part of his compensation. For the year ended December 31, 2011, Mr. Kirsch received $57,600 in additional compensation payments, which represent 30% of the $192,000 in principal payments on our notes payable to one of the founding members of the company, as part of his compensation.

Outstanding Equity Awards at December 31, 2012

We did not have any outstanding equity awards to our named executive officers as at December 31, 2012.

Employee Benefit Plans

As at December 31, 2012, we did not have any equity incentive plans. Prior to the consummation of this offering, we intend to adopt the 2013 Equity Compensation Plan under which we will reserve 500,000 shares of our common stock for the purpose of providing equity incentives to our employees, officers, directors and consultants including options, restricted stock, restricted stock units, stock appreciation rights, other equity awards, annual incentive awards and dividend equivalents. The plan will provide for a maximum of 500,000 shares that could be acquired upon the exercise of a stock option or the vesting of restricted stock. The plan will be approved by our shareholders prior to this offering.

Certain Relationships and Related Party Transactions

The following is a summary of transactions for the past two fiscal years to which we have been a party in which the amount involved exceeded the lesser of $120,000 or 1% of the average of our total assets at December 31, 2010 and December 31, 2011, and in which any of our directors, executive officers or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest, other than compensation arrangements that are described under the section of this prospectus entitled "Executive Compensation."

Equity Issuances to Directors, Executive Officers and 5% Stockholders

We did not issue any common stock during the past two fiscal years to our directors, executive officers or holders of more than 5% of our capital stock, except in connection with the reorganization of the company from a limited liability company into a corporation.

Prior to the consummation of this offering, the company will effect a reorganization pursuant to which each holder of an outstanding membership interest in the company will contribute to the company all of the right, title and interest in and to such holder's entire ownership interest in the company in exchange for a proportionate number of shares of common stock of the company immediately after conversion into a Delaware corporation.

We have an understanding with our founding members that upon consummation of this offering the outstanding notes will be exchanged into shares of our common stock at a price per share equal to the offering price. We anticipate that prior to the closing of the offering, Ferdinando Ladurini, Daniel Ladurini and James R. Kirsch will enter into a debt exchange agreement whereby our three outstanding promissory notes in the principal amounts of $1,341,676, $142,000 and $37,143 plus accrued interest owed to them, respectively, will be exchanged for shares of common stock at a price per share equal to the offering price (the "Note Conversion"). Such shares will be subject to the lock-up agreement entered into with the underwriters in connection with this offering and may not be sold until the expiration of such lock-up period. See "*Underwriting – Lock up Agreements."*

Prior to the closing of the offering, Ladurini Family Trust intends to enter into option agreements (the "Ladurini Options") with certain of our directors and officers pursuant to which such directors and officers may purchase, during a ten year exercise period, from Ladurini Family Trust up to 10% shares of our common stock, at a price per share equal to the offering price. The options will not be exercisable until the expiration of the lock-up agreement to be entered into by Ladurini Family Trust with the underwriters in connection with this offering. See "*Underwriting – Lock up Agreements."*

Agreements with Directors and Executive Officers

Pursuant to the Investment Agreement, Mr. Kirsch will receive additional compensation payments equal to 30% of the principal payments made by the company under the promissory notes payable to Ferdinando Ladurini in the principal amount of $1,341,676. Additional compensation payments are recorded to expense in the statements of comprehensive income and are reported as income to the member of the limited liability company operating agreement, in this case, Mr. Kirsch. Prior to commencement of the offering, we will obtain a binding agreement from our noteholders that they will convert the outstanding debt into equity. Therefore, following the offering, such debt will be converted into equity and no further payments to Mr. Kirsch would be made pursuant to the agreement.

In 2010, Mr. Kirsch purchased a condominium apartment in Miami, Florida, which was primarily used by the company and was financed by obtaining a bank loan providing initially for interest only payments. The company paid for the down payment and earnest money on the apartment in the amount of $221,679. Following the closing, the company made payments of interest on the mortgage, condominium association dues, real estate

taxes, maintenance and upkeep, purchased furniture and other related expenses on the apartment (collectively, "Condominium Costs") in the amount of $52,070 in 2010 and $30,465 in 2011. The company will discontinue paying the Condominium Costs prior to the closing of the offering. Please see "*Executive Compensation*" for information regarding the employment agreements with, and compensation of, our executive officers.

Please see "*Executive Compensation*" for information regarding the employment agreements with, and compensation of, our executive officers.

On October 15, 2012, we entered into a letter of intent with Careerimp, Inc. to acquire substantially all of the assets of Careerimp on such terms and conditions as Careerimp and we may agree. The letter of intent does not create any binding obligation on us to acquire Careerimp's assets, nor does it create any binding obligation on Careerimp to sell its assets to us. During the term of the letter of intent, Careerimp agrees not to sell its assets or business to any other party. Further, we have employed certain employees or former employees of Careerimp, including Ayan Kishore, our Executive Vice President—Operations and Technology, to integrate Careerimp's technology platforms into our technology platform and implement, maintain and operate such technology platforms. During the term of the letter of intent, Careerimp agreed to grant us a royalty-free license to utilize its technology platforms. We or Careerimp may terminate the letter of intent upon written notice to the other if the parties have not entered into a definitive agreement for the sale and purchase of Careerimp's assets on or before December 31, 2012; provided, however, that in such event Careerimp agrees to extend the license to Careerimp's technology platforms for three more years for a fee of $5,000 per year. Ayan Kishore, our Executive Vice President - Operations and Technology, is an equity holder of Careerimp, Inc

Agreements with 5% Stockholders

Other than as disclosed in the section above entitled "*Equity Issuances to Directors, Executive Officers and 5% Stockholders"* and *"Agreements with Directors and Executive Officers"* there are no agreements between or among the company and any holder of more than 5% of our capital stock.

Principal Stockholders

The following table sets forth information regarding the beneficial ownership of our limited liability company membership interests as of the date of this prospectus and pro forma as adjusted to reflect our reorganization into a Delaware corporation, which will occur prior to the closing of this offering and the sale of the common stock in this offering for:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors and prospective directors; and
- all of our directors and executive officers as a group.

The percentage ownership information shown in the table is based upon 3,635,679 shares of common stock outstanding as of the date of this prospectus, and the issuance of 1,820,000 shares of common stock in this offering. The percentage ownership information assumes no exercise of the underwriter's option to purchase additional shares.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the U.S. Securities and Exchange Commission. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In

addition, the rules include shares of common stock issuable pursuant to the exercise of stock options that are either immediately exercisable or exercisable on or before that date that is 60 days after the date of this prospectus. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Unless otherwise noted below, the address for each person or entity listed in the table is c/o Professional Diversity Network, 801 W. Adams Street, Suite 600, Chicago, Illinois 60667.

	Beneficial Ownership		Percentage of Shares Beneficially Owned	
Beneficial Owner	Number of Shares Held Before the Offering	Options Exercisable within 60 Days	Before this Offering	After this Offering
5% Stockholders				
Daniel Ladurini (1)	2,113,169	-	58.11%	38.73%
Directors, Prospective Directors and Named Executive Officers				
James Kirsch (2) (3)	1,051,706	-	28.92	19.27
Rudy Martinez	348,785		9.59	6.39
Myrna Newman	-			
Chad Hoersten	-			
Daniel Sullivan	-			
Kevin McFall	-			
Tandalea Mercer	-			
Daniel Marovitz	-			
Stephen Pemberton	-			
Barry Feierstein	-			
Andrea Sáenz	-			
All directors, prospective directors and executive officers as a group (2 persons)			38.76%	25.66%

(1) Includes 41,388 shares to be issued pursuant to the Note Conversion, and 2,071,781 shares held by Ladurini Family Trust, for which Mr. Ladurini is Trustee. Daniel Ladurini holds voting and dispositive power over the shares held by Ladurini Family Trust. Prior to the closing of the offering, Ladurini Family Trust intends to enter into option agreements (the "Ladurini Options") with certain of our directors and officers pursuant to which such directors and officers may purchase, during a ten year exercise period, from Ladurini Family Trust up to 10% shares of our common stock, at a price per share equal to the offering price. The options will not be exercisable until the expiration of the lock-up agreement to be entered into by Ladurini Family Trust with the underwriters in connection with this offering. See "*Underwriting – Lock up Agreements.*"

(2) Includes 5,352 shares to be issued pursuant to the Note Conversion.

(3) Does not include [ ] shares issuable pursuant to the Ladurini Options because such options will not be issuable until more than 60 days following the completion of the offering.

Description of Capital Stock

Upon the closing of this offering, our authorized capital stock will consist of 25,000,000 shares of common stock, par value $0.01 per share, and 1,000,000 shares of undesignated preferred stock, par value $0.01 per share.

The following summarizes important provisions of our common stock and describes certain material provisions of our proposed certificate of incorporation and bylaws that we intend to adopt prior to the consummation of this offering. This summary is qualified by our proposed certificate of incorporation and bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, and by the provisions of applicable law.

Common Stock

Outstanding Shares

As of the date of this prospectus, all of our outstanding limited liability company membership interests were held of record by 4 members of the company: Daniel Ladurini, Ladurini Family Trust, James Kirsch and Rudy Martinez. After giving effect to our reorganization into a Delaware corporation and the sale of common stock offered in this offering, there will be 5,455,679 shares of common stock outstanding, assuming the Note Conversion has been consummated, no exercise of the underwriters' option to purchase additional shares of common stock to cover over-allotments.

Dividend Rights

Following our reorganization into a Delaware corporation, the holders of our outstanding shares of common stock are entitled to receive dividends, if any, as may be declared out of legally available funds at the times and the amounts as our board of directors may from time to time determine.

Voting Rights

Following our reorganization into a Delaware corporation, each holder of common stock is entitled to one vote for each share of common stock held on all matters submitted to a vote of the stockholders, including the election of directors. Our proposed certificate of incorporation and bylaws do not provide for cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

No Preemptive or Similar Rights

Following our reorganization into a Delaware corporation, our common stock is not entitled to preemptive rights and is not subject to conversion or redemption.

Right to Receive Liquidation Distributions

Following our reorganization into a Delaware corporation, , in the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and liquidation preferences of preferred stock, if any.

Undesignated Preferred Stock

Following our reorganization into a Delaware corporation, our board of directors has the authority, without first obtaining approval of our stockholders, to establish from our undesignated shares, one or more series of preferred stock and to fix the powers, preferences, rights and limitations of such class or series, including dividend rights, voting rights, and the right to receive liquidation distributions.

Options

As of the date of this prospectus, we do not have any options to purchase common stock outstanding. Prior to the closing of the offering, Ladurini Family Trust intends to issue the Ladurini Options. *See "Certain Relationships and Related Party Transactions – Equity Issuances to Directors, Executive Officers and 5% Stockholders."*

Anti-Takeover Effects of Provisions of the Certificate of Incorporation and Bylaws

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt prior to the consummation of this offering may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our proposed amended and restated certificate of incorporation and amended and restated bylaws:

- authorize our board of directors to issue, without further action by the stockholders, up to 1,000,000 shares of undesignated preferred stock;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors, and also specify requirements as to the form and content of a stockholder's notice;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that our directors may be removed only for cause and only by the affirmative vote of at least a majority of the total voting power of our outstanding capital stock, voting as a single class; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock voting in any election of directors to elect all of the directors standing for election, if they should so choose).

Section 203 of the General Corporation Law of the State of Delaware

We are subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Limitation on Liability of Directors and Indemnification

Our certificate of incorporation limits the liability of our directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our proposed bylaws provide that we will indemnify our directors and officers, and may indemnify other employees and agents, to the fullest extent permitted by law. Our proposed bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our proposed bylaws permit indemnification. We intend to obtain directors' and officers' liability insurance prior to the offering.

We intend to enter into indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our certificate of incorporation and amended and restated bylaws.

At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Stock Exchange

Our common stock has been approved for listing on the Nasdaq Capital Market under the symbol "IPDN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

Shares Eligible For Future Sale

Prior to this offering, no public market existed for our common stock. Market sales of shares of our common stock after this offering and from time to time, and the availability of shares for future sale, may reduce the market price of our common stock. Sales of substantial amounts of our common stock, or the perception that these sales could occur, could adversely affect prevailing market prices for our common stock and could impair our future ability to obtain capital, especially through an offering of equity securities.

Based on the number of shares of common stock outstanding as of the date of this prospectus, upon completion of this offering, 5,455,679 shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares of common stock to cover over-allotments. All of the shares sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, unless held by our affiliates as that term is defined under Rule 144 under the Securities Act.

The remaining shares of common stock outstanding upon the closing of this offering are restricted securities as defined under Rule 144 of the Securities Act. Restricted securities may be sold in the U.S. public market only if registered or if they qualify for an exemption from registration, including by reason of Rule 144 under the Securities Act, which rules are summarized below. These remaining shares will generally become available for sale in the public market upon expiration of lock-up agreements 180 days after the date of this prospectus, which date may be extended in specified circumstances, subject in certain circumstances to the volume, manner of sale and other limitations under Rule 144.

Rule 144

In general, under Rule 144 under the Securities Act, as in effect on the date of this prospectus, beginning 90 days after the date of this prospectus, a person who is not one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock to be sold for at least six months, would be entitled to sell an unlimited number of shares of our common stock, provided current public information about us is available. In addition, under Rule 144, a person who is not one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned the shares of our common stock to be sold for at least one year, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available. Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months are entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- one percent of the number of shares of our common stock then outstanding, which will equal approximately 61,634 shares immediately after this offering; and
- the average weekly trading volume of our common stock on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale, or if no such notice is required, the date of receipt of the order to execute the sale.

Sales of restricted shares under Rule 144 by our affiliates are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement.

Notwithstanding the availability of Rule 144, holders of 3,635,679 of our restricted shares have entered into lock-up agreements as described below under “Underwriting” and their restricted shares will become eligible for sale at the expiration of the restrictions set forth in those agreements, subject to any exceptions set forth therein or waivers by the underwriters.

Equity Incentive Plans

As of December 31, 2012, we did not have any equity incentive plans. Prior to the consummation of this offering, we intend to adopt the 2013 Equity Compensation Plan under which we will reserve 500,000 of our common stock for the purpose of providing equity incentives to our employees, officers, directors and consultants including options, restricted stock, restricted stock units, stock appreciation rights, other equity awards, annual incentive awards and dividend equivalents. The plan will provide for a maximum of 500,000 shares that could be acquired upon the exercise of a stock option or the vesting of restricted stock. The plan will be approved by our shareholders prior to this offering.

We intend to file a registration statement under the Securities Act on Form S-8 to register shares to be issued pursuant to the 2013 Equity Compensation Plan. As a result, any options or rights exercised under the 2013 Equity Compensation Plan after the effectiveness of the registration statements will also be freely tradable in the public market, subject to the lock-up agreements discussed above. However, such shares held by affiliates will still be subject to the volume limitation, manner of sale, notice and public information requirements of Rule 144 and the 180-day lock-up arrangement described above, if applicable.

Underwriting

Aegis Capital Corp. ("Aegis") and Merriman Capital, Inc. ("Merriman" and collectively with Aegis, the "Underwriters") are acting as the underwriters of this offering. Under the terms and subject to the conditions contained in an underwriting agreement between us and the Underwriters, the Underwriters has agreed to purchase, and we have agreed to sell to the Underwriters, the shares of common stock offered by this prospectus set forth below:

Underwriter	Number of Shares
Aegis Capital Corp.	
Merriman Capital, Inc.	
Total	

The Underwriters are committed to purchase all the shares of common stock offered by us other than those covered by the option to purchase additional shares described below, if they purchase any shares. The obligations of the Underwriters may be terminated upon the occurrence of certain events specified in the underwriting agreement. Furthermore, pursuant to the underwriting agreement, the Underwriters' obligations are subject to customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the Underwriters of officers' certificates and legal opinions.

The following table shows the per share and total underwriting discounts and commissions that we are to pay to the Underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the over-allotment option.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discount (1)	$	$	$
Accountable expense allowance (2)	$	$	$
Proceeds, before expenses, to us	$	$	$

(1) Underwriting discount is $ per share (7% of the per share price of the shares sold in the offering).
(2) The accountable expense allowance of up to 1.5% of the gross proceeds of the firm shares is not payable with respect to the shares sold upon exercise of the Underwriters' over-allotment option.

In addition, we estimate that the expenses of this offering, other than underwriting discounts and commissions payable by us, will be approximately $1.0 million.

Over-allotment Option

We have granted to the Underwriters an option, exercisable for 45 days from the date of this prospectus, to purchase up to an aggregate of additional shares of common stock (15% of the shares offered by this prospectus) at the public offering price, less underwriting discounts and commissions. The Underwriters may exercise this option, in whole or in part, solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. If the over-allotment option is exercised in full, the total price to the public would be $, the total underwriter discounts and commissions would be $ and the total proceeds to us would be $.

Lock-up Agreements

We have agreed that we will not, for a period of one hundred eighty (180) days from the effective date of the registration statement of which this prospectus is a part, (i) offer, pledge, sell, contract to sell, sell any option or

contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock or any securities convertible into or exercisable or exchangeable for shares of capital stock; (ii) file or caused to be filed any registration statement with the Securities and Exchange Commission relating to the offering of any shares of capital stock or any securities convertible into or exercisable or exchangeable for shares of capital stock, or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of capital stock, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of shares of capital stock or such other securities, in cash or otherwise, other than the shares to be sold hereunder, and shares issuable upon the exercise or conversion of outstanding securities, securities issued under any company stock or equity compensation plans. If the company issues an earnings release or material news during the last 17 days of such lock-up period or, prior to the expiration of such lock up period, the company announces that it will release earnings results during the 16-day period beginning on the last day of such lock up period, the lock up restrictions will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release, unless the Underwriters waives such extension.

Our directors, officers and each of our shareholders have entered into lock up agreements with the Underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, for a period of one hundred eighty (180) days after the date of this prospectus, may not, without the prior written consent of the Underwriters, (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock. Additionally, all other holders of our outstanding common stock or options to purchase common stock are subject to agreements with us imposing similar restrictions on sales or agreements to sell such common stock or options during the one hundred eighty (180) days after the date of this prospectus.

In determining the public offering price, we and the Underwriters expect to consider a number of factors including:

- The information set forth in this prospectus and otherwise available to the representatives;
- Our prospects and the history and prospects for the industry in which we compete;
- An assessment of our management;
- Our prospects for future earnings;
- The general condition of the securities markets at the time of this offering;
- The recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- Other factors deemed relevant by the Underwriters and us.

Neither we, nor the Underwriters can assure investors that an active trading market will develop for our common stock, or that the shares will trade in the public market at or above the public offering price.

Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Other Terms

In connection with this offering, the Underwriters or certain of the securities dealers may distribute prospectuses electronically. No forms of prospectus other than printed prospectuses and electronically distributed prospectuses that are printable in Adobe PDF format will be used in connection with this offering.

The Underwriters have informed us that they do not expect to confirm sales of shares offered by this prospectus to accounts over which they exercise discretionary authority without obtaining the specific approval of the account holder.

We have also agreed to issue to the Underwriters a common stock purchase warrant to purchase a number of shares of our common stock equal to an aggregate of five (5%) percent of the shares sold in the offering (excluding the over-allotment option). The warrant will have an exercise price equal to 125% of the offering price of the shares sold in this offering. The warrants are exercisable commencing one year (1) year after the effective date of this offering, and will be exercisable, in whole or in part, for three (3) years thereafter. The warrant also provides for one demand registration right and unlimited "piggyback" registration rights at our expense with respect to the underlying shares of common stock during the three (3) year period commencing one (1) year after the effective date of this offering. Pursuant to the rules of FINRA (formerly the NASD), and in particular Rule 5110, the warrant (and underlying shares) issued to the Underwriters may not be sold, transferred, assigned, pledged, or hypothecated, or the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective disposition of the securities by any person for a period of 180 days immediately following the effective date of this offering; provided, however, that the warrant (and underlying shares) may be transferred to officers or partners of the Underwriters and members of the underwriting syndicate as long as the warrants (and underlying shares) remain subject to the lockup.

In addition, pursuant the underwriting agreement, we have also agreed to pay the underwriters accountable expenses relating to the offering of up to 1.5% of the gross proceeds of the offering with respect to the sale of the firm shares, including (a) all fees, expenses and disbursements relating to background checks of our officers and directors in an amount not to exceed $5,000 per individual; (b) up to $16,000 for costs associated with the underwriters' use of i-Deal; (c) up to $10,000 of accountable "road show" expenses; and (d) an advance of $50,000.

Indemnification

The underwriting agreement provides for indemnification between us and the Underwriters against specified liabilities, including liabilities under the Securities Act, and for contribution by us and the Underwriters to payments that may be required to be made with respect to those liabilities. We have been advised that, in the opinion of the Securities and Exchange Commission, indemnification for liabilities under the Securities Act is against public policy as expressed in the Securities Act, and is therefore, unenforceable.

Stabilization

In order to facilitate this offering of common stock, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the Underwriters may sell more shares than it is obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the Underwriters under the over-allotment option. The Underwriters can close out a covered short sale by exercising the over-allotment option or by purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the Underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The Underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The Underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after

pricing that could adversely affect investors who purchase in this offering. In addition, to stabilize the price of the common stock, the Underwriters may bid for and purchase shares of common stock in the open market. Finally, the Underwriters may reclaim selling concessions allowed for distributing the common stock in the offering if the syndicate repurchases previously distributed common stock to cover syndicate short positions or to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The Underwriters are not required to engage in these activities and may end any of these activities at any time.

Foreign Regulatory Restrictions on Purchase of Our Common Stock

We have not taken any action to permit a public offering of our common stock outside the U.S. or to permit the possession or distribution of this prospectus outside the U.S. Persons outside the U.S. who come into possession of this prospectus must inform themselves about and observe any restrictions relating to this offering and the distribution of the prospectus outside the U.S. In addition to the public offering of our common stock in the U.S., the Underwriters may, subject to applicable foreign laws, also offer our common stock to certain institutions or accredited persons in the following countries:

Australia

If this document is issued or distributed in Australia, it is issued or distributed to "wholesale clients" only, not to "retail clients." For the purposes of this paragraph, the terms "wholesale client" and "retail client" have the meanings given in section 761 of the Australian Corporations Act 2001 (Cth). This document is not a disclosure document under the Australian Corporations Act, has not been lodged with the Australian Securities & Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. Accordingly, (i) the offer of securities under this document is only made to persons to whom it is lawful to offer such securities under one or more exemptions set out in the Australian Corporations Act, (ii) this document is only made available in Australia to those persons referred to in clause (i) above, and (iii) the offeree must be sent a notice stating in substance that, by accepting this offer, the offeree represents that the offeree is such a person as referred to in clause (i) above, and, unless permitted under the Australian Corporations Act, agrees not to sell or offer for sale within Australia any of the securities sold to the offeree within 12 months after its transfer to the offeree under this document.

China

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE CIRCULATED OR DISTRIBUTED IN THE PRC, AND SHARES MAY NOT BE OFFERED OR SOLD, AND WILL NOT BE OFFERED OR SOLD TO ANY PERSON FOR RE- OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, TO ANY RESIDENT OF THE PRC EXCEPT PURSUANT TO APPLICABLE LAWS AND REGULATIONS OF THE PRC.

DIFC

DIFC and UAE have different requirements and, as a result, a generic legend for each is provided below.

United Arab Emirates

The offering has not been approved or licensed by the Central Bank of the United Arab Emirates (the "UAE"), Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority (the "DFSA"), a regulatory authority of the Dubai International Financial Centre (the "DIFC").

The offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered

Securities Rules and NASDAQ Dubai Listing Rules, accordingly, or otherwise. The securities offered hereby may not be offered to the public in the UAE and/or any of the free zones, including, in particular, the DIFC.

The securities offered hereby may be offered and issued only to a limited number of investors in the UAE or any of its free zones (including, in particular, the DIFC) who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned, including, in particular, the DIFC.

The company represents and warrants that the securities offered hereby will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones, including, in particular, the DIFC.

Dubai

The issuer is not licensed by the Dubai Financial Services Authority ("DFSA") to provide financial services in the Dubai International Financial Centre ("DIFC"). The offering has not been approved or licensed by the Central Bank of the United Arab Emirates (the "UAE"), Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the DFSA, a regulatory of the DIFC.

The offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and NASDAQ Dubai Listing Rules, accordingly, or otherwise. The securities offered hereby may not be offered to the public in the UAE and/or any of the free zones, including, in particular, the DIFC.

The securities offered hereby may be offered and issued only to a limited number of investors in the UAE or any of its free zones (including, in particular, the DIFC) who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned, including, in particular, the DIFC.

The company represents and warrants that the securities offered hereby will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones, including, in particular, the DIFC.

Israel

The common stock offered by this prospectus has not been approved or disapproved by the Israeli Securities Authority (the "ISA"), nor has such common stock been registered for sale in Israel. The shares may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with the offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the common stock being offered. Any resale, directly or indirectly, to the public of the common stock offered by this prospectus is subject to restrictions on transferability and must be effected only in compliance with the Israeli securities laws and regulations.

Pakistan

The investors / subscribers in Pakistan will be responsible for ensuring their eligibility to invest under the applicable laws of Pakistan and to obtain any regulatory consents if required for such purpose.

Saudi Arabia

NO OFFERING OF SHARES IS BEING MADE IN THE KINGDOM OF SAUDI ARABIA, AND NO AGREEMENT RELATING TO THE SALE OF THE SHARES WILL BE CONCLUDED IN SAUDI ARABIA. THIS DOCUMENT IS PROVIDED AT THE REQUEST OF THE RECIPIENT AND IS BEING FORWARDED

TO THE ADDRESS SPECIFIED BY THE RECIPIENT. NEITHER THE AGENT NOR THE OFFERING HAVE BEEN LICENSED BY THE SAUDI'S SECURITIES AND EXCHANGE COMMISSION OR ARE OTHERWISE REGULATED BY THE LAWS OF THE KINGDOM OF SAUDI ARABIA.

THEREFORE, NO SERVICES RELATING TO THE OFFERING, INCLUDING THE RECEIPT OF APPLICATIONS AND/OR THE ALLOTMENT OF THE SHARES, MAY BE RENDERED WITHIN THE KINGDOM BY THE AGENT OR PERSONS REPRESENTING THE OFFERING.

United Kingdom

The content of this Memorandum has not been issued or approved by an authorised person within the meaning of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"). Reliance on this Memorandum for the purpose of engaging in any investment activity may expose an Investor to a significant risk of losing all of the property or other assets invested. This Memorandum does not constitute a prospectus within the meaning of the FSMA and is issued in reliance upon one or more of the exemptions from the need to issue such a prospectus contained in section 86 of the FSMA.

Legal Matters

The validity of the shares of common stock offered hereby and certain other legal matters will be passed upon for us by SNR Denton US LLP, Chicago, Illinois. The underwriters have been represented in connection with this offering by McDermott Will & Emery LLP, New York, New York.

Experts

Our financial statements as of December 31, 2011 and 2010 and for each of the two years in the period ended December 31, 2011 included in this prospectus have been so included in reliance on the report of Marcum, LLP, independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where You Can Find More Information

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus does not contain all of the information included in the registration statement, portions of which are omitted as permitted by the rules and regulations of the Securities and Exchange Commission. For further information pertaining to us and the common stock to be sold in this offering, you should refer to the registration statement and its exhibits. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document filed as an exhibit to the registration statement or such other document, each such statement being qualified in all respects by such reference. On the closing of this offering, we will be subject to the informational requirements of the Exchange Act and will be required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. We anticipate making these documents publicly available, free of charge, on our website at www.prodivnet.com as soon as reasonably practicable after filing such documents with the Securities and Exchange Commission. The information contained in, or that can be accessed through, our website is not part of this prospectus.

You can read the registration statement and our future filings with the Securities and Exchange Commission at the Securities and Exchange Commission's website at www.sec.gov. You may request copies of the filing, at no cost, by telephone at (312) 827-6440 or by mail at Professional Diversity Network, 801 W. Adams Street, Suite 600, Chicago, Illinois 60661. You may also read and copy any document we file with the Securities and Exchange Commission at its public reference facility at 100 F Street, N.E., Washington, D.C. 20549. Copies of the registration statement may be obtained from the Securities and Exchange Commission at prescribed rates from the public reference room at such address. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330.

Report of Independent Registered Public Accounting Firm

To the Members of
Professional Diversity Network, LLC d/b/a iHispano.com

We have audited the accompanying balance sheets of Professional Diversity Network, d/b/a iHispano.com, formerly known as iHispano.com, LLC d/b/a Professional Diversity Network LLC, (the "Company") as of December 31, 2011 and 2010, and the related statements of comprehensive income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Professional Diversity Network, d/b/a iHispano.com, formerly known as iHispano.com, LLC d/b/a Professional Diversity Network, as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Marcum, LLP

Marcum, LLP

New York, NY
April 16, 2012

Table of Contents

Professional Diversity Network, LLC d/b/a iHispano.com
BALANCE SHEETS

	December 31, 2011	2010	September 30, 2012 (unaudited)
ASSETS			
Current Assets:			
Cash and cash equivalents	$2,254,431	$ 912,641	$1,898,440
Restricted cash	-	45,288	-
Accounts receivable	1,604,470	1,126,469	1,675,914
Marketable securities, at fair value	375,156	752,515	253,825
Prepaid expense	-	5,882	34,323
Total Current Assets	4,234,057	2,842,795	3,862,502
Property and equipment, net	25,789	20,478	16,789
Security deposits	21,568	21,568	19,068
Deferred offering costs - initial public offering	26,900	-	632,030
Developed technology, net	146,146	151,667	202,915
Goodwill	635,671	635,671	635,671
Trade name	90,400	90,400	90,400
Total assets	$5,180,531	$3,762,579	$5,459,375
LIABILITIES AND MEMBERS' EQUITY			
Current Liabilities:			
Accounts payable and accrued expenses	$ 254,674	$ 128,393	$ 299,883
Deferred revenue	150,000	-	-
Total current liabilities	404,674	128,393	299,883
Notes payable - net of original issue discount of $211,225, $277,484 and $156,253 as of December 31, 2011 and 2010 and September 30, 2012, respectively	1,491,488	1,513,036	1,477,428
Total liabilities	1,896,162	1,641,429	1,777,311
Commitments and contingencies			
Members' Equity			
Members' equity	3,315,014	2,122,654	3,678,085
Accumulated other comprehensive loss	(30,645)	(1,504)	3,979
Total members' equity	3,284,369	2,121,150	3,682,064
Total liabilities and members' equity	$5,180,531	$3,762,579	$5,459,375

The accompanying notes are an integral part of these financial statements.

Professional Diversity Network, LLC d/b/a iHispano.com
STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31,		For the Nine Months Ended September 30, (unaudited)	
	2011	2010	2012	2011
Revenues				
Recruitment services	$4,000,000	$4,000,000	$3,000,000	$3,000,000
Consumer advertising and consumer marketing solutions revenue	1,569,342	384,654	1,736,470	1,166,593
Total revenues	5,569,342	4,384,654	4,736,470	4,166,593
Costs and expenses:				
Cost of services	817,254	722,003	679,233	597,864
Sales and marketing	1,021,839	657,811	1,094,645	709,599
General and administrative	723,093	897,221	743,952	510,965
Depreciation and amortization	108,592	88,030	84,823	81,134
Total costs and expenses	2,670,778	2,365,065	2,602,653	1,899,562
Income from operations	2,898,564	2,019,589	2,133,817	2,267,031
Other income (expense)				
Interest expense	(170,452)	(171,685)	(129,939)	(127,543)
Interest and other income	17,540	17,403	9,192	15,209
Other expense, net	(152,912)	(154,282)	(120,747)	(112,334)
Net Income	$2,745,652	$1,865,307	$2,013,070	$2,154,697
Other comprehensive loss:				
Net Income	$2,745,652	$1,865,307	$2,013,070	2,154,697
Unrealized gains/(losses) on marketable securities	(40,128)	(9,413)	33,992	(34,657)
Reclassification adjustments for losses on marketable securities included in net income	10,987	1,413	632	2,502
Comprehensive income	$2,716,511	$1,857,307	$2,047,694	$2,122,542
Unaudited Pro Forma Income Tax Computation for Assumed Conversion to a Corporation:				
Historical Net Income	$2,745,652	$1,865,307	$2,013,070	$2,154,697
Pro-forma Income Tax Provision	1,127,491	745,465	833,421	877,095
Pro forma Net Income	$1,618,161	$1,119,842	$1,179,649	$1,277,602
Unaudited Pro Forma Income Net Income per Common Share:				
Basic and diluted				
Shares used in computing pro forma net income per common share:				
Basic and diluted				

The accompanying notes are an integral part of these financial statements.

Professional Diversity Network, LLC d/b/a iHispano.com
STATEMENT OF MEMBERS' EQUITY

	Members' Equity	Accumulated other comprehensive income (loss)	Total Members' Equity
Balance at January 1, 2010	$ 1,979,347	$ 6,496	$ 1,985,843
Reclassification adjustments for loss on marketable securities included in net income		1,413	1,413
Unrealized holding loss on marketable securities	-	(9,413)	(9,413)
Net income	1,865,307	-	1,865,307
Distributions to members	(1,722,000)	-	(1,722,000)
Balance at December 31, 2010	2,122,654	(1,504)	2,121,150
Unrealized holding loss on marketable securities	-	(40,128)	(40,128)
Reclassification adjustments for loss on marketable securities included in net income		10,987	10,987
Net income	2,745,652	-	2,745,652
Distributions to members	(1,553,292)	-	(1,553,292)
Balance at December 31, 2011	3,315,014	(30,645)	3,284,369
Unrealized holding gain on marketable securities		33,993	33,993
Reclassification adjustments for loss on marketable securities included in net income		632	632
Net income	2,013,070		2,013,070
Distributions to members	(1,650,000)		(1,650,000)
Balance at September 30, 2012 (unaudited)	$ 3,678,084	$ 3,980	$ 3,682,064

The accompanying notes are an integral part of these financial statements.

Professional Diversity Network, LLC d/b/a iHispano.com
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		For the Nine Months Ended September 30, (unaudited)	
	2011	2010	2012	2011
Cash flows from operating activities:				
Net Income	$ 2,745,652	$ 1,865,307	$ 2,013,070	$ 2,154,697
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization expense	108,592	88,030	84,822	81,134
Realized loss (gain) on sale of investments, net	32,588	(308)	5,530	26,492
Amortization of discount/premium on investments	(9,525)	22,053	(370)	(12,165)
Write-off of bad debts	-	-	49,462	-
Interest earned on restricted cash	-	(680)	-	-
Interest added to notes payable	104,193	109,310	77,551	70,900
Accretion added to notes payable	66,259	62,376	52,388	56,642
Changes in operating assets and liabilities:				
Accounts receivable	(478,001)	(459,803)	(120,906)	(242,879)
Accounts payable and accrued expenses	126,281	(30,411)	45,211	20,242
Prepaid expenses	5,882	(271)	(31,823)	5,882
Deferred Income	150,000	-	(150,000)	-
Net cash provided by operating activities	2,851,921	1,655,603	2,024,935	2,160,945
Cash flows from investing activities:				
Proceeds from sales of marketable securities	575,000	467,301	150,796	475,000
Purchases of marketable securities	(249,845)	(328,981)	-	(249,846)
Costs incurred to develop technology	(92,658)	(100,277)	(132,592)	(73,492)
Release of restricted cash	45,288	-	-	-
Purchases of property and equipment	(15,724)	(9,389)	-	(9,080)
Net cash provided by investing activities	262,061	28,654	18,204	142,582
Cash flows from financing activities:				
Distributions to members	(1,553,292)	(1,722,000)	(1,650,000)	(1,465,010)
Repayments of notes payable	(192,000)	(192,000)	(144,000)	(144,000)
Deferred Initial public offering costs	(26,900)	-	(605,130)	(12,000)
Net cash used in financing activities	(1,772,192)	(1,914,000)	(2,399,130)	(1,621,010)
Net increase (decrease) in cash and cash equivalents	1,341,790	(229,743)	(355,991)	682,517
Cash and cash equivalents, beginning of year	912,641	1,142,384	2,254,431	912,641
Cash and cash equivalents, end of period	$ 2,254,431	$ 912,641	$ 1,898,440	$ 1,595,518
Supplemental disclosures of other cash flow information:				
Cash paid for income taxes	$ -	$ -	$ -	$ -
Cash paid for interest	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

1. Description of Business

Professional Diversity Network, LLC, d/b/a/ iHispano.com, formerly known as iHispano.com, LLC d/b/a Professional Diversity Network (the "Company") is a limited liability company originally formed as IH Acquisition, LLC under the laws of the State of Illinois on October 3, 2003. The Company commenced business following its acquisition of the assets, trade name, uniform resource locator (URL) and certain developed technology of iHispano.com, Inc. Aggregate consideration in this transaction amounted to $887,000, including the assumption of a note payable to one of the Company's founding members that had an acquisition date fair value of $692,614 (Note 7). The Company recorded an aggregate of $635,671 of goodwill with respect to this transaction (Note 3). In 2004, the Company changed its name to iHispano.com, LLC and in 2012 the Company changed its name to Professional Diversity Network, LLC.

The Company operates an online professional networking community with career resources specifically tailored to the needs of seven different diverse cultural groups including: Women, Hispanic Americans, African Americans, Asian Americans, differently-abled, veterans, lesbians, gay, bisexual and transgender (LGBT), and students, and graduates seeking to transition from education to career. The network's purposes, among others, are to assist its members in their efforts to connect with like-minded individuals, identify career opportunities within the network and connect members with prospective employers. The Company's technology platforms are integral to the operation of its business.

As of December 2011, the Company has launched additional professional networking sites that serve other diverse communities - including women (WomensCareerChannel.com), Asians (ACareers.net), lesbian, gay, bisexual and transgender (OutProNet.com), enlisted and veteran military personnel (Military2Career.com) and differently-abled (ProAble.net) professionals. These additional professional networking sites are in the very early stages of development.

2. Liquidity, Financial Condition and Management's Plans

The Company has historically funded its operations principally from cash flows generated in its operating activities. We have been dependent on Monster Worldwide for all of our recruitment revenue pursuant to an alliance agreement that expired December 31, 2012. Because our agreement with Monster Worldwide was exclusive in so far as it prohibited us from selling our recruitment services to anyone other than Monster World, the growth of our company has been dependant on the growth of Monster Worldwide's diversity recruitment business. We believe that by expanding on the sources of our recruitment revenue, which we are doing by entering into non-exclusive agreements with new strategic business partners or an agreement that provides for limited exclusivity, such as the one we entered into with LinkedIn Corporation in November, 2012 and by increasing our sales force to commence direct sales of our products and services, we have an opportunity to provide better services to our customers and achieve revenues and margins that are greater than those achieved during the term of our agreement with Monster Worldwide. Company management anticipates that the business will continue to provide sufficient cash from operations as it relates to the ongoing conduct of its business.

The Company has undertaken efforts to commence an initial public offering ("IPO") of its equity securities (Note 8). The Company incurred approximately $632,000 of IPO costs through September 30, 2012 and $26,900 of IPO costs through December 31, 2011 in its efforts to complete the IPO. The Company anticipates incurring additional costs of approximately $300,000 to complete the IPO.

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

3. Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Unaudited Interim Financial Information - The accompanying interim balance sheet as of September 30, 2012, and the statements of comprehensive income and cash flows for the nine months ended September 30, 2012 and September 30, 2011 and the statement of members' equity for the nine months ended September 30, 2012 and the related footnote disclosures are unaudited. These unaudited interim financial statements have been prepared in accordance with U.S. GAAP. In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of our statement of financial position as of September 30, 2012 and our results of operations and our cash flows for the nine months ended September 30, 2012 and 2011. The results for the nine months ended September 30, 2012 are not necessarily indicative of the results expected for the year ended December 31, 2012.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant areas that required management to make estimates and assumption that affect the amounts and disclosures in the financial statements include revenue recognition, valuation of goodwill, trade name and URL, costs capitalized to develop technology and the Company's estimated useful lives of assets. Actual results could differ from those estimates.

Revenue Recognition - The Company applies the revenue recognition principles set forth in Securities and Exchange Commission Staff Accounting Bulletin ("SAB") 104 "Revenue Recognition" with respect to all of its revenue. Accordingly, the Company records revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery of its services has occurred, (iii) fees for services are fixed or determinable, and (iv) collectability of the sale is reasonable assured.

The Company's principal sources of revenue include certain minimum fixed fees that it earns from two distinct customers (Note 10). One contract is an annual agreement that is billed pro rata on a monthly basis. The Company uses proprietary technology to monitor the volume of members that actually apply for employment using these resources. The second contract is billed based upon fixed fees with certain minimum monthly website visits. The Company also earns advertising revenues from providing media space on its website directly to advertisers and consumer marketers. Consumer advertising clients (or their designated agents) contact us to purchase media (advertisements for their advertising campaign, goods or services) to be placed on one of our seven websites. The Company invoices the advertising client or its agent monthly for the media placed. Consumer advertising that the Company sells may be placed on one of its websites and on the website of professional organizations that it is strategic partners with. Advertisers pay the Company directly for the ads that it sells, as the Company is the primary obligor in the transaction. The Company's strategic partners invoice the Company monthly for their share of the revenue for the advertisements that run on its partner websites and the Company records these amounts as an expense to its revenue sharing account within Cost of Services under Costs and Expenses in its Statement of Comprehensive Income. Consumer advertising may be sold by the professional organizations that the Company has strategic partnerships with, and placed on one of its websites. In this case, the Company would invoice such strategic partner directly for the advertising space and on a case by case basis, rather than a monthly basis. Advertising revenue is recognized after the advertisements have run and

results have been approved by an outside service. Advance payments received from customers for advertising services are recorded as deferred revenue. Advertising revenue is recognized either based upon a fixed fee for revenue sharing agreements in which payment is required at the time of posting, or billed based upon the number of impressions recorded on the websites as specified in the customer agreement.

Advertising and Marketing Expenses - Advertising and Marketing expenses are expensed as incurred. For the nine months ended September 30, 2012 and September 30, 2011 the Company incurred advertising and marketing expenses of approximately $565,000 and $334,000, respectively. During the years ended December 31, 2011 and 2010 the Company incurred advertising and marketing expenses of approximately $398,000 and $198,000, respectively.

Cash and Cash Equivalents - The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less.

Restricted Cash - In connection with an operating lease agreement, the Company was required to maintain a certificate of deposit in a restricted account in the amount of $45,288 at December 31, 2010 and at September 30, 2011. The certificate of deposit matured in October 2011 and the Company's amended lease agreement did not have a provision for this deposit.

Accounts Receivable - Accounts receivable represent receivables generated from licensing fees earned from customers and advertising revenue. The Company's policy is to reserve for uncollectible accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance for doubtful accounts is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has had a low occurrence of credit losses through September 30, 2012 and therefore deemed it unnecessary to establish an allowance for doubtful accounts.

Marketable Securities - Marketable securities consist of investments in corporate bonds, municipal government notes; and exchange traded shares designed to track the Wells Fargo Hybrid and Preferred shares index (WHPSF Financial Index). The maximum maturity for any fixed investment is 2034. The Company accounts for its marketable securities in accordance with the provisions of ASC 320-10. The Company classifies these securities as available for sale, and as such, they are reported at fair value. Unrealized gains and losses are recorded as a component of accumulated other comprehensive income and excluded from net income, except for unrealized losses determined to be other-than-temporary, which are recorded as interest and other income, net. The Company had accumulated unrealized losses of $30,645 and $1,504 relating to investments in marketable securities for the years ended December 31, 2011 and 2010, respectively. The Company had accumulated unrealized gains of $3,979 relating to investments in marketable securities for the nine months ended September 30, 2012.

Property and Equipment - Property and equipment is stated at cost, including any cost to place the property into service, less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets which currently range from 3 to 5 years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the lease. Maintenance, repairs and minor replacements are

charged to operations as incurred; major replacements and betterments are capitalized. The cost of any assets sold or retired and related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting profit or loss is reflected in income or expense for the period.

Concentrations of Credit Risk - Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents and accounts receivable. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on the account.

With respect to accounts receivables, concentrations of credit risk are limited to two customers in the on-line employment and distance education industries (Note 10).

Income Taxes - The Company is a limited liability company and has elected to be taxed as a partnership. As such the Company's income or loss is required to be reported by each respective member on their separate income tax returns. Therefore, no provision for income taxes has been provided in the accompanying financial statements. The Company provided the pro-forma income tax disclosures presented in the accompanying statements of comprehensive income for the years ended December 31, 2011 and 2010 and the nine months ended September 30, 2012 and 2011 to illustrate what the Company's net income would have been had income tax expense been provided for at an effective rate of 40.46%, 39.65%, 41.40% and 40.71%, respectively.

In accounting for uncertainty in income taxes, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Company recognizes interest and penalties on any unrecognized tax benefits as a component of income tax expense. Based on an evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the periods ended December 31, 2011 or 2010. The Company's federal and state tax returns are potentially open to examinations for the years 2009 through 2011.

The Company periodically evaluates whether its uncertain tax positions require recognition or disclosure in the financial statements.

Capitalized Technology Costs - In accordance with Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 350-40 Internal-Use Software, the Company capitalizes certain external and internal computer software costs incurred during the application development stage. The application development stage generally includes software design and configuration, coding, testing and installation activities. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality. Capitalized software costs are amortized over the estimated useful lives of the software assets on a straight-line basis, generally not exceeding three years.

Goodwill and Intangible Assets - The Company accounts for goodwill and intangible assets in accordance with Accounting Standards Codification ("ASC") 350 Intangibles—Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value.

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

Goodwill is evaluated for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of goodwill or a significant decrease in expected cash flows.

Pursuant to recent authoritative accounting guidance, the Company elects to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The Company is not required to calculate the fair value of a reporting unit unless the Company determines that it is more likely than not that its fair value is less than its carrying amount. If the Company determines that it is more likely than not that its fair value is less than its carrying amount, then the two-step goodwill impairment test is performed. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. If the carrying value exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of that goodwill. Any excess of the goodwill carrying value over the respective implied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value. Through December 31, 2011, no impairment of goodwill has been identified.

The Company allocated a portion of the purchase of iHispano.com, Inc. to trade name and uniform resource locator. These assets have an indefinite life, and thus are not being amortized. The Company has performed its annual impairment evaluation for its other intangible assets with indefinite lives and determined that these were not impaired as of December 31, 2011. The Company amortizes the cost of other intangibles over their estimated useful lives. Amortizable intangible assets may also be tested for impairment if indications of impairment exist.

Fair Value Measurements - Financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities which are carried at historical cost, which management believes that the recorded amounts approximate fair value due to the short-term nature of these instruments.

The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The Company uses three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

Financial assets measured at fair value on a recurring basis are summarized below:

	September 30, 2012	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Marketable securities	$ 253,825	$ 253,825	$ -	$ -

	December 31, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Marketable securities	$ 375,156	$ 221,650	$153,506	$ -

	December 31, 2010	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Marketable securities	$ 752,515	$ -	$752,515	$ -

The Company considers its investments in exchange traded shares to be Level 1, and in corporate and municipal bonds to be Level 2.

Deferred Revenue - Deferred revenue includes customer deposits received prior to performing services which are recognized as revenue when revenue recognition criteria are met.

Lease Obligations - The Company leases office space under a non-cancelable operating lease with an expiration date of October 31, 2014. The operating lease agreement contains an abatement of the first three months rent, in the amount of $12,623, rent escalation provisions and tenant improvement allowances of $15,895. The rent abatement and tenant improvement allowance are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the leased property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. At September 30, 2012 deferred rent amounted to $7,337 and is recorded in accounts payable and accrued expenses in the accompanying balance sheets. At December 31, 2011 and 2010 deferred rent amounted to $9,558 and $0, respectively and is recorded in accounts payable and accrued expenses in the accompanying balance sheets. Renewals are not included in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease inception.

Recent Accounting Pronouncements - In June 2011, the Financial Accounting Standards Board (“FASB”) issued amended standards that eliminated the option to report other comprehensive income in the statement of stockholders’ equity and require companies to present the components of net income and other comprehensive income as either one continuous statement of comprehensive income or two separate but consecutive statements. The amended standards do not affect the reported amounts of comprehensive income. In December 31, 2011, the FASB deferred the requirement to present components of reclassifications of other comprehensive income on the face of the income statement that had previously been included in the June 2011 amended standard. These

amended standards are to be applied retrospectively for interim and annual periods beginning after December 15, 2011. The Company adopted these standards on January 1, 2012 and the adoption will not impact the Company's financial results or disclosures, but will have an impact on the presentation of comprehensive income.

In September 2011, the FASB issued amended standards to allow entities the option to first perform a qualitative assessment as to whether goodwill impairment indicators exist, before undertaking the existing two-step test. The objective of the qualitative assessment is to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is more likely than not, the two-step test must still be performed. The amended standards are intended to reduce costs of evaluating annual goodwill impairment. These amended standards are to be applied for annual periods beginning after December 15, 2011, with early adoption permitted. The Company elected to early adopt these standards in the year ended December 31, 2011. The adoption of this pronouncement did not have a material impact on the Company's financial results or disclosures.

In May 2011, the FASB issued amended standards to achieve common fair value measurements and disclosures between GAAP and International Financial Reporting Standards. The standards include amendments that clarify the intent behind the application of existing fair value measurements and disclosures and other amendments which change principles or requirements for fair value measurements or disclosures. The amended standards are to be applied prospectively for interim and annual periods beginning after December 15, 2011 The Company adopted these standards on January 1, 2012 and the adoption of this guidance did not have a material impact on the Company's financial position, results of operations or disclosures.

In July 2012, the FASB amended the standards for testing indefinite-lived intangible assets for impairment to guidance that is similar to the guidance for goodwill impairment testing. An entity will have the option not to calculate annually the fair value of an indefinite-lived intangible asset if an entity determines that it is more likely than not that the asset is impaired. The objective of the amendment is to reduce the cost and complexity of performing an impairment test for indefinite-lived intangible assets by simplifying how an entity tests those assets for impairment and to improve consistency in impairment testing guidance among long-lived asset categories. These amended standards are to be applied for fiscal years beginning after September 15, 2012, including interim periods with early adoption permitted. The Company has elected to early adopt these standards for the year ending December 31, 2012. The adoption of this pronouncement did not have a material impact on the Company's financial results or disclosures.

4. Marketable Securities

Investments in Marketable Securities are as follows:

	2012			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
September 30				
Debt				
Debt - U.S. corporate	$ -	$ -		$ -
State and municipal			$ -	
Equity				
Exchange traded fund	$ 249,846	$ -	$ 3,979	$ 253,825
	$ 249,846	$ -	$ 3,979	$ 253,825

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

	2011				2010			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross Unrealized Gains	Gross unrealized losses	Estimated fair value
December 31								
Debt								
Debt - U.S. corporate	$ 10,320	$ 665		$ 10,985	$ 10,468	$ 648		$ 11,116
State and municipal	145,635		$ (3,114)	142,521	743,551	582	$ (2,734)	741,399
Equity								
Exchange traded fund	249,846		(28,196)	221,650				
	$405,801	$ 665	($ 31,310)	$375,156	$754,019	$ 1,230	($ 2,734)	$752,515

5. Capitalized Technology

Capitalized Technology is as follows:

	December 31		September 30,
	2011	2010	2012
Capitalized cost:			
Balance, beginning of period	$283,385	$183,108	$ 376,043
Additional capitalized cost	92,658	100,277	132,592
Balance, end of period	$376,043	$283,385	$ 508,635
Accumulated amortization:			
Balance, beginning of period	$131,718	$ 53,969	$ 229,897
Provision for amortization	98,179	77,749	75,823
Balance, end of period	$229,897	$131,718	305,720
Net Capitalized Technology	$146,146	$151,667	$ 202,915

In 2006, iHispano.com launched a redesign of its site and developed Diversity Recruitment Solution (DRS). In 2007, iHispano.com and Monster.com formed a strategic alliance in which iHispano.com became the professional Latino recruitment solution for Monster.com and iHispano.com also powered the LISTA (Latinos in Information Sciences and Technology) Career Center. In 2008, the Company relaunched iHispano.com as a Professional Networking Site and Job Board for Latino Professionals. Also in 2008, Professional Diversity Network launched AMightyRiver.com, a professional networking site and job board targeting the African-American community in the United States. In 2011, Professional Diversity Network entered into an exclusive agreement with Apollo Group (University of Phoenix).

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

6. Property and Equipment

Property and Equipment is as follows:

	December 31,		September 30,
	2011	2010	2012
Computer hardware	$58,122	$43,284	$ 58,122
Furniture and Fixtures	19,884	18,998	19,884
	78,006	62,282	78,006
Less Accumulated Depreciation	52,217	41,804	61,217
	$25,789	$20,478	$ 16,789

Depreciation expense for the nine months ended September 30, 2012 and 2011 was $9,000 and $7,500, respectively, and is recorded in depreciation and amortization expense in the accompanying statements of comprehensive income. Depreciation expense for the years ended December 31, 2011 and 2010 was $10,413 and $10,281 respectively, and is recorded in depreciation and amortization expense in the accompanying statements of comprehensive income.

7. Notes Payable

Notes Payable includes three separate notes, each with identical terms payable to the three founding members of the Company. The notes bear interest at the rate of 6% per annum, with all unpaid interest and principal due on November 1, 2014. As discussed in Note 1 above, the Company assumed a note payable to one of its founding members (who has since transferred his equity interest to a family trust but retained the note) that had an acquisition date fair value of $692,614 and a face value of $1,341,676. The discount on the note is being recorded at 6.055%. The remaining unamortized discount was $156,253 at September 30, 2012. The balance on this note was $1,193,491 at September 30, 2012. The Company may prepay any amount of outstanding interest and principal, without a prepayment penalty. The second note payable, including accrued but unpaid interest, was $225,067 at September 30, 2012. The third note payable was in the amount of $58,870 at September 30, 2012. The total notes payable including accrued but unpaid interest amounted to $1,477,428 as of September 30, 2012. Interest expense on these note obligations amounted to $129,939 for the nine months ended September 30, 2012. Interest expense includes the amortization of the debt discount of $54,971 at September 30, 2012. Payments on the notes were $144,000 for the nine months ended September 30, 2012.

The remaining unamortized discount was $211,225 and $277,484 at December 31, 2011 and 2010, respectively. The balance on this note was $1,219,954 and $1,256,872 at December 2011 and 2010, respectively. The Company may prepay any amount of outstanding interest and principal, without a prepayment penalty. The second note payable, including accrued but unpaid interest, was $215,235 and $203,052 at December 31, 2011 and 2010, respectively. The third note payable was in the amount of $56,299 and $53,112 at December 31, 2011 and 2010, respectively. The total notes payable including accrued but unpaid interest amounted to $1,491,488 and $1,513,036 as of December 31, 2011 and 2010, respectively. Interest expense on these note obligations amounted to $170,452 and $171,685 for the years ended December 31, 2011 and 2010, respectively. Interest expense includes the amortization of the debt discount of $66,259 and $62,376 at December 31, 2011 and 2010 respectively. Payments on the notes were $192,000 for the years ended of December 31, 2011 and 2010.

Our outstanding promissory notes are currently non-convertible, however, we have an informal agreement with our founding members that the outstanding notes, including accrued but unpaid interest, will be exchanged for

shares of our common stock at a price per share equal to the offering price, without payment of any additional consideration. Immediately prior to the consummation of this offering, our founding members will enter into a debt exchange agreement whereby our three outstanding promissory notes will be exchanged for shares of common stock at a price per share equal to the offering price.

8. Commitments and Contingencies

Proposed Initial Public Offering–

On December 29, 2011, the Board of Managers authorized the Company to file a registration statement with the SEC in connection with its proposed IPO. The Company incurred approximately $632,000 of cumulative IPO costs consisting of professional fees, legal fees for research, documentation and preparation of the registration statement on Form S-1 and investment bank services for the nine months ended September 30, 2012 and $26,900 of IPO costs consisting of an advance for investor analysis, presentation materials for distribution to investment firms and legal expenses for the year ended December 31, 2011 in connection with its proposed IPO, which amounts are presented as deferred offering costs in the accompanying balance sheets at June 30, 2012 and December 31, 2011.

The Company intends to use the net proceeds from this offering for general corporate purposes including hiring sales and marketing personnel, working capital, hiring additional product development personnel and potential acquisitions or investments. The Company has no current plans, agreements or commitments with respect to any such acquisition or investment. The Company's management will retain broad discretion in the allocation of the net proceeds of this offering.

The Company cannot provide any assurance that it will complete its proposed IPO. The Company expects to incur substantial additional costs in connection with its efforts to complete this offering. If the Company completes its IPO, these costs will be recorded as a reduction of the proceeds received. If the Company does not successfully complete its IPO, the costs will be recorded as a charge to operations.

Lease Obligations - The Company leases office space under an operating lease agreement that expires in 2014. During the years ended December 31, 2011 and 2010 the Company incurred $39,712 and $39,270, respectively of rent expense under the lease agreement. During the nine months ended September 30, 2012 and September 30, 2011, the Company incurred rent expense of $31,439 and $30,154, respectively. Future minimum payments under this lease at December 31, 2011 are as follows:

Year ending December 31,	
2012	$ 46,438
2013	51,581
2014	43,633
Total	$141,652

Executive Compensation - Executive compensation totaled $88,245 and $331,349 for the years ended December 31, 2011 and 2010, respectively, and $78,567 and $65,508 for the nine months ended September 30, 2012 and 2011, respectively, and is recorded in general and administrative expenses in the accompanying income statements. Executive Compensation consists of two components: (1) a contractual component, which consists of a payment to a certain member of the Company of 30% of principal payments made to a noteholder of the Company pursuant to the Company's investment agreement entered into in 2004 and (2) a discretionary component, which

represents payments to third parties on behalf of a member of the Company in exchange for the use of certain real property. No further payments to Mr. Kirsch would be required under component number 1 above after the outstanding notes convert into equity in connection with the initial public offering, as discussed in note 7.

9. Members' Equity

The Company has a single class of membership interests. The business affairs of the Company are managed by the Board of Managers who, subject to the limitations and restrictions set forth in the Company's operating agreement, may make any and all decisions with respect to the conduct of the Company's business in the ordinary course and to make financial commitments on behalf of the Company as set forth in the operating agreement. The Company's operating agreement places certain restrictions on the Company and its individual members from taking certain actions or entering into certain types of transactions with affiliates, effectuating change in control events such as mergers and acquisitions, incurring indebtedness, amending member's compensation arrangements and transferring or issuing membership interests unless the approval of members holding at least a super majority interest in the Company is obtained.

10. Customer Concentration

The Company's revenues are currently highly dependent on two customers, Monster and Apollo Group, and the loss of either major customer would materially and adversely affect the Company's business, operating results and financial condition. Our agreement with Monster Worldwide will expire on December 31, 2012 and will not be renewed. On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn Corporation ("LinkedIn"), which has an anticipated launch date no sooner than January 1, 2013. Our agreement with LinkedIn provides that LinkedIn will make fixed quarterly payments to us that are approximately half of the fixed quarterly payments we received from Monster Worldwide and a percentage commission for sales of our services in excess of certain thresholds. If Apollo Group seeks to negotiate their agreements on terms less favorable to the Company and the Company accepts such unfavorable terms, or if the Company seeks to negotiate better terms, but is unable to do so, then the Company's business, operating results and financial condition would be materially and adversely affected. Selected terms of the agreements are as follows:

Recruitment Revenue

Revenues from the Company's recruitment services are recognized when the services are performed, evidence of an arrangement exists, the fee is fixed and determinable and collectability is probable. The Company's recruitment revenue is derived from the Company's strategic partnerships through single and multiple job postings, recruitment media, access to the Company's resume database, talent recruitment communities, basic and premier corporate memberships, hiring campaign marketing and advertising, e-newsletter marketing and research and outreach services. Revenue under this agreement is monitored through an automated daily export of views and applies related to the postings to ensure that contract minimums are met or additional revenue is to be billed. The contract is an annual agreement that is billed on a pro rata monthly basis.

The Company's agreement with a customer, expires on December 31, 2012. Although the agreement renews automatically for successive one-year terms, either party may deliver a notice of non-renewal with 60 days prior notice. There can be no assurance that the customer or the Company will continue to renew the agreement. The agreement provides for a fixed fee of $4,000,000 of income annually, which could be increased if specified levels of user traffic are met.

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

Consumer Advertising and Consumer Marketing Solutions Revenue

The businesses and organizations that use the Company's marketing solutions are enabled to target and reach large audiences of diverse professionals and connect to relevant services with solutions that include email marketing, social media, search engines, traffic aggregators and strategic partnerships. At September 30, 2012 and December 31, 2011, the Company recorded $0 and $150,000, respectively, of deferred revenue related to the Apollo Group's University of Phoenix "Education to Education" Second Schedule, as defined below. Advertising revenue is recognized based upon fixed fees with certain minimum monthly website visits, a fixed fee for revenue sharing agreements in which payment is required at the time of posting, or billed based upon the number of impressions recorded on the websites as specified in the customer agreement. For the nine months ended September 30, 2012 and September 30, 2011, advertising revenue accounted for 37% and 28% of total revenues, respectively. For the years ended December 31, 2011 and 2010, advertising revenue accounted for 28% and 9% of total revenues, respectively.

The Agreement's First Media Schedule (the "First Schedule") was entered into on January 19, 2011 and provided for the placement of ad units and the development of a networking portal site. The First Schedule was for a period of six months at a monthly fee of $83,000, and did not require any minimum volume commitments; however, the networking portal site must be functional for no less than 99.9% of the time.

The Agreement's Second Media Schedule (the "Second Schedule") was entered into on September 12, 2011 and provided for the placement of ad units and the creation, administration, hosting and promotion of Co-Branded Affinity Networking Portal Sites. The Second Schedule provides an E2E and an E2C component for a total of $1,550,000 of income annually, contains two year performance audit rights, fixed monthly amounts and 99.9% site availability other than scheduled maintenance. The 99.9% site availability provision requires that the networking portal sites that we maintain for the University of Phoenix must be functional no less than 99.9% of the time in any given month, exclusive of certain pre-scheduled down times.

Under the Second Schedule, the Company provides two separate and distinct networking portal site services to the University of Phoenix: (1) the E2E Site, in which users who click on Ad Units are directed to land on either iHispano.com or AMightyRiver.com, depending on the site where the user came from and (2) the E2C Site, from which University of Phoenix students or alumni are directed to a landing page with a featured employer group.

Performance under the E2E Site with Apollo Group commenced in January 2012, at which time the Company launched the advertising and promotion of the E2E Site containing digital banners, dedicated email blasts and weekly blogs. The Company has the guaranteed Apollo Group at least 30,000 visits to the sites over a six month period or must refund any shortfall at $5.00 per visit less than 30,000 visits or extend the agreement until the 30,000 visit guarantee is reached. Site visits for the number of users are measured through an outside service which monitors the Company's compliance with such minimum visits requirement. Total fees payable under the Second Schedule cannot exceed $150,000. The Company recognizes the lesser of (i) 1/6th of the $150,000 fee per month for each of the 6 months during the minimum measurement period of January 1, 2012 through June 30, 2012, or (ii) the cumulative number of visits through the end of such month. Revenues under the Second Schedule are being recognized at the lesser of these two amounts to ensure that revenue does not exceed actual visits or the requirement to maintain the portal for the minimum period of six months.

The Second Schedule with Apollo Group is an agreement that may be renewed annually and provides for a fixed fee of $1,400,000 annually. E2C Site users are current students or alumni of the University of Phoenix, or its affiliates, that choose to land on an Employer Group Page that is controlled and hosted by the Company for the

purpose of searching job opportunities and descriptions posted by a University of Phoenix Alliance Partner. We invoice Apollo and recognize 1/12th of the contract revenue ratably over the term of the contract on the last day of the month to ensure that all performance requirements have been met. There are no guarantees or required numbers of visits under the E2C agreement. We are subject to a significantly limited performance measure that requires the E2C Site to be operational for 99.9% of the time in each month (other than for scheduled maintenance). This E2C Site was operational prior to the start of the measurement period by utilizing our preexisting platform.

On June 11, 2012, we agreed to an insertion order with Apollo Group. The insertion order provides for payment to us of up to $150,000 per month for a period of 12 months based upon the number of persons we refer to the University of Phoenix who express an interest in obtaining information about attending the University of Phoenix. There is no guaranteed payment associated with this insertion order and for the nine months ended September 30, 2012, PDN generated $313,000 of revenue.

The two customers above accounted for 95%, or approximately $4.5 million, of total gross sales with one customer representing 63% and the other representing 32% of total gross sales for the nine months ended September 30, 2012. Two customers accounted for 91%, or approximately $3.8 million, of total gross sales with one customer representing 72% and the other representing 19% for the nine months ended September 31, 2011. In addition, two customers accounted for 97%, or approximately $1.6 million, of accounts receivable with one customer representing 61% and the other representing 36% at September 30, 2012. Two customers accounted for 92%, or approximately $5.1 million, of total gross sales with one customer representing 72% and the other representing 20% of total gross sales for the year ended December 31, 2011. One customer accounted for 91%, or approximately $4.0 million, of total gross sales for the year ended December 31, 2010. In addition, two customers accounted for 92% or approximately $1.5 million of accounts receivable with one customer representing 62% and the other representing 30% at December 31, 2011. One customer accounted for 89%, or approximately $1.0 million of accounts receivable, as of December 31, 2010.

11. Subsequent Events

Management has evaluated all subsequent events and transactions for potential recognition or disclosure through April 16, 2012, the date the financial statements were available to be issued.

On February 7, 2013 the Company renewed the E2C Agreement under the Second Schedule with Apollo Group for a term of 1 year beginning on April 1, 2013 and ending March 31, 2014. This Statement of Work #2 contains essentially the same terms as the Statement of Work #1, as it may be renewed annually and provides for a fixed fee of $1,400,000 annually. We are to invoice Apollo monthly and recognize 1/12th of the contract revenue ratably over the term of the contract on the last day of the month to ensure that all performance requirements have been met. There are no guarantees or required numbers of visits under the E2C agreement.

Our alliance agreement with Monster Worldwide expired on December 31, 2012 and was not renewed. Our agreement with Monster Worldwide requires us to maintain the diversity-based job postings that originated from Monster prior to December 31, 2012. We are not restricted from selling to those companies any additional products or services nor are we prevented from selling to those companies directly upon the end of the fulfillment period.

On November 12, 2012, we entered into a diversity recruitment partnership agreement with LinkedIn Corporation (“LinkedIn”), which has an anticipated launch date no sooner than January 1, 2013, or later,

Professional Diversity Network, LLC d/b/a iHispano.com
Notes to Financial Statements
(Information as of September 30, 2012 and for the nine months ended September 30, 2011 and 2012 is unaudited)

depending on mutual agreement, pursuant to which LinkedIn may resell to its customers diversity-based job postings and recruitment advertising on our websites. Our agreement with LinkedIn provides that LinkedIn will make fixed quarterly payments to us that are approximately half of the fixed quarterly payments we received from Monster Worldwide and a percentage commission for sales of our services in excess of certain thresholds. The fixed quarterly payments are payable regardless of sales volumes or any other performance metric. Although such fixed quarterly payments are significantly less than the fixed quarterly payments that we receive from Monster Worldwide, we believe that we have the potential to exceed our revenues from our previous agreement with Monster Worldwide because (i) we may earn additional commission payments with LinkedIn, if certain sales levels are achieved, and (ii) we may earn revenue by selling our services directly, as described above. Under our agreement with LinkedIn, we will receive (i) no commissions on the first $10 million of LinkedIn's revenue from the sale of our services during each calendar year, (ii) 20% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $10 million and less than $50 million, and (iii) 15% commission on LinkedIn's revenue from the sale of our services during each calendar year that is in excess of $50 million. However, we cannot assure that we will meet or exceed revenues earned through Monster Worldwide in prior periods. As an example solely to illustrate the stair-step structure of our commission schedule with LinkedIn, if LinkedIn sells $60 million of our services during any calendar year, we would receive $9.5 million in commission revenue for such year, in addition to our fixed payments, because we would earn no commission revenue for the first $10 million of LinkedIn sales of our services, $8 million in commission revenue for the next $40 million of LinkedIn sales of our services and $1.5 million in commission revenue for the remaining $10 million of LinkedIn sales of our services. During the term of our agreement with LinkedIn, we may not permit any competitor of LinkedIn to resell our diversity-based recruitment products and services. Our agreement does not prohibit LinkedIn from selling its own or any third party's diversity recruitment products and services, However, during the term of our agreement with LinkedIn and for a period of one year thereafter, we may not sell our diversity-based recruitment products and services, directly or indirectly, to a restricted account list. The term of our agreement with LinkedIn is three years, subject to LinkedIn's right, in its sole and absolute discretion, to terminate our agreement on the six-month anniversary of the effective date upon not less than 30 days' prior notice and during the fourth calendar quarter of the first and second years of the term of our agreement upon not less than 90 days' prior notice. If not terminated sooner, the term of our agreement with LinkedIn will automatically renew for successive one-year terms unless either party delivers a notice of non-renewal with 90 days' prior notice. For additional information about our business arrangements with LinkedIn, please see the section entitled "Business – LinkedIn."

On December 16, 2012 the Company entered into an operating lease agreement commencing on January 1, 2013 to lease 4,600 square feet of office space. The lease expires on June 30, 2015 and provides for monthly rent of $4,063.50 for the first 10 months and $6,385.50 per month for the remaining 20 months of the lease.

Table of Contents

1,820,000 Shares of Common Stock

Prospectus

Aegis Capital Corp

Merriman Capital, Inc.

, 2013

Until , 2013 (25 days after the date of this prospectus), all dealers that buy, sell or trade the common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Information Not Required In Prospectus

Item 13. ***Other Expenses of Issuance and Distribution***.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions and an accountable expense allowance of up to 1.5% of the gross proceeds from the sale of the firm shares, payable by us in connection with the sale of common stock being registered. All amounts shown are estimates, except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the Nasdaq Capital Market listing fee.

	Amount
Securities and Exchange Commission registration fee	$ 3,311.03
FINRA filing fee	$ 4,141.15
NASDAQ Capital Market listing fee	$ 50,000.00
Legal fees and expenses	$ 580,000.00
Accounting fees and expenses	$ 122,000.00
Printing expenses	$ 181,079.00
Transfer agent and registrar fees and expenses	$ 1,600.00
Miscellaneous	$ 80,000.00
Total	$ 1,022,131.18

Item 14. ***Indemnification of Directors and Officers***.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify any person made a party to an action by reason of the fact that he or she was a director, executive officer, employee or agent of the corporation or is or was serving at the request of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation.

Our amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt prior to the consummation of this offering limit the liability of our directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission. Our proposed bylaws provide that we will indemnify our directors and officers, and may indemnify other employees and agents, to the fullest extent permitted by law.

The underwriting agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of us and our executive officers and directors in connection with matters specifically provided in writing by the underwriters for inclusion in the registration statement, and by us of the underwriters for certain liabilities, including liabilities arising under the Securities Act.

Section 145(g) of the Delaware General Corporation Law permits a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation arising out of his or her actions in connection with their services to us, regardless of whether our proposed bylaws permit indemnification. Prior to the commencement of the offering, we intend to purchase and maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

We intend to enter into indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our certificate of incorporation and amended and restated bylaws.

Item 15. ***Recent Sales of Unregistered Securities***.

None.

Item 16. ***Exhibits and Financial Statement Schedules***.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1**	Form of Underwriting Agreement.
3.1**	Form of Amended and Restated Certificate of Incorporation of the Registrant to be adopted.
3.2**	Form of Amended and Restated Bylaws of the Registrant to be adopted.
4.1**	Form of Common Stock Certificate.
4.2**	Form of Underwriters' Warrant (included in Exhibit 1.1)
5.1**	Opinion of SNR Denton US LLP, counsel to the Registrant, with respect to the legality of securities being registered.
10.1†	Agreement between Monster Worldwide Inc. and the Registrant (previously filed).
10.2†	First Amendment to the Alliance Agreement between Monster Worldwide Inc. and the Registrant, dated April 18, 2008 (previously filed).
10.3†	Second Amendment to the Alliance Agreement between Monster Worldwide Inc. and the Registrant, dated January 31, 2009 (previously filed).
10.4†	Third Amendment to the Alliance Agreement between Monster Worldwide Inc. and the Registrant, dated February 2010 (previously filed).
10.5	Fourth Amendment to the Alliance Agreement between Monster Worldwide Inc. and the Registrant, dated September 16, 2011 (previously filed).
10.6	Master Services Agreement between Apollo Group and the Registrant, dated October 1, 2012. (previously filed)
10.7**	Form of Employment Agreement to be entered into between the company and James Kirsch
10.8**	Form of Employment Agreement to be entered into between the company and Rudy Martinez
10.9**	Form of Contribution and Reorganization Agreement
10.10**	Form of Debt Exchange Agreement
10.11	Insertion Order between Apollo Group and the Registrant, dated June 11, 2012 (previously filed).
10.12†	Diversity Recruitment Partnership Agreement between the Registrant and LinkedIn Corporation, dated as of November 6, 2012 (previously filed).
10.13**	Statement of Work by and between the Registrant and Apollo Group, dated October 1, 2012.
10.14**	Statement of Work by and between the Registrant and Apollo Group, dated April 1, 2013.
10.15**	Professional Diversity Network, Inc. 2013 Equity Compensation Plan
21	Subsidiaries of the Registrant - None.
23.1**	Consent of Marcum LLP.
23.2**	Consent of SNR Denton US LLP (see Exhibit 5.1)
24.1	Powers of Attorney (previously filed)
99.1	Consent of Barry Feierstein (previously filed)

Exhibit Number	Description of Exhibit
99.2	Consent of Stephen Pemberton (previously filed)
99.3	Consent of Daniel Marovitz (previously filed)
99.4	Consent of Andrea Saenz (previously filed)
99.5	Draft registration statement, dated April 16, 2012, confidentially submitted to the SEC. (previously filed)

* Denotes to be filed by amendment
** Filed herewith
† Confidential treatment requested as to certain portions of this exhibit. Such portions have been redacted and submitted separately to the SEC.

All schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

Schedule II. Valuation and Qualifying Accounts

All other schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered, and the offering of these securities at that time shall be deemed to be the initial bona fide offering.

Table of Contents

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 12 to the registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago, State of Illinois on this 27th day of February, 2013.

Professional Diversity Network, LLC

/s/ James Kirsch
By: James Kirsch
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 12 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ James Kirsch James Kirsch	Chief Executive Officer (principal executive officer)	February 27, 2013
/s/ Myrna Newman Myrna Newman	Chief Financial Officer and Secretary (principal financial and accounting officer)	February 27, 2013
/s/ * Daniel Ladurini	Manager	February 27, 2013
/s/ * Ferdinando Ladurini	Manager	February 27, 2013
/s/ * Rudy Martinez	Manager	February 27, 2013
 Daniel Kirsch	Manager	

*By: /s/ James Kirsch
James Kirsch
Attorney-in-fact

Table of Contents

Professional Diversity Network, LLC

Registration Statement On Form S-1

Exhibit Index

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* Denotes to be filed by amendment

** Filed herewith

† Confidential treatment requested as to certain portions of this exhibit. Such portions have been redacted and submitted separately to the SEC.

Exhibit 1.1

UNDERWRITING AGREEMENT

between

PROFESSIONAL DIVERSITY NETWORK, INC.

and

AEGIS CAPITAL CORP.,

as Representative of the Several Underwriters

PROFESSIONAL DIVERSITY NETWORK, INC.

UNDERWRITING AGREEMENT

New York, New York
[•], 2013

Aegis Capital Corp.
As Representative of the several Underwriters named on Schedule 1 attached hereto 810 Seventh Avenue, 18th Floor
New York, New York 10019

Ladies and Gentlemen:

The undersigned, Professional Diversity Network, Inc., a corporation formed under the laws of the State of Delaware and the successor to Professional Diversity Network, LLC (the "**Company**"), an Illinois limited liability company ("PDN LLC"), hereby confirms its agreement (this "**Agreement**") with Aegis Capital Corp. (hereinafter referred to as "you" (including its correlatives) or the "**Representative**") and with the other underwriters named on Schedule 1 hereto for which the Representative is acting as representative (the Representative and such other underwriters being collectively called the "**Underwriters**" or, individually, an "**Underwriter**") as follows:

1. Purchase and Sale of Shares.

1.1 Firm Shares.

1.1.1. Nature and Purchase of Firm Shares.

(i) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the several Underwriters, an aggregate of [•] shares ("**Firm Shares**") of the Company's common stock, par value $.01 per share (the "**Common Stock**").

(ii) The Underwriters, severally and not jointly, agree to purchase from the Company the number of Firm Shares set forth opposite their respective names on Schedule 1 attached hereto and made a part hereof at a purchase price of $[•] per share (93% of the per Firm Share offering price). The Firm Shares are to be offered initially to the public at the offering price set forth on the cover page of the Prospectus (as defined in Section 2.1.1 hereof).

1.1.2. Shares Payment and Delivery.

(i) Delivery and payment for the Firm Shares shall be made at 10:00 a.m., Eastern time, on the third (3rd) Business Day following the effective date (the "**Effective Date**") of the Registration Statement (as defined in Section 2.1.1 below) (or the fourth (4th) Business Day following the Effective Date if the Registration Statement is declared effective after 4:01 p.m., Eastern time) or at such earlier time as shall be agreed upon by the Representative and the Company, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, NY 10017 ("**Representative Counsel**"), or at such other place (or remotely by facsimile or other electronic transmission) as shall be agreed upon by the Representative and the Company. The hour and date of delivery and payment for the Firm Shares is called the "**Closing Date**."

(ii) Payment for the Firm Shares shall be made on the Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery of the certificates (in form and substance satisfactory to the Underwriters) representing the Firm Shares (or through the facilities of The Depository Trust Company ("**DTC**")) for the account of the Underwriters. The Firm Shares shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least two (2) full Business Days prior to the Closing Date. The Company shall not be obligated to sell or deliver the Firm Shares except upon tender of payment by the Representative for all of the Firm Shares. The term "**Business Day**" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized or obligated by law to close in New York, New York.

1.2 Over-allotment Option.

1.2.1. Option Shares. For the purposes of covering any over-allotments in connection with the distribution and sale of the Firm Shares, the Company hereby grants to the Underwriters an option to purchase up to [•] additional shares of Common Stock, equal to fifteen percent (15%) of the Firm Shares sold in the offering, from the Company (the "**Over-allotment Option**"). Such [•] additional shares of Common Stock, the net proceeds from the sale of which will be deposited with the Company's account, are hereinafter referred to as "**Option Shares**." The purchase price to be paid per Option Share shall be equal to the price per Firm Share set forth in Section 1.1.1 hereof. The Firm Shares and the Option Shares are hereinafter referred to together as the "**Public Securities**." The offering and sale of the Public Securities is hereinafter referred to as the "**Offering**."

1.2.2. Exercise of Option. The Over-allotment Option granted pursuant to Section 1.2.1 hereof may be exercised by the Representative as to all (at any time) or any part (from time to time) of the Option Shares within 45 days after the Effective Date. The Underwriters shall not be under any obligation to purchase any Option Shares prior to the exercise of the Over-allotment Option. The Over-allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Representative, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Shares to be purchased and the date and time for delivery of and payment for the Option Shares (the "**Option Closing Date**"), which shall not be later than five (5) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Representative, at the offices of Representative Counsel or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Representative. If such delivery and payment for the Option Shares does not occur on the Closing Date, the Option Closing Date will be as set forth in the notice. Upon exercise of the Over-allotment Option with respect to all or any portion of the Option Shares, subject to the terms and conditions set forth herein, (i) the Company shall become obligated to sell to the Underwriters the number of Option Shares specified in such notice and (ii) each of the Underwriters, acting severally and not jointly, shall purchase that portion of the total number of Option Shares then being purchased as set forth in Schedule 1 opposite the name of such Underwriter.

1.2.3. Payment and Delivery. Payment for the Option Shares shall be made on the Option Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery to you of certificates (in form and substance satisfactory to the Underwriters) representing the Option Shares (or through the facilities of DTC) for the account of the Underwriters. The Option Shares shall be registered in such name or names and in such authorized denominations as the Representative may request in writing at least two (2) full Business Days prior to the Option Closing Date. The Company shall not be obligated to sell or deliver the Option Shares except upon tender of payment by the Representative for applicable Option Shares.

1.3 Representative's Warrants.

1.3.1. Purchase Warrants. The Company hereby agrees to issue and sell to the Representative (and/or its designees) on the Closing Date an option ("**Representative's Warrant**") for the purchase of an aggregate of [•] shares of Common Stock, representing 5% of the Firm Shares, for an aggregate purchase price of $100.00. The Representative's Warrant agreement, in the form attached hereto as Exhibit A (the "**Representative's Warrant Agreement**"), shall be exercisable, in whole or in part, commencing on a date which is one (1) year after the Effective Date and expiring on the five-year anniversary of the Effective Date at an initial exercise price per shares of Common Stock of $[•], which is equal to 125% of the initial public offering price of the Firm Shares. The Representative's Warrant Agreement and the shares of Common Stock issuable upon exercise thereof are sometimes hereinafter referred to together as the "**Representative's Securities**." The Representative understands and agrees that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Representative's Warrant Agreement and the underlying shares of Common Stock during the one hundred eighty (180) days after the Effective Date and by its acceptance thereof shall agree that it will not sell, transfer, assign, pledge or hypothecate the Representative's Warrant Agreement, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of one hundred eighty (180) days following the Effective Date to anyone other than (i) an Underwriter or a selected dealer in connection with the Offering, or (ii) a bona fide officer or partner of the Representative or of any such Underwriter or selected dealer; and only if any such transferee agrees to the foregoing lock-up restrictions.

1.3.2. Delivery. Delivery of the Representative's Warrant Agreement shall be made on the Closing Date and shall be issued in the name or names and in such authorized denominations as the Representative may request.

2. Representations and Warranties of the Company. The Company represents and warrants to the Underwriters as of the Applicable Time (as defined below), as of the Closing Date and as of the Option Closing Date, if any, as follows:

2.1 Filing of Registration Statement.

2.1.1. Pursuant to the Securities Act. The Company has filed with the U.S. Securities and Exchange Commission (the "**Commission**") a registration statement, and an amendment or amendments thereto, on Form S-1 (File No. 333-181594), including any related prospectus or prospectuses, for the registration of the Public Securities and the Representative's Securities (the "**Prospectus**") under the Securities Act of 1933, as amended (the "**Securities Act**"), which registration statement and amendment or amendments have been prepared by the Company in all material respects in conformity with the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act (the "**Regulations**") and will contain all material statements that are required to be stated therein in accordance with the Securities Act and the Regulations. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement became effective (including the Preliminary Securities Prospectus (as defined below) included in the registration statement, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the Effective Date pursuant to paragraph (b) of Rule 430A of the Regulations (the "**Rule 430A Information**")), is referred to herein as the "**Registration Statement**." If the Company files any registration statement pursuant to Rule 462(b) of the 1933 Act Regulations, then after such filing, the term "**Registration Statement**" shall include such registration statement filed pursuant to Rule 462(b). The Registration Statement has been declared effective by the Commission on the date hereof.

Each prospectus used prior to the effectiveness of the Registration Statement and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "**Preliminary Prospectus**." The Preliminary Prospectus, subject to completion, dated [•], 2013, that was included in the Registration Statement immediately prior to the Applicable Time is hereinafter called the "**Pricing Prospectus**." The final Prospectus in the form first furnished to the Underwriters for use in the Offering is hereinafter collectively called the "**Prospectus**." Any reference to the "most recent Preliminary Prospectus" shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement.

"**Applicable Time**" means [TIME] [a.m./p.m.], Eastern time, on the date of this Agreement.

"**Debt Exchange**" means the exchange of Notes of PDN LLC into units of PDN LLC by all of the holders of such Notes pursuant to the Debt Exchange Agreement (the "**Debt Exchange Agreement**").

"**Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433 of the Regulations ("**Rule 433**"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the Regulations) relating to the Public Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Public Securities or of the Offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"**Issuer General Use Free Writing Prospectus**" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "**Bona Fide Electronic Road Show**")), as evidenced by its being specified in Schedule 2-B hereto.

"**Issuer Limited Use Free Writing Prospectus**" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

"**Pricing Disclosure Package**" means any Issuer General Use Free Writing Prospectus issued at or prior to the Applicable Time, the Pricing Prospectus and the information included on Schedule 2-A hereto, all considered together.

"**Reorganization**" means the reorganization of PDN LLC into the Company pursuant to a Contribution Agreement and Plan of Reorganization and Merger (the "**Reorganization Documents**") by and among PDN LLC, the Company and the holders of the units of PDN LLC.

2.1.2. Pursuant to the Exchange Act. The Company has filed with the Commission a Form 8-A. (File Number 000-[•]) providing for the registration of the shares of Common Stock. The registration of the shares of Common Stock under the Exchange Act of 1934 (the "**Exchange Act**") has been declared effective by the Commission on or prior to the date hereof. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the shares of Common Stock under the Exchange Act, nor has the Company received any notification that the Commission is contemplating terminating such registration.

2.2 Stock Exchange Listing. The shares of Common Stock have been approved for listing on The Nasdaq Capital Market (the "**NasdaqCM**"), and the Company has taken no action designed to, or likely to have the effect of, delisting the Shares from the NasdaqCM, nor has the Company received any notification that the NasdaqCM is contemplating terminating such listing except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.3 No Stop Orders, etc. Neither the Commission nor, to the Company's knowledge, any state regulatory authority has issued any order preventing or suspending the use of the Registration Statement, any Preliminary Prospectus or the Prospectus or has instituted or, to the Company's knowledge, threatened to institute, any proceedings with respect to such an order. The Company has complied with each request (if any) from the Commission for additional information.

2.4 EGC Status. From the time of the initial confidential submission of the Registration Statement to the Commission through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Act (an "**Emerging Growth Company**").

2.5 Disclosures in Registration Statement.

2.5.1. Compliance with Securities Act and 10b-5 Representation.

(i) Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the Securities Act and the Regulations. Each Preliminary Prospectus, including the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment or supplement thereto, and the Prospectus, at the time each was filed with the Commission, complied in all material respects with the requirements of the Securities Act and the Regulations. Each Preliminary Prospectus delivered to the Underwriters for use in connection with this Offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Neither the Registration Statement nor any amendment thereto, at its effective time, as of the date of this Agreement, at the Closing Date or at any Option Closing Date (if any), contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(iii) The Pricing Disclosure Package, as of the Applicable Time, as of the date of this Agreement, at the Closing Date, did not, does not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Limited Use Free Writing Prospectus hereto does not conflict with the information contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, and each such Issuer Limited Use Free Writing Prospectus, as supplemented by and taken together with the Pricing Prospectus as of the Applicable Time, did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriters by the Representative expressly for use in the Registration Statement, the Pricing Prospectus or the Prospectus or any amendment thereof or supplement thereto. The parties acknowledge and agree that such information provided by or on behalf of any Underwriter consists solely of the disclosure contained in the "Underwriting-Stabilization" section of the Prospectus (the "**Underwriters' Information**"); and

(iv) Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Date or at any Option Closing Date, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to the Underwriters' Information.

2.5.2. Disclosure of Agreements. The agreements and documents described in the Registration Statement, the Pricing Disclosure Package and the Prospectus conform in all material respects to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the Regulations to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or to be filed with the Commission as exhibits to the Registration Statement, that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the Company's knowledge, any other party is in default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. To the best of the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental authority, agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses (each, a "**Governmental Entity**"), including, without limitation, those relating to environmental laws and regulations.

2.5.3. Prior Securities Transactions. Since March 4, 2010, no securities of the Company have been sold by the Company or by or on behalf of, or for the benefit of, any person or persons controlling, controlled by or under common control with the Company, except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Preliminary Prospectus.

2.5.4. Regulations. The disclosures in the Registration Statement, the Pricing Disclosure Package and the Prospectus concerning the effects of federal, state and local regulation on the Offering and the Company's business as currently contemplated are correct in all material respects and no other such regulations are required to be disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus which are not so disclosed.

2.6 Changes After Dates in Registration Statement.

2.6.1. No Material Adverse Change. Since the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except as otherwise specifically stated therein: (i) there has been no material adverse change in the financial position or results of operations of the Company, nor any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company (a "**Material Adverse Change**"); (ii) there have been no material transactions entered into by the Company, other than as contemplated pursuant to this Agreement; and (iii) no officer or director of the Company has resigned from any position with the Company.

2.6.2. Recent Securities Transactions, etc. Subsequent to the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and except as may otherwise be indicated or contemplated herein or disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

2.7 Independent Accountants. Marcum LLP (the "**Auditor**"), whose report is filed with the Commission as part of the Registration Statement, is an independent registered public accounting firm as required by the Securities Act and the Regulations and the Public Company Accounting Oversight Board. The Auditor has not, during the periods covered by the financial statements included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

2.8 Financial Statements, etc. The financial statements, including the notes thereto and supporting schedules included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, fairly present the financial position and the results of operations of the Company at the dates and for the periods to which they apply; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("**GAAP**"), consistently applied throughout the periods involved (provided that unaudited interim financial statements are subject to year end audit adjustments that are not expected to be material in the aggregate and do not contain all footnotes required by GAAP); and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus discloses all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (a) the Company has not incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business, (b) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock, (c) there has not been any change in the capital stock of the Company and (d) there has not been any material adverse change in the Company's long-term or short-term debt.

2.9 Authorized Capital; Options, etc. The Company had, at the date or dates indicated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the duly authorized, issued and outstanding capitalization as set forth therein. Based on the assumptions stated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company will have on the Closing Date the adjusted stock capitalization set forth therein. Except as set forth in, or contemplated by, the Registration Statement, the Pricing Disclosure Package and the Prospectus, on the Effective Date and on the Closing Date, there will be no stock options, warrants, or other rights to purchase or otherwise acquire any authorized, but unissued shares of Common Stock of the Company or any security convertible or exercisable into shares of Common Stock of the Company, or any contracts or commitments to issue or sell shares of Common Stock or any such options, warrants, rights or convertible securities.

2.10 Valid Issuance of Securities, etc.

2.10.1. Outstanding Securities. All issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The authorized shares of Common Stock conform in all material respects to all statements relating thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The offers and sales of the outstanding shares of Common Stock were at all relevant times either registered under the Securities Act and the applicable state securities or "blue sky" laws or, based in part on the representations and warranties of the purchasers of such Shares, exempt from such registration requirements.

2.10.2. Securities Sold Pursuant to this Agreement. The Public Securities and Representative's Securities have been duly authorized for issuance and sale and, when issued and paid for, will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the Public Securities and Representative's Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Public Securities and Representative's Securities have been duly and validly taken. The Public Securities and Representative's Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. When paid for and issued in accordance with the Representative's Warrant Agreement, the underlying shares of Common Stock will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the underlying shares of Common Stock are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Representative's Warrant Agreement has been duly and validly taken.

2.11 Registration Rights of Third Parties. No holders of any securities of the Company or any rights exercisable for or convertible or exchangeable into securities of the Company have the right to require the Company to register any such securities of the Company under the Securities Act or to include any such securities in a registration statement to be filed by the Company.

2.12 Validity and Binding Effect of Agreements. This Agreement and the Representative's Warrant Agreement, the Reorganization Documents and the Debt Exchange Agreement have been duly and validly authorized by the Company, and, when executed and delivered, will constitute, the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.13 No Conflicts, etc. The execution, delivery and performance by the Company of this Agreement, the Representative's Warrant Agreement, the Reorganization Documents, the consummation by the Company of the transactions herein and therein contemplated and the compliance by the Company with the terms hereof and thereof do not and will not, with or without the giving of notice or the lapse of time or both: (i) result in a material breach of, or conflict with any of the terms and provisions of, or

constitute a material default under, or result in the creation, modification, termination or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party; (ii) result in any violation of the provisions of the Company's Certificate of Incorporation (as the same may be amended or restated from time to time, the "**Charter**") or the by-laws of the Company; or (iii) violate any existing applicable law, rule, regulation, judgment, order or decree of any Governmental Entity as of the date hereof and the consummation of the Reorganization or Debt Exchange, which are described in the Registration Statement and the Prospectus, did not contravene any provision of the Company's Amended and Restated Limited Liability Company Agreement, as amended and in effect as of immediately prior to such reorganization, or any provision of (i) applicable law, (ii) any agreement or other instrument binding upon the Company that is material to the Company, or (iii) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company.

2.14 No Defaults; Violations. No default exists in the due performance and observance of any term, covenant or condition of any material license, contract, indenture, mortgage, deed of trust, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the properties or assets of the Company is subject. The Company is not in violation of any term or provision of its Charter or by-laws, or in violation of any franchise, license, permit, applicable law, rule, regulation, judgment or decree of any Governmental Entity.

2.15 Corporate Power; Licenses; Consents.

2.15.1. Conduct of Business. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has all requisite corporate power and authority, and has all necessary authorizations, approvals, orders, licenses, certificates and permits of and from all governmental regulatory officials and bodies that it needs as of the date hereof to conduct its business purpose as described in the Prospectus.

2.15.2. Transactions Contemplated Herein. The Company has all corporate power and authority to enter into this Agreement and to carry out the provisions and conditions hereof, and all consents, authorizations, approvals and orders required in connection therewith have been obtained. No consent, authorization or order of, and no filing with, any court, government agency or other body is required for the valid issuance, sale and delivery of the Public Securities and the consummation of the transactions and agreements contemplated by this Agreement and the Representative's Warrant Agreement, the Reorganization Documents and the Debt Exchange Agreement and as contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, except with respect to applicable federal and state securities laws and the rules and regulations of the Financial Industry Regulatory Authority, Inc. ("**FINRA**").

2.16 D&O Questionnaires. To the Company's knowledge, all information contained in the questionnaires (the "**Questionnaires**") completed by each of the Company's directors and officers immediately prior to the Offering (the "**Insiders**") as supplemented by all information concerning the Company's directors, officers and principal shareholders as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, as well as in the Lock-Up Agreement, provided to the Underwriters is true and correct in all material respects and the Company has not become aware of any information which would cause the information disclosed in the Questionnaires to become materially inaccurate and incorrect.

2.17 Litigation; Governmental Proceedings. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding pending or, to the Company's knowledge, threatened against, or involving the Company or, to the Company's knowledge, any executive officer or director which has not been disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus or in connection with the Company's listing application for the listing of the Public Securities on the NasdaqCM.

2.18 Good Standing. The Company is duly incorporated and is validly existing as a corporation and in good standing under the laws of the State of Delaware. The Company is duly qualified to do business and is in good standing in each other jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify, singularly or in the aggregate, would not have or reasonably be expected to result in a Material Adverse Change.

2.19 Insurance. The Company carries or is entitled to the benefits of insurance, with reputable insurers, in such amounts and covering such risks which the Company believes are adequate, and all such insurance is in full force and effect. The Company has no reason to believe that it will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Change.

2.20 Transactions Affecting Disclosure to FINRA.

2.20.1. Finder's Fees. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or any insider with respect to the sale of the Public Securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Underwriters' compensation, as determined by FINRA.

2.20.2. Payments Within Twelve (12) Months. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) any FINRA member; or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve (12) months prior to the Effective Date, other than any payment to Rodman & Renshaw, LLC and the payment to the Underwriters as provided hereunder in connection with the Offering.

2.20.3. Use of Proceeds. None of the net proceeds of the Offering is contemplated to be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

2.20.4. FINRA Affiliation. There is no (i) officer or director of the Company, (ii) beneficial owner of 5% or more of any class of the Company's securities or (iii) beneficial owner of the Company's unregistered equity securities which were acquired during the 180-day period immediately preceding the filing of the Registration Statement that is an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

2.20.5. Information. All information provided by the Company in its FINRA Questionnaire to Representative Counsel specifically for use by Representative Counsel in connection with its Public Offering System filings (and related disclosure) with FINRA is true, correct and complete in all material respects.

2.21 Foreign Corrupt Practices Act. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any other person acting on behalf of the Company and its Subsidiaries, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist it in connection with any actual or proposed transaction) that (i) might subject the Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, might have had a Material Adverse Change or (iii) if not continued in the future, might adversely affect the assets, business, operations or prospects of the Company. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

2.22 Compliance with OFAC. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any other person acting on behalf of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**"), and the Company will not, directly or indirectly, use the proceeds of the Offering hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

2.23 Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"); and no action, suit or proceeding by or before any Governmental Entity involving the Company with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

2.24 Officers' Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to you or to Representative Counsel shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

2.25 Lock-Up Agreements.

2.25.1. Schedule 3 hereto contains a complete and accurate list of the Company's officers, directors and each owner of the Company's outstanding shares of Common Stock (or securities convertible or exercisable into shares of Common Stock (collectively, the "**Lock-Up Parties**"). The Company has caused each of the Lock-Up Parties to deliver to the Representative executed Lock-Up Agreements, in the form attached hereto as Exhibit B, prior to the execution of this Agreement.

2.25.2. The Company, on behalf of itself and any successor entity, has agreed that, without the prior written consent of the Representative, it will not, for a period of 180 days after the effective date of the Registration Statement (the "**Lock-Up Period**"), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or cause to be filed any registration statement with the Commission relating to the offering of any shares of capital stock of the Company or any securities

convertible into or exercisable or exchangeable for shares of capital stock of the Company; or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The restrictions contained in this Section 2.25 shall not apply to (i) the shares of Common Stock to be sold hereunder, (ii) the issuance by the Company of shares of Common Stock upon the exercise of a stock option or warrant or the conversion of a security outstanding on the date hereof, of which the Representative has been advised in writing or (iii) the issuance by the Company of stock options or shares of capital stock of the Company under any equity compensation plan of the Company.

2.26 Subsidiaries. The Company has no direct or indirect subsidiaries.

2.27 Related Party Transactions. There are no business relationships or related party transactions involving the Company or any other person required to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus that have not been described as required.

2.28 Board of Directors. The Board of Directors of the Company is comprised of the persons set forth under the heading of the Pricing Prospectus and the Prospectus captioned "Management." The qualifications of the persons serving as board members and the overall composition of the board comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder (the "**Sarbanes-Oxley Act**") applicable to the Company and the listing rules of the Nasdaq Stock Market LLC. At least one member of the Audit Committee of the Board of Directors of the Company qualifies as a "financial expert," as such term is defined under the Sarbanes-Oxley Act and the listing rules of the Nasdaq Stock Market LLC. In addition, at least a majority of the persons serving on the Board of Directors qualify as "independent," as defined under the listing rules of the Nasdaq Stock Market LLC.

2.29 Sarbanes-Oxley Compliance.

2.29.1. Disclosure Controls. The Company has designed disclosure controls and procedures as defined in Rule 13a-15 or 15d-15 under the Exchange Act, to ensure that material information relating to the Company will be made known to the individuals responsible for the preparation of the Company's Exchange Act filings.

2.29.2. Compliance. The Company is, or on the Effective Date will be, in material compliance with the provisions of the Sarbanes-Oxley Act applicable to it, and has implemented or will implement such programs and taken reasonable steps to ensure the Company's future compliance (not later than the relevant statutory and regulatory deadlines therefore) with all of the material provisions of the Sarbanes-Oxley Act.

2.30 Accounting Controls. The Company will maintain systems of "internal control over financial reporting" (as defined under Rules 13-a15(f) and 15d-15 under the Exchange Act) that comply with the requirements of the Exchange Act and are designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2.31 No Investment Company Status. The Company is not and, after giving effect to the Offering and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be, an "investment company," as defined in the Investment Company Act of 1940, as amended.

2.32 No Labor Disputes. No labor dispute with the employees of the Company exists or, to the knowledge of the Company, is imminent.

2.33 Intellectual Property Rights. The Company owns or possesses or has valid rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights ("**Intellectual Property Rights**") necessary for the conduct of the business of the Company as currently carried on and as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus. To the knowledge of the Company, no action or use by the Company necessary for the conduct of its business as currently carried on and as described in the Registration Statement and the Prospectus will involve or give rise to any infringement of, or license or similar fees for, any Intellectual Property Rights of others. The Company has not received any notice alleging any such infringement, fee or conflict with asserted Intellectual Property Rights of others. Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change (A) to the knowledge of the Company, there is no infringement, misappropriation or violation by third parties of any of the Intellectual Property Rights owned by the Company; (B) there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others challenging the rights of the Company in or to any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim, that would, individually or in the aggregate, together with any other claims in this section 2.33, reasonably be expected to result in a Material Adverse Change; (C) the Intellectual Property Rights owned by the Company and, to the knowledge of the Company, the Intellectual Property Rights licensed to the Company have not been adjudged by a court of competent jurisdiction invalid or unenforceable, in whole or in part, and there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this section 2.33, reasonably be expected to result in a Material Adverse Change; (D) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company infringes, misappropriates or otherwise violates any Intellectual Property Rights or other proprietary rights of others, the Company has not received any written notice of such claim and the Company is unaware of any other facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this section 2.33, reasonably be expected to result in a Material Adverse Change; and (E) to the Company's knowledge, no employee of the Company is in or has ever been in violation in any material respect of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee's employment with the Company, or actions undertaken by the employee while employed with the Company and could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change. To the Company's knowledge, all material technical information developed by and belonging to the Company which has not been patented has been kept confidential. The Company is not a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other person or entity that are required to be set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus and are not described therein. The Registration Statement, the Pricing Disclosure Package and the Prospectus

contain in all material respects the same description of the matters set forth in the preceding sentence. None of the technology employed by the Company has been obtained or is being used by the Company in violation of any contractual obligation binding on the Company or, to the Company's knowledge, any of its officers, directors or employees, or otherwise in violation of the rights of any persons.

2.34 Taxes. The Company has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof. The Company has paid all taxes (as hereinafter defined) shown as due on such returns that were filed and has paid all taxes imposed on or assessed against the Company. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriters, (i) no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company or its Subsidiaries, and (ii) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company or its Subsidiaries. The term "**taxes**" mean all federal, state, local, foreign and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto. The term "**returns**" means all returns, declarations, reports, statements and other documents required to be filed in respect to taxes.

2.35 ERISA Compliance. The Company and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "**ERISA**")) established or maintained by the Company or its "ERISA Affiliates" (as defined below) are in compliance in all material respects with ERISA. "**ERISA Affiliate**" means, with respect to the Company, any member of any group of organizations described in Sections 414(b),(c),(m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "**Code**") of which the Company is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates. No "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA). Neither the Company nor any of its ERISA Affiliates has incurred or reasonably expects to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each "employee benefit plan" established or maintained by the Company or any of its ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and, to the knowledge of the Company, nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

2.36 Compliance with Laws. The Company: (A) is and at all times has been in compliance with all statutes, rules, or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured or distributed by the Company ("**Applicable Laws**"), except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Change; (B) has not received any notice from any governmental authority alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws ("**Authorizations**"); (C) possesses all material Authorizations and such Authorizations are valid and in full force and effect and are not in material violation of any term of any such Authorizations; (D) has not

received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental authority or third party alleging that any product operation or activity is in violation of any Applicable Laws or Authorizations and has no knowledge that any such governmental authority or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (E) has not received notice that any governmental authority has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations and has no knowledge that any such governmental authority is considering such action; and (F) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct on the date filed (or were corrected or supplemented by a subsequent submission).

2.37 Ineligible Issuer. As of the time of filing of the Registration Statement, as of the date of this Agreement and as of the Closing Date or any Option Closing Date, the Company was not, is not, and will not be, an "ineligible issuer" as defined in Rule 405 under the Securities Act.

2.38 Smaller Reporting Company. As of the time of filing of the Registration Statement, the Company was a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

2.39 Industry Data. The statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus are based on or derived from sources that the Company reasonably and in good faith believes are reliable and accurate or represent the Company's good faith estimates that are made on the basis of data derived from such sources.

3. Covenants of the Company. The Company covenants and agrees as follows:

3.1 Amendments to Registration Statement. The Company shall deliver to the Representative, prior to filing, any amendment or supplement to the Registration Statement or Prospectus proposed to be filed after the Effective Date and not file any such amendment or supplement to which the Representative shall reasonably object in writing.

3.2 Federal Securities Laws.

3.2.1. Compliance. The Company, subject to Section 3.2.2, shall comply with the requirements of Rule 430A of the Regulations, and will notify the Representative promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed; (ii) of the receipt of any comments from the Commission; (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information; (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, or of the suspension of the qualification of the Public Securities and Representative's Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the Securities Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the Offering of the Public Securities and Representative's Securities. The Company shall effect all filings required under Rule 424(b) of the Regulations, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and shall take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company shall use its best efforts to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

3.2.2. Continued Compliance. The Company shall comply with the Securities Act and the Regulations so as to permit the completion of the distribution of the Public Securities as contemplated in this Agreement and in the Registration Statement, the Pricing Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172 of the Regulations ("**Rule 172**"), would be) required by the Securities Act to be delivered in connection with sales of the Public Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) amend or supplement the Pricing Disclosure Package or the Prospectus in order that the Pricing Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the Pricing Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the Securities Act or the Regulations, the Company will promptly (A) give the Representatives notice of such event; (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the Pricing Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representatives with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representatives or counsel for the Underwriters shall reasonably object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company has given the Representatives notice of any filings made pursuant to the Exchange Act or the regulations promulgated thereunder within 48 hours prior to the Applicable Time; the Company will give the Representatives notice of its intention to make any such filing from the Applicable Time to the Closing Date and will furnish the Representatives with copies of any such documents a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representatives or counsel for the Underwriters shall reasonably object.

3.2.3. Filing of Final Prospectus. The Company shall file the Prospectus (in form and substance satisfactory to the Representative) with the Commission pursuant to the requirements of Rule 424 of the Regulations.

3.2.4. Exchange Act Registration. For a period of three (3) years after the Effective Date, the Company shall use its best efforts to maintain the registration of the shares of Common Stock. The Company shall not deregister the shares of Common Stock under the Exchange Act without the prior written consent of the Representative.

3.2.5. Free Writing Prospectuses. The Company agrees that, unless it obtains the prior written consent of the Representative, it shall not make any offer relating to the Public Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representative shall be deemed to have consented to each Issuer General Use Free Writing Prospectus hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representative. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Underwriters as an "issuer free writing prospectus," as

defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission

3.3 Delivery to the Underwriters of Registration Statements. The Company has delivered or made available or shall deliver or make available to the Representative and counsel for the Representatives, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and signed copies of all consents and certificates of experts, and will also deliver to the Underwriters, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.4 Delivery to the Underwriters of Prospectuses. The Company has delivered or made available or will deliver or make available to each Underwriter, without charge, as many copies of each Preliminary Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the Securities Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172 of the Regulations, would be) required to be delivered under the Securities Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.5 Effectiveness and Events Requiring Notice to the Representative. The Company shall use its commercially reasonable efforts to cause the Registration Statement to remain effective with a current prospectus for at least nine (9) months after the Applicable Time, and shall notify the Representative immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Public Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 3.5 that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement, the Pricing Disclosure Package or the Prospectus untrue or that requires the making of any changes in (a) the Registration Statement in order to make the statements therein not misleading, or (b) in the Pricing Disclosure Package or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company shall make every reasonable effort to obtain promptly the lifting of such order.

3.6 Review of Financial Statements. For a period of five (5) years after the Effective Date, the Company, at its expense, shall cause its regularly engaged independent registered public accounting firm to review (but not audit) the Company's financial statements for each of the three fiscal quarters immediately preceding the announcement of any quarterly financial information.

3.7 Listing. The Company shall use its commercially reasonable efforts to maintain the listing of the shares of Common Stock (including the Public Securities) on the NasdaqCM for at least three years from the date of this Agreement.

3.8 Financial Public Relations Firm. As of the Effective Date, the Company shall have retained a financial public relations firm reasonably acceptable to the Representative and the Company, which shall initially be Thomsen Reuters, which firm shall be experienced in assisting issuers in initial public offerings of securities and in their relations with their security holders, and shall retain such firm or another firm reasonably acceptable to the Representative for a period of not less than two (2) years after the Effective Date.

3.9 Reports to the Representative.

3.9.1. Periodic Reports, etc. For a period of three (3) years after the Effective Date, the Company shall furnish to the Representative copies of such financial statements and other periodic and special reports as the Company from time to time furnishes generally to holders of any class of its securities and also promptly furnish to the Representative: (i) a copy of each periodic report the Company shall be required to file with the Commission; (ii) a copy of every press release and every news item and article with respect to the Company or its affairs which was released by the Company; (iii) a copy of each Form 8-K prepared and filed by the Company; (iv) five copies of each registration statement filed by the Company under the Securities Act; and (v) such additional documents and information with respect to the Company and the affairs of any future subsidiaries of the Company as the Representative may from time to time reasonably request; provided the Representative shall sign, if requested by the Company, a Regulation FD compliant confidentiality agreement which is reasonably acceptable to the Representative and Representative Counsel in connection with the Representative's receipt of such information. Documents filed with the Commission pursuant to its EDGAR system shall be deemed to have been delivered to the Representative pursuant to this Section 3.9.1.

3.9.2. Transfer Agent; Transfer Sheets. For a period of three (3) years after the Effective Date, the Company shall retain a transfer agent and registrar acceptable to the Representative (the "**Transfer Agent**"). Continental Stock Transfer & Trust Company is acceptable to the Representative to act as Transfer Agent for the shares of Common Stock.

3.10 Payment of Expenses

3.10.1. General Expenses Related to the Offering. The Company hereby agrees to pay on each of the Closing Date and the Option Closing Date, if any, to the extent not paid at the Closing Date, all expenses incident to the performance of the obligations of the Company under this Agreement, including, but not limited to: (a) all filing fees and communication expenses relating to the registration of the shares of Common Stock to be sold in the Offering (including the Over-allotment Shares) with the Commission; (b) all Public Filing System filing fees associated with the review of the Offering by FINRA (and the reasonable fees of FINRA counsel, but only up to $20,000); (c) all fees and expenses relating to the listing of such Public Securities on the NasdaqCM and such other stock exchanges as the Company and the Representative together determine; (d) all fees, expenses and disbursements relating to background checks of the Company's officers and directors in an amount not to exceed $5,000 per individual or $15,000 in the aggregate; (e) all fees, expenses and disbursements relating to the registration or qualification of such shares under the "blue sky" securities laws of such states and other jurisdictions

as the Representative may reasonably designate, Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Representative may reasonably deem necessary; (h) the costs and expenses of the public relations firm; (i) the costs of preparing, printing and delivering certificates representing the Public Securities; (j) fees and expenses of the transfer agent for the shares of Common Stock; (k) stock transfer and/or stamp taxes, if any, payable upon the transfer of securities from the Company to the Underwriter; (l) to the extent approved by the Company in writing, the costs associated with post-Closing advertising the Offering in the national editions of the Wall Street Journal and New York Times; (m) the costs associated with commemorative mementos and lucite tombstones, each of which the Company or its designee shall provide within a reasonable time after the Closing in such quantities as the Underwriter may reasonably request; (n) the fees and expenses of the Company's accountants; (o) the fees and expenses of the Company's legal counsel and other agents and representatives; (p) the $21,775 cost associated with the Underwriter's use of Ipreo's book-building, prospectus tracking and compliance software for the Offering; and (q) up to $10,000 of the Underwriter's actual accountable "road show" expenses for the Offering. The Representative may deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or the Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriters.

3.10.2. Accountable Expenses. In the event an Offering is consummated, the total fees and expenses payable by the Company shall not exceed 1.5% of the gross offering proceeds of the Firm Shares, less the Advance (as defined in Section 7.7 hereof).

3.11 Application of Net Proceeds. The Company shall apply the net proceeds from the Offering received by it in a manner consistent with the application thereof described under the caption "Use of Proceeds" in the Prospectus.

3.12 Delivery of Earnings Statements to Security Holders. The Company shall make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth (15th) full calendar month following the Effective Date, an earnings statement (which need not be certified by independent registered public accounting firm unless required by the Securities Act or the Regulations, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Securities Act) covering a period of at least twelve (12) consecutive months beginning after the Effective Date.

3.13 Stabilization. Neither the Company nor, to its knowledge, any of its employees, directors or shareholders (without the consent of the Representative) has taken or shall take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under Regulation M of the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Public Securities.

3.14 Internal Controls. The Company shall, in accordance with the requirements of the Exchange Act, maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.15 Accountants. As of the Effective Date, the Company shall retain an independent registered public accounting firm reasonably acceptable to the Representative, and the Company shall continue to retain a nationally recognized independent registered public accounting firm for a period of at least three (3) years after the Effective Date. The Representative acknowledges that the Auditor is acceptable to the Representative.

3.16 FINRA. The Company shall advise the Representative (who shall make an appropriate filing with FINRA) if it is or becomes aware that (i) any officer or director of the Company, (ii) any beneficial owner of 5% or more of any class of the Company's securities or (iii) any beneficial owner of the Company's unregistered equity securities which were acquired during the 180 days immediately preceding the filing of the Registration Statement is or becomes an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

3.17 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriters' responsibility to the Company is solely contractual in nature and that none of the Underwriters or their affiliates or any selling agent shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement.

3.18 Release of D&O Lock-up Period. If the Representative, in its sole discretion, agrees to release or waive the restrictions set forth in the Lock-Up Agreement described in Section 2.25.1 hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three (3) Business Days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two (2) Business Days before the effective date of the release or waiver.

3.19 Blue Sky Qualifications. The Company shall use its best efforts, in cooperation with the Underwriters, if necessary, to qualify the Public Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representative may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Public Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

4. Conditions of Underwriters' Obligations. The obligations of the Underwriters to purchase and pay for the Public Securities, as provided herein, shall be subject to (i) the continuing accuracy of the representations and warranties of the Company as of the date hereof and as of each of the Closing Date and the Option Closing Date, if any; (ii) the accuracy of the statements of officers of the Company made pursuant to the provisions hereof; (iii) the performance by the Company of its obligations hereunder; and (iv) the following conditions:

4.1 Regulatory Matters.

4.1.1. Effectiveness of Registration Statement; Rule 430A Information. The Registration Statement has become effective not later than 5:00 p.m., Eastern time, on the date of this Agreement or such later date and time as shall be consented to in writing by you, and, at each of the Closing Date and any Option Closing Date, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the Securities Act, no order preventing or suspending the use of any Preliminary Prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated by the Commission. The Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information

shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) under the Regulations (without reliance on Rule 424(b)(8)) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A under the Regulations.

4.1.2. FINRA Clearance. By the Effective Date, the Representative shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriters as described in the Registration Statement.

4.1.3. NasdaqCM Stock Market Clearance. On the Closing Date, the Company's shares of Common Stock, including the Firm Shares, shall have been approved for listing on the NasdaqCM. On the first Option Closing Date (if any), the Company's shares of Common Stock, including the Option Shares, shall have been approved for listing on the NasdaqCM.

4.2 Company Counsel Matters.

4.2.1. Closing Date Opinion of Counsel. On the Closing Date, the Representative shall have received the favorable opinions of SNR Denton US LLP and Patzik, Frank & Samotny Ltd, each counsel to the Company, dated the Closing Date and addressed to the Representative.

4.2.2. Option Closing Date Opinions of Counsel. On the Option Closing Date, if any, the Representative shall have received the favorable opinion of counsel listed in Sections 4.2.1 and 4.2.2, dated the Option Closing Date, addressed to the Representative and in form and substance reasonably satisfactory to the Representative, confirming as of the Option Closing Date, the statements made by such counsels in their respective opinions delivered on the Closing Date.

4.2.3. Reliance. In rendering such opinions, such counsel may rely: (i) as to matters involving the application of laws other than the laws of the United States and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to the Representative) of other counsel reasonably acceptable to the Representative, familiar with the applicable laws; and (ii) as to matters of fact, to the extent they deem proper, on certificates or other written statements of officers of the Company and officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company, provided that copies of any such statements or certificates shall be delivered to Representative Counsel if requested. The opinion of SNR Denton US LLP and any opinion relied upon by SNR Denton US LLP shall include a statement to the effect that it may be relied upon by Representative Counsel in its opinion delivered to the Underwriters.

4.3 Comfort Letters.

4.3.1. Cold Comfort Letter. At the time this Agreement is executed you shall have received a cold comfort letter containing statements and information of the type customarily included in accountants' comfort letters with respect to the financial statements and certain financial information contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus, addressed to the Representative and in form and substance satisfactory in all respects to you and to the Auditor, dated as of the date of this Agreement.

4.3.2. Bring-down Comfort Letter. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received from the Auditor a letter, dated as of the Closing Date or the Option Closing Date, as applicable, to the effect that the Auditor reaffirms the statements made in the letter furnished pursuant to Section 4.3.1, except that the specified date referred to shall be a date not more than three (3) business days prior to the Closing Date or the Option Closing Date, as applicable.

4.4 Officers' Certificates.

4.4.1. Officers' Certificate. The Company shall have furnished to the Representative a certificate, dated the Closing Date and any Option Closing Date (if such date is other than the Closing Date), of its Chief Executive Officer and its Chief Financial Officer stating that (i) such officers have carefully examined the Registration Statement, the Pricing Disclosure Package, any Issuer Free Writing Prospectus and the Prospectus and, in their opinion, the Registration Statement and each amendment thereto, as of the Applicable Time and as of the date of this Agreement and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date) did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Pricing Disclosure Package, as of the Applicable Time and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), any Issuer Free Writing Prospectus as of its date and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), the Prospectus and each amendment or supplement thereto, as of the respective date thereof and as of the Closing Date, did not include any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading, (ii) since the effective date of the Registration Statement, no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus, (iii) to the best of their knowledge after reasonable investigation, as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), the representations and warranties of the Company in this Agreement are true and correct and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date (or any Option Closing Date if such date is other than the Closing Date), and (iv) there has not been, subsequent to the date of the most recent audited financial statements included or incorporated by reference in the Pricing Disclosure Package, any material adverse change in the financial position or results of operations of the Company, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company, except as set forth in the Prospectus.

4.4.2. Secretary's Certificate. At each of the Closing Date and the Option Closing Date, if any, the Representative shall have received a certificate of the Company signed by the Secretary of the Company, dated the Closing Date or the Option Date, as the case may be, respectively, certifying: (i) that each of the Charter and Bylaws is true and complete, has not been modified and is in full force and effect; (ii) that the resolutions of the Company's Board of Directors relating to the Offering are in full force and effect and have not been modified; (iii) as to the accuracy and completeness of all correspondence between the Company or its counsel and the Commission; and (iv) as to the incumbency of the officers of the Company. The documents referred to in such certificate shall be attached to such certificate.

4.5 No Material Changes. Prior to and on each of the Closing Date and each Option Closing Date, if any: (i) there shall have been no material adverse change or development involving a prospective material adverse change in the condition or prospects or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (ii) no action, suit or proceeding, at law or in equity, shall have been pending or threatened against the Company or any Insider before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (iii) no stop order shall have been issued under the Securities Act and no proceedings therefor shall have been initiated or threatened by the Commission; and (iv) the Registration Statement,

the Pricing Disclosure Package and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Securities Act and the Regulations and shall conform in all material respects to the requirements of the Securities Act and the Regulations, and neither the Registration Statement, the Pricing Disclosure Package nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.6 Reorganization and Debt Exchange. Prior to the Closing Date, the Reorganization and Debt Exchange shall each have been duly consummated.

4.7 Delivery of Agreements.

4.7.1. Effective Date Deliveries. On the Effective Date, the Company shall have delivered to the Representative executed copies of this Agreement and the Lock-Up Agreements from each of the persons listed in Schedule 3 hereto.

4.7.2. Closing Date Deliveries. On the Closing Date, the Company shall have delivered to the Representative executed copies of the Representative's Warrant Agreement.

4.8 Additional Documents. At the Closing Date and at each Option Closing Date (if any) Representative Counsel shall have been furnished with such documents and opinions as they may require for the purpose of enabling Representative Counsel to deliver an opinion to the Underwriters, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Public Securities and the Representative's Securities as herein contemplated shall be satisfactory in form and substance to the Representative and Representative Counsel.

5. Indemnification.

5.1 Indemnification of the Underwriters.

5.1.1. General. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless each of the Underwriters, and each dealer selected by the Representative that participates in the offer and sale of the Shares (each a "**Selected Dealer**") and each of their respective directors, officers and employees and each person, if any, who controls any such Underwriter ("**Controlling Person**") within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between any of the Underwriters and the Company or between any of the Underwriters and any third party, or otherwise) to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (i) the Registration Statement, the Pricing Disclosure Package, the Preliminary Prospectus, the Prospectus or in any Issuer Free Writing Prospectus (as from time to time each may be amended and supplemented); (ii) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Offering, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (iii) any application or other document or written communication (in this Section 5, collectively called "**application**") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Public Securities and Representative's Securities under the

securities laws thereof or filed with the Commission, any state securities commission or agency, the Nasdaq Stock Market LLC or any national securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon, and in conformity with, the Underwriters' Information. With respect to any untrue statement or omission or alleged untrue statement or omission made in the Pricing Disclosure Package, the indemnity agreement contained in this Section 5.1.1 shall not inure to the benefit of any Underwriter to the extent that any loss, liability, claim, damage or expense of such Underwriter results from the fact that a copy of the Prospectus was not given or sent to the person asserting any such loss, liability, claim or damage at or prior to the written confirmation of sale of the Public Securities to such person as required by the Securities Act and the Regulations if the untrue statement or omission has been corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of non-compliance by the Company with its obligations under Section 3.3 hereof. The Company agrees promptly to notify the Representative of the commencement of any litigation or proceedings against the Company or any of its officers, directors or Controlling Persons in connection with the issuance and sale of the Public Securities or in connection with the Registration Statement the Pricing Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus.

5.1.2. Procedure. If any action is brought against an Underwriter, a Selected Dealer or a Controlling Person in respect of which indemnity may be sought against the Company pursuant to Section 5.1.1, such Underwriter, such Selected Dealer or Controlling Person, as the case may be, shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees of counsel (subject to the reasonable approval of such Underwriter or such Selected Dealer, as the case may be) and payment of actual expenses. Such Underwriter, such Selected Dealer or Controlling Person shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Underwriter, such Selected Dealer or Controlling Person unless (i) the employment of such counsel at the expense of the Company shall have been authorized in writing by the Company in connection with the defense of such action, or (ii) the Company shall not have employed counsel to have charge of the defense of such action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are in conflict with those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events the reasonable fees and expenses of not more than one additional firm of attorneys selected by the Underwriter (in addition to local counsel), Selected Dealer and/or Controlling Person shall be borne by the Company. Notwithstanding anything to the contrary contained herein, if any Underwriter, Selected Dealer or Controlling Person shall assume the defense of such action as provided above, the Company shall have the right to approve the terms of any settlement of such action, which approval shall not be unreasonably withheld.

5.2 Indemnification of the Company. Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and persons who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to the several Underwriters, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or in any application, in reliance upon, and in strict conformity with, the Underwriters' Information. In case any action shall be brought against the Company or any other person so indemnified based on any Preliminary Prospectus, the Registration Statement, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to the several Underwriters by the provisions of Section 5.1.2.

5.3 Contribution.

5.3.1. Contribution Rights. If the indemnification provided for in this Section 5 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 5.1 or 5.2 in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other, from the Offering of the Public Securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other, with respect to such Offering shall be deemed to be in the same proportion as the total net proceeds from the Offering of the Public Securities purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the shares of the Common Stock purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 5.3.1 were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 5.3.1 shall be deemed to include, for purposes of this Section 5.3.1, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5.3.1 in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the Offering of the Public Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5.3.2. Contribution Procedure. Within fifteen (15) days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party ("contributing party"), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid 15 days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution on account of any settlement of any claim, action

or proceeding affected by such party seeking contribution without the written consent of such contributing party. The contribution provisions contained in this Section 5.3.2 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities Act, the Exchange Act or otherwise available. Each Underwriter's obligations to contribute pursuant to this Section 5.3 are several and not joint.

6. Default by an Underwriter.

6.1 Default Not Exceeding 10% of Firm Shares or Option Shares. If any Underwriter or Underwriters shall default in its or their obligations to purchase the Firm Shares or the Option Shares, if the Over-allotment Option is exercised hereunder, and if the number of the Firm Shares or Option Shares with respect to which such default relates does not exceed in the aggregate 10% of the number of Firm Shares or Option Shares that all Underwriters have agreed to purchase hereunder, then such Firm Shares or Option Shares to which the default relates shall be purchased by the non-defaulting Underwriters in proportion to their respective commitments hereunder.

6.2 Default Exceeding 10% of Firm Shares or Option Shares. In the event that the default addressed in Section 6.1 relates to more than 10% of the Firm Shares or Option Shares, you may in your discretion arrange for yourself or for another party or parties to purchase such Firm Shares or Option Shares to which such default relates on the terms contained herein. If, within one (1) Business Day after such default relating to more than 10% of the Firm Shares or Option Shares, you do not arrange for the purchase of such Firm Shares or Option Shares, then the Company shall be entitled to a further period of one (1) Business Day within which to procure another party or parties satisfactory to you to purchase said Firm Shares or Option Shares on such terms. In the event that neither you nor the Company arrange for the purchase of the Firm Shares or Option Shares to which a default relates as provided in this Section 6, this Agreement will automatically be terminated by you or the Company without liability on the part of the Company (except as provided in Sections 3.10 and 5 hereof) or the several Underwriters (except as provided in Section 5 hereof); provided, however, that if such default occurs with respect to the Option Shares, this Agreement will not terminate as to the Firm Shares; and provided, further, that nothing herein shall relieve a defaulting Underwriter of its liability, if any, to the other Underwriters and to the Company for damages occasioned by its default hereunder.

6.3 Postponement of Closing Date. In the event that the Firm Shares or Option Shares to which the default relates are to be purchased by the non-defaulting Underwriters, or are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Option Closing Date for a reasonable period, but not in any event exceeding five (5) Business Days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus that in the opinion of counsel for the Underwriter may thereby be made necessary. The term "**Underwriter**" as used in this Agreement shall include any party substituted under this Section 6 with like effect as if it had originally been a party to this Agreement with respect to such shares of Common Stock.

7. Additional Covenants.

7.1 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as members of the Board of Directors and the overall composition of the Board comply with the Sarbanes-Oxley Act and with the listing rules of the NasdaqCM or any other national securities exchange, as the case may be, in the event the Company seeks to have its Public Securities listed on another exchange or quoted on an automated quotation system, and (ii) if applicable, at least one member of the Audit Committee of the Board of Directors qualifies as a "financial expert," as such term is defined under the Sarbanes-Oxley Act of 2002 and the listing rules of the NasdaqCM.

7.2 Prohibition on Press Releases and Public Announcements. The Company will not issue press releases or engage in any other publicity, without the Representative's prior written consent, for a period ending at 5:00 p.m., Eastern time, on the first (1st) Business Day following the forty-fifth (45th) day after the Closing Date, other than normal and customary releases issued in the ordinary course of the Company's business.

7.3 Right of First Refusal. Provided that the Firm Shares are sold in accordance with the terms of this Agreement, the Representative shall have an irrevocable right of first refusal for a period of twelve (12) months after the date the Offering is completed to purchase for its account or to sell for the account of the Company, or any subsidiary of or successor to the Company any securities (whether debt or equity, or any combination thereof) of the Company or any such subsidiary or successor which the Company or any such subsidiary or successor may seek to sell whether with or without or through an underwriter, placement agent or broker-dealer and whether pursuant to registration under the Securities Act, or otherwise. The Company and any such subsidiary or successor will consult the Representative with regard to any such proposed financing and will offer the Representative the opportunity to purchase or sell any such securities on terms not more favorable to the Company or any such subsidiary or successor, as the case may be, than it or they can secure elsewhere. If the Representative fails to accept such offer within ten (10) Business Days after the mailing of a notice containing the material terms of the proposed financing proposal by registered mail or overnight courier service addressed to the Representative, then the Representative shall have no further claim or right with respect to the financing proposal contained in such notice. If, however, the terms of such financing proposal are subsequently modified in any material respect, the right of first refusal referred to herein shall apply to such modified proposal as if the original proposal had not been made. The Representative's failure to exercise its right of first refusal with respect to any particular proposal shall not affect its right of first refusal relative to future proposals. The Company shall have the right, at its option, to designate the Representative as lead underwriter or co-manager of any underwriting group or co-placement agent of any proposed financing in satisfaction of its obligations hereunder, and the Representative shall be entitled to receive as its compensation 50% of the compensation payable to the underwriting or placement agent group when serving as co-manager or co-placement agent and 33% of the compensation payable to the underwriting or placement agent group when serving as co-manager or co-placement agent with respect to a proposed financing in which there are three co-managing or lead underwriters or co-placement agents.

7.4 Effective Date. This Agreement shall become effective when both the Company and the Representative have executed the same and delivered counterparts of such signatures to the other party.

7.5 Termination. The Representative shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in your opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on the New York Stock Exchange or the Nasdaq Stock Market LLC shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction; or (iii) if the United States shall have become involved in a new war or an increase in major hostilities; or (iv) if a banking moratorium has been declared by a New York State or federal authority; or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets; or (vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your opinion, make it inadvisable to proceed with the delivery of the Firm Shares or Option Shares; or (vii) if the Company is in material breach of any of its representations, warranties or

covenants hereunder; or (viii) if the Representative shall have become aware after the date hereof of such a material adverse change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Representative's judgment would make it impracticable to proceed with the offering, sale and/or delivery of the Public Securities or to enforce contracts made by the Underwriters for the sale of the Public Securities.

7.6 Expenses. Notwithstanding anything to the contrary in this Agreement, except in the case of a default by the Underwriters, pursuant to Section 6.2 above, in the event that this Agreement shall not be carried out for any reason whatsoever, within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Underwriters their reasonable actual and accountable out-of-pocket expenses related to the transactions contemplated herein then due and payable (including the fees and disbursements of Representative Counsel) up to $175,000, inclusive of the $50,000 advance for non-accountable expenses previously paid by the Company to the Representative (the "**Advance**") and upon demand the Company shall pay the full amount thereof to the Representative on behalf of the Underwriters; provided, however, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement.

7.7 Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Section 5 shall remain in full force and effect and shall not be in any way affected by, such election or termination or failure to carry out the terms of this Agreement or any part hereof.

7.8 Representations, Warranties, Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company or (ii) delivery of and payment for the Public Securities.

8. Miscellaneous.

8.1 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be mailed (registered or certified mail, return receipt requested), personally delivered or sent by facsimile transmission and confirmed and shall be deemed given when so delivered or faxed and confirmed or if mailed, two (2) days after such mailing.

If to the Representative:

Aegis Capital Corp.
810 Seventh Avenue, 18th Floor
New York, New York 10019
Attn: Mr. David Bocchi, Managing Director of Investment Banking
Fax No.: (212) 813-1047

with a copy (which shall not constitute notice) to:

McDermott Will & Emery LLP
340 Madison Avenue
New York, New York 10173
Attn: Stephen E. Older, Esq.
Fax No.:212 547-5444

If to the Company:

Professional Diversity Network, Inc.
150 North Wacker Drive
Suite 2360
Chicago, Illinois 60606
Attention: James Kirsch
Fax No: [•]

with a copy (which shall not constitute notice) to:

SNR Denton US LLP

Attn: Linda Harris, Esq.
233 South Wacker Drive
Suite 7800
Chicago, IL 90909-6404
Fax No.: (312)876-7934

8.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

8.3 Amendment. This Agreement may only be amended by a written instrument executed by each of the parties hereto.

8.4 Entire Agreement. This Agreement (together with the other agreements and documents being delivered pursuant to or in connection with this Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. Notwithstanding anything to the contrary set forth herein, it is understood and agreed by the parties hereto that all other terms and conditions of that certain engagement letter between the Company and Aegis Capital Corp., dated July 10, 2012, shall remain in full force and effect.

8.5 Binding Effect. This Agreement shall inure solely to the benefit of and shall be binding upon the Representative, the Underwriters, the Company and the Controlling Persons, directors and officers referred to in Section 5 hereof, and their respective successors, legal representatives and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of securities from any of the Underwriters.

8.6 Governing Law; Consent to Jurisdiction; Trial by Jury. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Agreement shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8.1 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or

claim. The Parties agree that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

8.7 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Delivery of a signed counterpart of this Agreement by facsimile or email/pdf transmission shall constitute valid and sufficient delivery thereof.

8.8 Waiver, etc. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way effect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

[*Signature Page Follows*]

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

PROFESSIONAL DIVERSITY NETWORK, INC.

By: _____
Name:
Title:

Confirmed as of the date first written above
mentioned, on behalf of itself and as Representative
of the several Underwriters named on Schedule 1 hereto:

AEGIS CAPITAL CORP.

By: _____
Name:
Title:

SCHEDULE 1

Underwriter	Total Number of Firm Shares to be Purchased	Number of Additional Shares to be Purchased if the Over-Allotment Option is Fully Exercised
Aegis Capital Corp.		
TOTAL		

SCHEDULE 2-A

Pricing Information

Number of Firm Shares: [•]

Number of Option Shares: [•]

Public Offering Price per Share: $[•]

Underwriting Discount per Share: $[•]

Underwriting Accountable expense allowance per Share: $[•]

Proceeds to Company per Share (before expenses): $[•]

SCHEDULE 2-B

Issuer General Use Free Writing Prospectuses

[None.]

SCHEDULE 3

List of Lock-Up Parties

James Kirsch
Rudy Martinez
Daniel Ladurini
Ladurini Family Trust

EXHIBIT A

Form of Representative's Warrant Agreement

THE REGISTERED HOLDER OF THIS PURCHASE WARRANT BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS PURCHASE WARRANT EXCEPT AS HEREIN PROVIDED AND THE REGISTERED HOLDER OF THIS PURCHASE WARRANT AGREES THAT IT WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS PURCHASE WARRANT FOR A PERIOD OF ONE HUNDRED EIGHTY DAYS FOLLOWING THE EFFECTIVE DATE (DEFINED BELOW) TO ANYONE OTHER THAN (I) AEGIS CAPITAL CORP. OR AN UNDERWRITER OR A SELECTED DEALER IN CONNECTION WITH THE OFFERING, OR (II) A BONA FIDE OFFICER OR PARTNER OF AEGIS CAPITAL CORP. OR OF ANY SUCH UNDERWRITER OR SELECTED DEALER.

THIS PURCHASE WARRANT IS NOT EXERCISABLE PRIOR TO [ ] [**DATE THAT IS ONE YEAR AFTER DATE OF EFFECTIVENESS**]. VOID AFTER 5:00 P.M., EASTERN TIME, [ ] [**DATE THAT IS FIVE YEARS AFTER DATE OF EFFECTIVENESS**].

COMMON STOCK PURCHASE WARRANT

For the Purchase of [ ] Shares of Common Stock
of
[COMPANY]

1. Purchase Warrant. THIS CERTIFIES THAT, in consideration of funds duly paid by or on behalf of Aegis Capital Corp. ("**Holder**"), as registered owner of this Purchase Warrant, to Professional Diversity Network, Inc., a Delaware corporation (the "**Company**"), Holder is entitled, at any time or from time to time from [ ] [**DATE THAT IS ONE YEAR AFTER DATE OF EFFECTIVENESS**] (the "**Commencement Date**"), and at or before 5:00 p.m., Eastern time, [ ] [**DATE THAT IS FIVE YEARS AFTER DATE OF EFFECTIVENESS**] (the "**Expiration Date**"), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to [ ] shares of common stock of the Company, par value $.01 per share (the "**Shares**"), subject to adjustment as provided in Section 6 hereof. If the Expiration Date is a day on which banking institutions are authorized by law to close, then this Purchase Warrant may be exercised on the next succeeding day which is not such a day in accordance with the terms herein. During the period ending on the Expiration Date, the Company agrees not to take any action that would terminate the Purchase Warrant. This Purchase Warrant is initially exercisable at $[ ] per Share [**125% of the price of the Shares sold in the Offering**]; provided, however, that upon the occurrence of any of the events specified in Section 6 hereof, the rights granted by this Purchase Warrant, including the exercise price per Share and the number of Shares to be received upon such exercise, shall be adjusted as therein specified. The term "**Exercise Price**" shall mean the initial exercise price or the adjusted exercise price, depending on the context.

2. Exercise.

2.1 Exercise Form. In order to exercise this Purchase Warrant, the exercise form attached hereto must be duly executed and completed and delivered to the Company, together with this Purchase Warrant and payment of the Exercise Price for the Shares being purchased payable in cash by wire transfer of immediately available funds to an account designated by the Company or by certified check or official bank check. If the subscription rights represented hereby shall not be exercised at or before 5:00 p.m., Eastern time, on the Expiration Date, this Purchase Warrant shall become and be void without further force or effect, and all rights represented hereby shall cease and expire.

2.2 Cashless Exercise. If at any time after the Commencement Date there is no effective registration statement registering, or no current prospectus available for, the resale of the Shares by the Holder, then in lieu of exercising this Purchase Warrant by payment of cash or check payable to the order of the Company pursuant to Section 2.1 above, Holder may elect to receive the number of Shares equal to the value of this Purchase Warrant (or the portion thereof being exercised), by surrender of this Purchase Warrant to the Company, together with the exercise form attached hereto, in which event the issue to Holder, Shares in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where,

X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share; and
B = The Exercise Price.

For purposes of this Section 2.2, the fair market value of a Share is defined as follows:

(i) if the Company's common stock is traded on a securities exchange, the value shall be deemed to be the closing price on such exchange prior to the exercise form being submitted in connection with the exercise of the Purchase Warrant; or

(ii) if the Company's common stock is actively traded over-the-counter, the value shall be deemed to be the closing bid prior to the exercise form being submitted in connection with the exercise of the Purchase Warrant; if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors.

2.3 Legend. Each certificate for the securities purchased under this Purchase Warrant shall bear a legend as follows unless such securities have been registered under the Securities Act of 1933, as amended (the "**Act**"):

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "**Act**"), or applicable state law. Neither the securities nor any interest therein may be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from registration under the Securities Act and applicable state law which, in the opinion of counsel to the Company, is available."

3. Transfer.

3.1 General Restrictions. The registered Holder of this Purchase Warrant agrees by his, her or its acceptance hereof, that such Holder will not: (a) sell, transfer, assign, pledge or hypothecate this Purchase Warrant for a period of one hundred eighty (180) days following the Effective Date to anyone other than: (i) Aegis Capital Corp. ("**Aegis**") or an underwriter or a selected dealer participating in the Offering, or (ii) a bona fide officer or partner of AEGIS or of any such underwriter or selected dealer, in each case in accordance with FINRA Conduct Rule 5110(g)(1), or (b) cause this Purchase Warrant or the securities issuable hereunder to be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of this Purchase Warrant or the securities hereunder, except as provided for in FINRA Rule 5110(g)(2). On and after 180 days after the Effective Date, transfers to others may be made subject to compliance with or exemptions from applicable securities laws. In order to make any permitted assignment, the Holder must deliver to the Company the assignment form attached hereto duly executed and completed, together with the Purchase Warrant and payment of all transfer taxes, if any, payable in connection therewith. The Company shall within five (5) Business Days transfer this Purchase Warrant on the books of the Company and shall execute and deliver a new Purchase Warrant or Purchase Warrants of like tenor to the appropriate assignee(s) expressly evidencing the right to purchase the aggregate number of Shares purchasable hereunder or such portion of such number as shall be contemplated by any such assignment.

3.2 Restrictions Imposed by the Securities Act. The securities evidenced by this Purchase Warrant shall not be transferred unless and until: (i) the Company has received the opinion of counsel for the Holder that the securities may be transferred pursuant to an exemption from registration under the Securities Act and applicable state securities laws, the availability of which is established to the reasonable satisfaction of the Company (the Company hereby agreeing that the opinion of Reed Smith LLP shall be deemed satisfactory evidence of the availability of an exemption), or (ii) a registration statement or a post-effective amendment to the Registration Statement relating to the offer and sale of such securities has been filed by the Company and declared effective by the U.S. Securities and Exchange Commission (the "**Commission**") and compliance with applicable state securities law has been established.

4. Registration Rights.

4.1 "Piggy-Back" Registration.

4.1.1 Grant of Right. The Holder shall have the right, for a period of six (6) years commencing on the Commencement Date, to include all or any portion of the shares underlying the Purchase Warrants (collectively, "the Registrable Securities" as part of any other registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145 (a) promulgated under the Securities Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of shares of Common Stock which may be included in the Registration Statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such Registration Statement only such limited portion of the Registrable Securities with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. Any exclusion of Registrable Securities shall be made pro rata among the Holders seeking to include Registrable Securities in proportion to the number of Registrable Securities sought to be included by such Holders; provided, however, that the Company shall not exclude any Registrable Securities unless the Company has first excluded all outstanding securities, the holders of which are not entitled to inclusion of such securities in such Registration Statement or are not entitled to pro rata inclusion with the Registrable Securities.

4.1.2 Terms. The Company shall bear all fees and expenses attendant to registering the Registrable Securities pursuant to Section 4.2.1 hereof, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish the then Holders of outstanding Registrable Securities with not less than thirty (30) days written notice prior to the proposed date of filing of such registration statement. Such notice to

the Holders shall continue to be given for each registration statement filed by the Company until such time as all of the Registrable Securities have been sold by the Holder. The holders of the Registrable Securities shall exercise the "piggy-back" rights provided for herein by giving written notice within ten (10) days of the receipt of the Company's notice of its intention to file a registration statement. Except as otherwise provided in this Purchase Warrant, there shall be no limit on the number of times the Holder may request registration under this Section 4.2.2; provided, however, that such registration rights shall terminate on the sixth anniversary of the Commencement Date.

4.2 General Terms.

4.2.1 Indemnification. The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Securities Act or Section 20 (a) of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the Underwriters contained in Section 5.1 of the Underwriting Agreement between the Underwriters and the Company, dated as of [ ], 2013. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Securities Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement to the same extent and with the same effect as the provisions contained in Section 5.2 of the Underwriting Agreement pursuant to which the Underwriters have agreed to indemnify the Company.

4.2.2 Exercise of Purchase Warrants. Nothing contained in this Purchase Warrant shall be construed as requiring the Holder(s) to exercise their Purchase Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

4.2.3 Damages. Should the registration or the effectiveness thereof required by Sections 4.1 and 4.2 hereof be delayed by the Company or the Company otherwise fails to comply with such provisions, the Holder(s) shall, in addition to any other legal or other relief available to the Holder(s), be entitled to obtain specific performance or other equitable (including injunctive) relief against the threatened breach of such provisions or the continuation of any such breach, without the necessity of proving actual damages and without the necessity of posting bond or other security.

5. New Purchase Warrants to be Issued.

5.1 Partial Exercise or Transfer. Subject to the restrictions in Section 3 hereof, this Purchase Warrant may be exercised or assigned in whole or in part. In the event of the exercise or assignment hereof in part only, upon surrender of this Purchase Warrant for cancellation, together with the duly executed exercise or assignment form and funds sufficient to pay any Exercise Price and/or transfer tax if exercised pursuant to Section 2.1 hereto, the Company shall cause to be delivered to the Holder without charge a new Purchase Warrant of like tenor to this Purchase Warrant in the name of the Holder evidencing the right of the Holder to purchase the number of Shares purchasable hereunder as to which this Purchase Warrant has not been exercised or assigned.

5.2 Lost Certificate. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Purchase Warrant and of reasonably satisfactory indemnification or the posting of a bond, the Company shall execute and deliver a new Purchase Warrant of like tenor and date. Any such new Purchase Warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

6. Adjustments.

6.1 Adjustments to Exercise Price and Number of Securities. The Exercise Price and the number of Shares underlying the Purchase Warrant shall be subject to adjustment from time to time as hereinafter set forth:

6.1.1 Share Dividends; Split Ups. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is increased by a stock dividend payable in Shares or by a split up of Shares or other similar event, then, on the effective day thereof, the number of Shares purchasable hereunder shall be increased in proportion to such increase in outstanding Shares, and the Exercise Price shall be proportionately decreased.

6.1.2 Aggregation of Shares. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is decreased by a consolidation, combination or reclassification of Shares or other similar event, then, on the effective date thereof, the number of Shares purchasable hereunder shall be decreased in proportion to such decrease in outstanding Shares, and the Exercise Price shall be proportionately increased.

6.1.3 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding Shares other than a change covered by Section 6.1.1 or 6.1.2 hereof or that solely affects the par value of such Shares, or in the case of any share reconstruction or amalgamation or consolidation of the Company with or into another corporation (other than a consolidation or share reconstruction or amalgamation in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding Shares), or in the case of any sale or conveyance to another corporation or entity of the property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Holder of this Purchase Warrant shall have the right thereafter (until the expiration of the right of exercise of this Purchase Warrant) to receive upon the exercise hereof, for the same aggregate Exercise Price payable hereunder immediately prior to such event, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, share reconstruction or amalgamation, or consolidation, or upon a dissolution following any such sale or transfer, by a Holder of the number of Shares of the Company obtainable upon exercise of this Purchase Warrant immediately prior to such event; and if any reclassification also results in a change in Shares covered by Section 6.1.1 or 6.1.2, then such adjustment shall be made pursuant to Sections 6.1.1, 6.1.2 and this Section 6.1.3. The provisions of this Section 6.1.3 shall similarly apply to successive reclassifications, reorganizations, share reconstructions or amalgamations, or consolidations, sales or other transfers.

6.1.4 Changes in Form of Purchase Warrant. This form of Purchase Warrant need not be changed because of any change pursuant to this Section 6.1, and Purchase Warrants issued after such change may state the same Exercise Price and the same number of Shares as are stated in the Purchase Warrants initially issued pursuant to this Agreement. The acceptance by any Holder of the issuance of new Purchase Warrants reflecting a required or permissive change shall not be deemed to waive any rights to an adjustment occurring after the Commencement Date or the computation thereof.

6.2 Substitute Purchase Warrant. In case of any consolidation of the Company with, or share reconstruction or amalgamation of the Company with or into, another corporation (other than a consolidation or share reconstruction or amalgamation which does not result in any reclassification or change of the outstanding Shares), the corporation formed by such consolidation or share reconstruction or amalgamation shall execute and deliver to the Holder a supplemental Purchase Warrant providing that

the holder of each Purchase Warrant then outstanding or to be outstanding shall have the right thereafter (until the stated expiration of such Purchase Warrant) to receive, upon exercise of such Purchase Warrant, the kind and amount of shares of stock and other securities and property receivable upon such consolidation or share reconstruction or amalgamation, by a holder of the number of Shares of the Company for which such Purchase Warrant might have been exercised immediately prior to such consolidation, share reconstruction or amalgamation, sale or transfer. Such supplemental Purchase Warrant shall provide for adjustments which shall be identical to the adjustments provided for in this Section 6. The above provision of this Section shall similarly apply to successive consolidations or share reconstructions or amalgamations.

6.3 Elimination of Fractional Interests. The Company shall not be required to issue certificates representing fractions of Shares upon the exercise of the Purchase Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down, as the case may be, to the nearest whole number of Shares or other securities, properties or rights.

7. Reservation and Listing. The Company shall at all times reserve and keep available out of its authorized Shares, solely for the purpose of issuance upon exercise of the Purchase Warrants, such number of Shares or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Purchase Warrants and payment of the Exercise Price therefor, in accordance with the terms hereby, all Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any shareholder. The Company further covenants and agrees that upon exercise of the Purchase Warrants and payment of the exercise price therefor, all Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any shareholder. As long as the Purchase Warrants shall be outstanding, the Company shall use its commercially reasonable efforts to cause all Shares issuable upon exercise of the Purchase Warrants to be listed (subject to official notice of issuance) on all national securities exchanges (or, if applicable, on the OTC Bulletin Board or any successor trading market) on which the Shares issued to the public in the Offering may then be listed and/or quoted.

8. Certain Notice Requirements.

8.1 Holder's Right to Receive Notice. Nothing herein shall be construed as conferring upon the Holders the right to vote or consent or to receive notice as a shareholder for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Purchase Warrants and their exercise, any of the events described in Section 8.2 shall occur, then, in one or more of said events, the Company shall give written notice of such event at least fifteen days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, conversion or exchange of securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of the closing of the transfer books, as the case may be. Notwithstanding the foregoing, the Company shall deliver to each Holder a copy of each notice given to the other shareholders of the Company at the same time and in the same manner that such notice is given to the shareholders.

8.2 Events Requiring Notice. The Company shall be required to give the notice described in this Section 8 upon one or more of the following events: (i) if the Company shall take a record of the holders of its Shares for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of retained earnings,

as indicated by the accounting treatment of such dividend or distribution on the books of the Company, (ii) the Company shall offer to all the holders of its Shares any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor, or (iii) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or share reconstruction or amalgamation) or a sale of all or substantially all of its property, assets and business shall be proposed.

8.3 Notice of Change in Exercise Price. The Company shall, promptly after an event requiring a change in the Exercise Price pursuant to Section 6 hereof, send notice to the Holders of such event and change ("**Price Notice**"). The Price Notice shall describe the event causing the change and the method of calculating same and shall be certified as being true and accurate by the Company's Chief Financial Officer.

8.4 Transmittal of Notices. All notices, requests, consents and other communications under this Purchase Warrant shall be in writing and shall be deemed to have been duly made when hand delivered, or mailed by express mail or private courier service: (i) if to the registered Holder of the Purchase Warrant, to the address of such Holder as shown on the books of the Company, or (ii) if to the Company, to following address or to such other address as the Company may designate by notice to the Holders:

If to the Holder:

Aegis Capital Corp.
810 Seventh Avenue, 11th Floor
New York, New York 10019
Attn: Mr. David Bocchi, Managing Director of Investment Banking
Fax No.: (212)813-1047

McDermott Will & Emery LLP
340 Madison Avenue
New York, New York 10173
Attn: Stephen E. Older, Esq.
Fax No.: (212) 730-5444

If to the Company:

Professional Diversity Network, Inc.
150 North Wacker Drive
Suite 2360
Chicago, Illinois 60606
Attention: James Kirsch
Fax No: [•]

with a copy (which shall not constitute notice) to:

SNR Denton US LLP

Attn: Linda Harris, Esq.
233 South Wacker Drive
Suite 7800
Chicago, Illinois, 90909-6404
(312) 876-7934

9. Miscellaneous.

9.1 Amendments. The Company and Aegis may from time to time supplement or amend this Purchase Warrant without the approval of any of the Holders in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and Aegis may deem necessary or desirable and that the Company and Aegis deem shall not adversely affect the interest of the Holders. All other modifications or amendments shall require the written consent of and be signed by the party against whom enforcement of the modification or amendment is sought.

9.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Purchase Warrant.

9.3. Entire Agreement. This Purchase Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Purchase Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

9.4 Binding Effect. This Purchase Warrant shall inure solely to the benefit of and shall be binding upon, the Holder and the Company and their permitted assignees, respective successors, legal representative and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Purchase Warrant or any provisions herein contained.

9.5 Governing Law; Submission to Jurisdiction; Trial by Jury. This Purchase Warrant shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Purchase Warrant shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company and the Holder agree that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefore. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and the Holder hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

9.6 Waiver, etc. The failure of the Company or the Holder to at any time enforce any of the provisions of this Purchase Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Purchase Warrant or any provision hereof or the

right of the Company or any Holder to thereafter enforce each and every provision of this Purchase Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Purchase Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

9.7 Execution in Counterparts. This Purchase Warrant may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Such counterparts may be delivered by facsimile transmission or other electronic transmission.

9.8 Exchange Agreement. As a condition of the Holder's receipt and acceptance of this Purchase Warrant, Holder agrees that, at any time prior to the complete exercise of this Purchase Warrant by Holder, if the Company and Aegis enter into an agreement ("**Exchange Agreement**") pursuant to which they agree that all outstanding Purchase Warrants will be exchanged for securities or cash or a combination of both, then Holder shall agree to such exchange and become a party to the Exchange Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company has caused this Purchase Warrant to be signed by its duly authorized officer as of the day of , 2013.

PROFESSIONAL DIVERSITY NETWORK, INC.

By:_____
Name: James Kirsch
Title: Chief Executive Officer

[*Form to be used to exercise Purchase Warrant*]

Date: , 20

The undersigned hereby elects irrevocably to exercise the Purchase Warrant for shares of common stock, par value $[•] per share (the "**Shares**"), of Professional Diversity Network, Inc., a Delaware corporation (the "**Company**"), and hereby makes payment of $ (at the rate of $ per Share) in payment of the Exercise Price pursuant thereto. Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been exercised.

or

The undersigned hereby elects irrevocably to convert its right to purchase Shares of the Company under the Purchase Warrant for Shares, as determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where,

X = The number of Shares to be issued to Holder;

Y = The number of Shares for which the Purchase Warrant is being exercised;

A = The fair market value of one Share which is equal to $_____; and

B = The Exercise Price which is equal to $_____ per share

The undersigned agrees and acknowledges that the calculation set forth above is subject to confirmation by the Company and any disagreement with respect to the calculation shall be resolved by the Company in its sole discretion.

Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been converted.

Signature_____

Signature Guaranteed_____

INSTRUCTIONS FOR REGISTRATION OF SECURITIES

Name: _____
(Print in Block Letters)

Address: _____

_____

_____

NOTICE: The signature to this form must correspond with the name as written upon the face of the Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

[*Form to be used to assign Purchase Warrant*]

ASSIGNMENT

(To be executed by the registered Holder to effect a transfer of the within Purchase Warrant):

FOR VALUE RECEIVED, does hereby sell, assign and transfer unto the right to purchase shares of common stock, par value $[•] per share, of Professional Diversity Network, Inc., a Delaware corporation (the "**Company**"), evidenced by the Purchase Warrant and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: , 20

Signature_____

Signature Guaranteed_____

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

EXHIBIT B

Form of Lock-Up Agreement

[•], 2012

Aegis Capital Corp.
810 Seventh Avenue, 11th Floor
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that Aegis Capital Corp. (the "**Representative**") proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Professional Diversity Network, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") of shares of common stock, par value $[.01] per share, of the Company (the "**Shares**").

To induce the Representative to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representative, the undersigned will not, during the period commencing on the date hereof and ending six months after the date of the final prospectus (the "**Prospectus**") relating to the Public Offering (the "**Lock-Up Period**"), (1) offer, pledge, sell, contract to sell, grant, lend, or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**"); (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Lock-Up Securities, in cash or otherwise; (3) make any demand for or exercise any right with respect to the registration of any Lock-Up Securities; or (4) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement relating to any Lock-Up Securities. Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer Lock-Up Securities without the prior written consent of the Representative in connection with (a) transactions relating to Lock-Up Securities acquired in open market transactions after the completion of the Public Offering; provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), shall be required or shall be voluntarily made in connection with subsequent sales of Lock-Up Securities acquired in such open market transactions; (b) transfers of Lock-Up Securities as a *bona fide* gift, by will or intestacy or to a family member or trust for the benefit of a family member (for purposes of this lock-up agreement, "family member" means any relationship by blood, marriage or adoption, not more remote than first cousin); (c) transfers of Lock-Up Securities to a charity or educational institution; or (d) if the undersigned, directly or indirectly, controls a corporation, partnership, limited liability company or other business entity, any transfers of Lock-Up Securities to any shareholder, partner or member of, or owner of similar equity interests in, the undersigned, as the case may be; provided that in the case of any transfer pursuant to the foregoing clauses (b), (c) or (d), (i) any such transfer shall not involve a disposition for value, (ii) each transferee shall sign and deliver to the Representative a lock-up agreement substantially in the form of this lock-up agreement and (iii) no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Lock-Up Securities except in compliance with this lock-up agreement.

The undersigned agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date hereof to and including the 34th day following the expiration of the initial Lock-Up Period, the undersigned will give notice thereof to the Company and will not consummate any such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period (as may have been extended pursuant to the previous paragraph) has expired.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" Shares that the undersigned may purchase in the Public Offering; (ii) the Representative agrees that, at least three (3) business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Lock-Up Securities, the Representative will notify the Company of the impending release or waiver; and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two (2) business days before the effective date of the release or waiver. Any release or waiver granted by the Representative hereunder to any such officer or director shall only be effective two (2) business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer of Lock-Up Securities not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of such transfer.

No provision in this agreement shall be deemed to restrict or prohibit the exercise, exchange or conversion by the undersigned of any securities exercisable or exchangeable for or convertible into Shares, as applicable; provided that the undersigned does not transfer the Shares acquired on such exercise, exchange or conversion during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this lock-up agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any Lock-Up Securities within the Lock-Up Period).

The undersigned understands that the Company and the Representative are relying upon this lock-up agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by [•], 2012, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Shares to be sold thereunder, then this lock-up agreement shall be void and of no further force or effect.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Representative.

Very truly yours,

_____

(Name—Please Print)

(Signature)

(Name of Signatory, in the case of entities—Please Print)

(Title of Signatory, in the case of entities—Please Print)

Address:

EXHIBIT C

Form of Press Release

Professional Diversity Network, Inc.

[Date]

Professional Diversity Network, Inc. (the "Company") announced today that Aegis Capital Corp., acting as representative for the underwriters in the Company's recent public offering of shares of the Company's common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer or sale of the securities in the United States or in any other jurisdiction where such offer or sale is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act of 1933, as amended.

Exhibit 3.1

FORM OF AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
of
PROFESSIONAL DIVERSITY NETWORK, INC.

Professional Diversity Network, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"), hereby certifies that:

FIRST, the name under which the Corporation was originally incorporated is Professional Diversity Network, Inc.;

SECOND, the Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of Delaware on January 31, 2012. The Certificate of Incorporation of the Corporation as heretofore amended is hereby amended and restated pursuant to Sections 228, 242 and 245 of the General Corporation Law. All amendments to the Certificate of Incorporation reflected herein (this "Restated Certificate") have been duly adopted by the Board of Directors and stockholders of the Corporation in accordance with the provisions of such Sections; and

THIRD, the Certificate of Incorporation of the Corporation, shall be amended and restated to read in full as follows:

1. Name. The name of the corporation is "Professional Diversity Network, Inc."

2. Address; Registered Office and Agent. The address of the Corporation's registered office in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

3. Purposes. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

4. Stock.

4.1 Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, common stock ("Common Stock") and Preferred Stock ("Preferred Stock").

4.2 Common Stock. The total number of shares of Common Stock that the Corporation shall have authority to issue is 25,000,000 shares, $0.01 par value per share. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law or any corresponding provision hereinafter enacted.

4.3 Preferred Stock. The total number of shares of Preferred Stock that the Corporation shall have authority to issue is 1,000,000 shares, $0.01 par value per share. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, within the limitations and restrictions stated in this Amended and Restated Certificate of Incorporation, to provide for the issue of all or any of the shares of Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such shares and as may be permitted by the General Corporation Law. The Board of Directors is also authorized to increase or decrease the number of shares of any series of Preferred Stock subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

5. Board of Directors.

5.1 Number of Directors. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Unless and except to the extent that the Amended and Restated By-laws of the Corporation, as such By-laws may be amended from time to time (the "By-laws"), shall so require, the election of the directors of the Corporation need not be by written ballot. The total number of directors constituting the entire Board of Directors shall be not less than one (1) nor more than seven (7), with the then authorized number of directors being fixed from time to time by the Board of Directors. The Board of Directors shall not be divided into classes. Each director shall initially serve until the next meeting of stockholders held after the effective date of this Restated Certificate. Thereafter, each director shall serve for a one (1) year term.

5.1 Vacancies and Newly Created Directorships. Except as otherwise required by law, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote may be filled by a majority of the directors (including, in the case of the resignation of one or more directors, those directors who have so resigned), although less than a quorum, or by a sole remaining director. A person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

5.2 Removal of Directors. Any director, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66.67% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

6. Limitation of Liability. To the fullest extent permitted under the General Corporation Law, as amended from time to time, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the General Corporation Law or (d) for any transaction from which the director derived any improper personal benefits. If the General Corporation Law is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended. Any amendment, repeal or modification of the foregoing provision shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

7. Indemnification.

7.1 Indemnification of Directors and Officers in Third Party Proceedings. Subject to the other provisions of this Article VII, the Corporation shall indemnify, to the fullest extent permitted by the General Corporation Law, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or

while a director of the Corporation or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

7.2 Indemnification of Directors and Officers in Actions by or in the Right of the Corporation. Subject to the other provisions of this Article VII, the Corporation shall indemnify, to the fullest extent permitted by the General Corporation Law, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

7.3 Successful Defense. To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 7.1 or Section 7.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

7.4 Indemnification of Others. Subject to the other provisions of this Article VII, the Corporation shall have power to indemnify its employees and its agents to the extent not prohibited by the General Corporation Law or other applicable law. The Board of Directors shall have the power to delegate the determination of whether employees or agents shall be indemnified to such person or persons as the Board of Directors determines.

7.5 Advanced Payment of Expenses. Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation, and expenses (including attorneys' fees) incurred by the Corporation's employees and agents in defending any Proceeding may be paid by the Corporation, in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VII or the General Corporation Law. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems reasonably appropriate and shall be subject to the Corporation's expense guidelines. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 7.6(a), 7.6(b) or 7.6(c) prior to a determination that the person is not entitled to be indemnified by the Corporation.

7.6 Limitation on Indemnification. Subject to the requirements in Section 7.3 and the General Corporation Law, the Corporation shall not be obligated to indemnify any person pursuant to this Article VII in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Corporation, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by such person (and not by way of defense), unless (i) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (iii) otherwise required to be made under Section 7.7 or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law; *provided, however*, that if any provision or provisions of this Article VII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article VII (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article VII (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

7.7 Determination; Claim. If a claim for indemnification or advancement of expenses under this Article VII is not paid in full within 90 days after receipt by the Corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Corporation shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the Corporation under this Article VII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

7.8 Non-Exclusivity of Rights. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the General Corporation Law or other applicable law.

7.9 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the General Corporation Law.

7.10 Survival. The rights to indemnification and advancement of expenses conferred by this Article VII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

7.11 Effect of Repeal or Modification. Any amendment, alteration or repeal of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

7.12 Certain Definitions. For purposes of this Article VII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

8. Adoption, Amendment and/or Repeal of By-Laws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter and repeal the By-laws, subject to the power of the stockholders of the Corporation to alter or repeal any By-laws whether adopted by them or otherwise. Notwithstanding any other provisions of this Restated Certificate or the By-laws (and notwithstanding the fact that a lesser percentage may be permitted by applicable law, this Restated Certificate or the By-laws), the affirmative vote of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote shall be required to adopt new By-laws or to alter, amend or repeal the By-laws.

9. Certificate Amendments. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Restated Certificate. In addition, other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law. All rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Restated Certificate in its present form or as hereafter amended are granted and held subject to the rights the Corporation has reserved in this Section 9. Notwithstanding any other provisions of this Restated Certificate or the By-laws (and notwithstanding the fact that a lesser percentage may be permitted by applicable law, this Restated Certificate or the By-laws), the affirmative vote of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote shall be required to amend or repeal, or adopt any provisions inconsistent with Sections 5, 8, or 9 of this Restated Certificate.

WITNESS the signature of this Amended and Restated Certificate of Incorporation this __ day of _____, 2013.

PROFESSIONAL DIVERSITY NETWORK, INC.

By: _____
Name: _____
Title: _____

Exhibit 3.2

AMENDED AND RESTATED BYLAWS OF

PROFESSIONAL DIVERSITY NETWORK, INC.

(as amended and restated on _____, 2013, and effective as of the closing of the Corporation's initial public offering)

ARTICLE I — CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of Professional Diversity Network, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation. References in these bylaws to the certificate of incorporation shall mean the certificate of incorporation of the Corporation, as amended from time to time.

1.2 OTHER OFFICES

The Corporation's board of directors may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II — MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the Corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business may be transacted.

2.3 SPECIAL MEETING

(i) A special meeting of the stockholders, other than those required by statute, may be called at any time only by (A) the board of directors acting pursuant to a resolution adopted by a majority of the Whole Board, (B) the chairperson of the board of directors, (C) the chief executive officer, (D) the president (in the absence of a chief executive officer), or (E) one or more stockholders representing 25% or more of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote. A special meeting of the stockholders may not be called by any other person or persons. For purposes of these bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The board of directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders (unless such previously scheduled special meeting is called pursuant to Section 2.3(i)(E)).

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors, the chairperson of the board of directors, the chief executive officer, the president (in the absence of a chief executive officer), or the stockholder(s) who called such special meeting. Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(i) *Advance Notice of Stockholder Business*. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the Corporation's proxy materials with respect to such meeting, (B) by or at the direction of the Whole Board, or (C) by a stockholder of the Corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. Except for proposals properly made in accordance with Rule 14a-8 under the Securities and Exchange Act of 1934, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations) (the "1934 Act"), and included in the notice of meeting given by or at the direction of the board of directors, for the avoidance of doubt, clause (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the Corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive office of the Corporation not later than the 90th day nor earlier than the 120th day before the one-year anniversary of the date on which the Corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (1) the 90th day prior to such annual meeting, or (2) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described in this Section 2.4(i)(a). "Public Announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act. In no event shall the Public Disclosure of an adjournment or postponement of an annual or special meeting commence a new time period (or extend any time period) for the giving of any stockholder notice.

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (2) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below), (3) the number of shares of the Corporation that are held of record or are beneficially

owned by the stockholder and any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder and any Stockholder Associated Person, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation, (5) any material interest of the stockholder or any Stockholder Associated Person in such business, and (6) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal (such information provided and statements made as required by clauses (1) through (6), a "Business Solicitation Statement"). In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented not later than ten days following the record date for notice of the meeting to disclose the information contained in clauses (3) and (4) above as of the record date for notice of the meeting. For purposes of this Section 2.4, a "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

(c) Without exception, no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election or re-election to the board of directors of the Corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the Corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii) and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in this Section 2.4(ii). In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the Corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the Corporation at the principal executive offices of the Corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above.

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "nominee") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the number of shares of the Corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of the nominee with respect to any securities of the Corporation, (E) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, (F) a written statement executed by the nominee acknowledging that as a director of the Corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the Corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election or re-election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected or re-elected, as the case may be); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (5) of Section 2.4(i)(b) above, and the supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of a number of the Corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect or re-elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a "Nominee Solicitation Statement").

(c) At the request of the board of directors, any person nominated by a stockholder for election or re-election as a director must furnish to the secretary of the Corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director or audit committee financial expert of the Corporation under applicable law, securities exchange rule or regulation, or any publicly-disclosed corporate governance guideline or committee charter of the Corporation and (3) such information that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception, no person shall be eligible for election or re-election as a director of the Corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the

annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii*) Other Requirements and Rights.* In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4. Nothing in this Section 2.4 shall be deemed to affect any rights of:

(a) a stockholder to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act; or

(b) the Corporation to omit a proposal from the Corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the aggregate voting power of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If a quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, the chief executive officer (in the absence of the chairperson) or the president (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the Corporation, shall serve as chairperson of the stockholder meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 and Section 218 of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise required by law, the certificate of incorporation or these bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

2.11 RECORD DATES

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A written proxy may be in the form of a telegram, cablegram, or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram, or other means of electronic transmission was authorized by the person.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however,* if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date. The stockholder list shall be arranged in alphabetical order and show the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal place of business. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE III — DIRECTORS

3.1 POWERS

The business and affairs of the Corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be determined from time to time solely by resolution of the board of directors in accordance with the provisions of the certificate of incorporation, as amended from time to time. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires. The board of directors shall not be divided into classes.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors. In accordance with the provisions of the certificate of incorporation, the directors of the Corporation shall serve for one (1) year terms; the initial directors shall serve until the next meeting of stockholders held after the effective date of these bylaws.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation; *provided, however*, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the director. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Acceptance of such resignation shall not be necessary to make it effective. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Except as otherwise required by law, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election and until his or her successor shall have been duly elected and qualified.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the president, the secretary or a majority of the authorized number of directors, at such times and places as he or she or they shall designate.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM; VOTING

At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

A director may be removed from office by the stockholders of the Corporation only for cause by the affirmative vote of at least 66.67% of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

ARTICLE IV — COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law and provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required. The board of directors may remove any director form any committee at any time, with or without cause.

4.2 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings; meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings; notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 3.9 (action by written consent without a meeting); and

(vi) Section 7.5 (waiver of notice)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. *However*:

(i) the time of regular meetings of committees may be determined by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the committee; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

4.3 SUBCOMMITTEES

Unless otherwise provided under applicable law, or in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V — OFFICERS

5.1 OFFICERS

The officers of the Corporation shall be a chief executive officer, a chief financial officer and a secretary. The Corporation may also have, at the discretion of the board of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a president, a treasurer, one or more vice presidents, a chief technology officer, a chief revenue officer, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in this Article V for the regular election to such office.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the board of directors at any regular or special meeting of the board of directors or, except in the case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written or electronic notice to the Corporation; *provided, however*, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the officer. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Corporation shall be filled by the board of directors or as provided in Sections 5.2 and 5.3.

5.6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The chairperson of the board of directors, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer, the secretary or assistant secretary of this Corporation, or any other person authorized by the board of directors, the chief executive officer, the president or a vice president, is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

5.8 THE CHAIRPERSON OF THE BOARD

The chairperson of the board shall have the powers and duties customarily and usually associated with the office of the chairperson of the board. The chairperson of the board shall preside at meetings of the stockholders and of the board of directors.

5.9 THE CHIEF EXECUTIVE OFFICER

The chief executive officer shall have, subject to the supervision, direction and control of the board of directors, ultimate authority for decisions relating to the supervision, direction and management of the affairs and the business of the Corporation customarily and usually associated with the position of chief executive officer, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the Corporation. If at any time the office of the chairperson and vice chairperson of the board shall not be filled, or in the event of the temporary absence or disability of the chairperson of the board and the vice chairperson of the board, the chief executive officer shall perform the duties and exercise the powers of the chairperson of the board unless otherwise determined by the board of directors.

5.10 THE PRESIDENT

The president shall have, subject to the supervision, direction and control of the board of directors, the general powers and duties of supervision, direction and management of the affairs and business of the Corporation customarily and usually associated with the position of president. The president shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board or the chief executive officer. In the event of the absence or disability of the chief executive officer, the president shall perform the duties and exercise the powers of the chief executive officer unless otherwise determined by the board of directors.

5.11 THE VICE PRESIDENTS AND ASSISTANT VICE PRESIDENTS

Each vice president and assistant vice president shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer or the president.

5.12 THE SECRETARY AND ASSISTANT SECRETARIES

(i) The secretary shall attend meetings of the board of directors and meetings of the stockholders and record all votes and minutes of all such proceedings in a book or books kept for such purpose. The secretary shall have all such further powers and duties as are customarily and usually associated with the position of secretary or as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer or the president.

(ii) Each assistant secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer, the president or the secretary. In the event of the absence, inability or refusal to act of the secretary, the assistant secretary (or if there shall be more than one, the assistant secretaries in the order determined by the board of directors) shall perform the duties and exercise the powers of the secretary.

5.13 THE CHIEF FINANCIAL OFFICER, THE TREASURER AND ASSISTANT TREASURERS

(i) The chief financial officer shall be responsible for maintaining the Corporation's accounting records and statements, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The chief financial officer shall also maintain adequate records of all assets, liabilities and transactions of the Corporation and shall assure that adequate audits thereof are currently and regularly made. The chief financial officer shall have all such further powers and perform all such further duties as are customarily and usually associated with the position of chief financial officer, or as may from time to time be assigned to him or her by the board of directors, the chairperson, the chief executive officer or the president. Unless a treasurer has been appointed separately in accordance with these bylaws, the chief financial officer shall also perform the duties of treasurer prescribed in paragraph (ii) below.

(ii) The treasurer shall have custody of the Corporation's funds and securities, shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by any duly authorized officer of the Corporation, and shall have such further powers and perform such further duties as may from time to time be assigned to him or her by the board of directors, the chief executive officer, or the president.

(iii) Each assistant treasurer shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chief executive officer, the president, the chief financial officer or the treasurer.

5.14 THE CHIEF TECHNOLOGY OFFICER

The chief technology officer shall be responsible for overall management of the Corporation's technical services. The chief technology officer shall have all such further powers and perform all such further duties as are customarily and usually associated with the position of chief technology officer, or as may from time to time be assigned to him or her by the board of directors, the chairperson, the chief executive officer or the president.

5.15 THE CHIEF REVENUE OFFICER

The chief revenue officer shall be responsible for overall management of the Corporation's revenue generation. The chief revenue officer shall have all such further powers and perform all such further duties as are customarily and usually associated with the position of chief revenue officer, or as may from time to time be assigned to him or her by the board of directors, the chairperson, the chief executive officer or the president.

ARTICLE VI — STOCK

6.1 STOCK CERTIFICATES

The shares of the Corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by the chairperson of the board of directors or vice-chairperson of the board of directors, or the president or a vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation shall not have power to issue a certificate in bearer form.

6.2 LOST, STOLEN OR DESTROYED CERTIFICATES

Except as provided in this Section 6.2, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.3 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation.

The board of directors may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

6.4 TRANSFER OF STOCK

Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer; *provided, however,* that such succession, assignment or authority to transfer is not prohibited by the certificate of incorporation, these bylaws, applicable law or contract.

6.5 STOCK TRANSFER AGREEMENTS

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of the Corporation to restrict the transfer of shares of stock of the Corporation owned by such stockholders in any manner not prohibited by the DGCL.

6.6 REGISTERED STOCKHOLDERS

The Corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Corporation's records. An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within 60 days of having been given written notice by the Corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 WAIVER OF NOTICE

Whenever notice is required to be given to stockholders, directors or other persons under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders or the board of directors, as the case may be, need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII — INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or while a director of the Corporation or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the Corporation shall have power to indemnify its employees and its agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate the determination of whether employees or agents shall be indemnified to such person or persons as the board of determines.

8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation, and expenses (including attorneys' fees) incurred by the Corporation's employees and agents in defending any Proceeding may be paid by the Corporation, in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems reasonably appropriate and shall be subject to the Corporation's expense guidelines. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 8.6(ii), 8.6(iii) or 8.6(v) prior to a determination that the person is not entitled to be indemnified by the Corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the Corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the Corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person (and not by way of defense), unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law; *provided, however*, that if any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article VIII (including, without limitation, each portion of any paragraph or clause containing any such provision held to be invalid,

illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of any paragraph or clause containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Corporation shall indemnify such person against any and all expenses that are incurred by such person in connection with any action for indemnification or advancement of expenses from the Corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

Any amendment, alteration or repeal of this Article VIII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

ARTICLE IX — GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

9.3 SEAL

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both an entity and a natural person.

ARTICLE X — AMENDMENTS

These bylaws may be adopted, amended or repealed by the affirmative vote of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote. The board of directors shall also have the power to adopt, amend or repeal bylaws.

Exhibit 4.1


PROOF
PROOF
NUMBER
CS
SHARES
Professional Diversity Network
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE FOR CERTAIN DEFINITIONS
COMMON STOCK
CUSIP 74312Y 10 3
THIS CERTIFIES THAT:
Professional Diversity Network
IS THE OWNER OF
PROOF
FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $0.01 PAR VALUE EACH OF
PROFESSIONAL DIVERSITY NETWORK, INC.
transferable on the books of the Corporation in person or by attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
DATED:
COUNTERSIGNED:
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
JERSEY CITY, NJ
TRANSFER AGENT
BY:
AUTHORIZED OFFICER
PROFESSIONAL DIVERSITY NETWORK INC
CORPORATE SEAL 2012 DELAWARE
Signature Required
SECRETARY
Signature Required
PRESIDENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	*UNIF GIFT MIN ACT - .....Custodian.....*
TEN ENT - as tenants by the entireties	*(Cust) (Minor)*
JT TEN - as joint tenants with right of survivorship and not as tenants in common	*under Uniform Gifts to Minors Act..... (State)*

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ Shares of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

*Dated*_____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

THE SIGNATURE TO THE ASSIGNMENT MUST CORRESPOND TO THE NAME AS WRITTEN UPON THE FACE OF THIS CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF A NATIONAL OR REGIONAL OR OTHER RECOGNIZED STOCK EXCHANGE IN CONFORMANCE WITH A SIGNATURE GUARANTEE MEDALLION PROGRAM.

Exhibit 5.1

February 27, 2013

Professional Diversity Network, Inc.
801 W. Adams St., Suite 600
Chicago, IL 60607

Re: Professional Diversity Network, Inc.
Registration Statement on Form S-1 (File No. 333-181594)

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-1, File No. 333-181594, as amended (the " Registration Statement"), of Professional Diversity Network, LLC, an Illinois limited liability company that will, prior to the consummation of the offering described below, be converted into Professional Diversity Network, Inc., a Delaware corporation (the "Company"), filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offering by the Company of up to 2,148,000 shares of the Company's common stock (the "Common Stock"), par value $0.01 per share (the "Company Shares").

We have examined the originals, or photostatic or certified copies, of such records of the Company and certificates of officers of the Company and of public officials and such other documents as we have deemed relevant and necessary as the basis for the opinions set forth below. In our examination, we have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, and in reliance on statements of fact contained in the documents that we have examined, we are of the opinion that when the reorganization of the Company is complete, then the Company Shares, when issued against payment therefor, will be duly authorized, legally issued, fully paid and non-assessable.

This opinion is limited to the effect of the current state of the Delaware General Corporation Law and the facts as they currently exist. We assume no obligation to revise or supplement this opinion in the event of future changes in such laws or the interpretation thereof or such facts.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission.

Very truly yours,

/s/ SNR DENTON LLP

Exhibit 10.7

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is dated as of March [ ], 2013, and effective as of the Merger Date (defined below) (the "Effective Date"), by and between PROFESSIONAL DIVERSITY NETWORK, INC., a Delaware corporation (the "Company"), and JAMES R. KIRSCH ("Executive").

RECITALS:

A. Executive is a founding member, manager, employee and the Chief Executive Officer of Professional Diversity Network, LLC, an Illinois limited liability company (the "LLC"), which is the predecessor of the Company and is engaged in the business of developing and operating online networks dedicated to serving diverse professionals in the United States and designing, developing and hosting online job boards for clients (the "Business").

B. The LLC plans to engage in an initial public offering (the "IPO"), and the LLC and its members have entered into a certain Contribution Agreement and Plan of Reorganization and Merger pursuant to which the members of the LLC shall contribute all of the outstanding membership interests of the LLC to the Company, following which the LLC shall merge with and into the Company and the assets of the LLC shall be the assets of the Company (the "Merger," the date of the consummation of the Merger, the "Merger Date");

C. After the Merger, the Company desires to retain the services of Executive and Executive desires to be retained by the Company, all on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants, representations and warranties contained herein, the parties hereto agree as follows:

1. Employment. The Company hereby employs Executive, and Executive hereby accepts such employment and agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

2. Employment Period. Subject to the provisions of Section 7 below, the initial term of Executive's employment pursuant to this Agreement shall commence on the Effective Date and continue until the one (1) year anniversary of the Effective Date (the "Initial Employment Period"). Thereafter, unless the Employment Period has been previously terminated, Executive shall continue his employment with the Company hereunder on an "at-will" basis, subject to termination by the Company at any time for any reason whatsoever, with or without cause, in accordance with Section 7 below. The Initial Employment Period and any period of continuing employment of Executive by the Company thereafter is referred to herein as the "Employment Period."

3. Duties and Responsibilities. Executive shall serve as Chief Executive Officer of the Company and shall have such normal and customary duties and responsibilities commensurate with his position, subject to the general supervision of the Company's Board of Directors (the "Board"). Executive shall devote his best efforts and all of his business time and attention to the business and affairs of the Company and shall diligently, faithfully and competently perform his duties and responsibilities hereunder; provided however that the foregoing shall not preclude Executive from engaging in charitable and community affairs and managing his personal investments to the extent they do not unreasonably interfere with his duties and obligations hereunder.

4. Compensation and Related Matters.

(a) Base Salary. The Company will pay Executive an annual base salary ("Base Salary") of Two Hundred Thousand Dollars ($200,000), payable in substantially equal monthly or more frequent installments in accordance with the Company's normal and customary payroll practices. The Board may review and further adjust Executive's Base Salary from time to time in its sole and absolute discretion, provided that during the Employment Period the Company may not decrease Executive's Base Salary below the amount set forth in this section. Any such increased Base Salary shall be and become the "Base Salary" for purposes of this Agreement.

(b) Expense Reimbursement. The Company shall reimburse Executive for all reasonable business expenses properly incurred by Executive in the ordinary course of performing his duties and responsibilities hereunder, subject to the Company's normal and customary practices and policies as are in effect from time to time with respect to travel, entertainment and other business expenses (including the Company's reasonable requirements with respect to prior approval, reporting and documentation of such expenses).

(c) Benefits. The Company will provide or offer for Executive's participation such benefits (other than life insurance, bonus, incentive compensation, pension, profit sharing, equity participation and severance benefits) as are generally provided or offered by the Company to its other senior executive employees, including, without limitation, health/major medical insurance, life insurance, disability insurance and welfare benefits, sick days and other fringe benefits (collectively, "Benefits"), if and to the extent that Executive is eligible to participate in accordance with the terms of the applicable Benefit plan or program generally and subject to any required contributions.

(d) Bonus. Executive shall be eligible for an annual bonus based upon the financial results achieved by the Company for the fiscal year. The amount of such bonus, if any, and the manner in which it is paid shall be determined in the sole and absolute discretion of the Board (or the Compensation Committee).

(e) Withholding. All salary, bonus and other compensation described in this Agreement shall be subject to withholding for federal, state or local taxes, amounts withheld under applicable benefit policies or programs, and any other amounts that may be required to be withheld by law, judicial order or otherwise.

(f) Right of Setoff; Recoupment. The Company shall have the right to offset any amounts due from Executive to the Company against any amounts owed by the Company to Executive under this Agreement. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and the Grantee shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

5. Executive Work Product and Inventions.

(a) Transfer of Ownership of Inventions. Executive agrees that Inventions (as defined below) shall be deemed "work made for hire" and shall be the property of the Company. Executive shall promptly disclose to the Company all such Inventions and hereby irrevocably assigns to Company all such Inventions and all such worldwide right, title and interest therein. Executive hereby waives and agrees not to assert any moral rights or similar rights under the laws of any jurisdiction with respect to any Inventions. Executive further agrees to execute or cause to be executed any and all

assignment documents or other documents that may be necessary to perfect the ownership rights of the Company in such Inventions or to secure the Company's statutory protection (including, without limitation, patent, trademark, trade secret or copyright protection) throughout the world for any and all such Inventions. For purposes hereof, "Invention" means all work product, including, without limitation, any and all creative works, discoveries, ideas, inventions, designs, devices, models, prototypes, processes, works, know-how, documentation, files, information, manuals, materials, input materials and output materials, software programs or packages (together with any related documentation, source code or codes, object codes, upgrades, revisions, modifications and any related materials) and other information and materials, and the media upon which they are located (including cards, tapes, discs and other storage facilities), which are conceived, created, developed, reduced to practice, fixed in a tangible medium of expression or otherwise made by Executive solely or jointly with others in connection with or arising from Executive's employment hereunder (whether or not during regular business hours).

(b) Illinois Employee Patent Act. Executive acknowledges and understands, the foregoing to the contrary notwithstanding, that this section does not waive or transfer Executive's rights to any Inventions for which no equipment, supplies, facility or trade secret or Confidential Information (as defined herein) of the Company was used and which was developed entirely on Executive's own time, unless the Invention relates to the business of the Company or to the Company's research or development or the results of any work that Executive performed for the Company during the term of Executive's employment relationship with the Company (or its predecessor). Executive further acknowledges and understands that the assignment of ownership rights in Inventions pursuant to this section are intended to comply with the requirements of the Illinois Employee Patent Act 765 (ILCS 1060/1 et seq.), and that the above-stated conditions should be interpreted in a manner consistent therewith.

6. Non-Solicitation, Non-Competition and Confidentiality. Executive acknowledges that he has been and will continue to be employed by the Company directly or indirectly in one or more aspects of the research, development, engineering, manufacturing, design, promotion and/or sale relating to the Company's existing or proposed products and services. Executive further acknowledges that he will be exposed to certain confidential and proprietary information of the Company and its Affiliates (as defined herein) during the course of his employment with the Company. Executive's involvement or participation in a business which is competitive with the Company or any of its Affiliates, disruption of the Company's or any of its Affiliates' business relationships, or misappropriation or unauthorized use of the Company's or any of its Affiliates' confidential and proprietary information would have a material adverse impact on the Company and its Affiliates and their business operations. Accordingly, as a condition to the Company's employment of Executive hereunder, Executive hereby agrees as follows:

(a) Certain Definitions. For purposes hereof:

"Affiliate" means, with respect to the Company, (i) the Company's present and former parent companies, subsidiaries, successors, affiliated and related companies, and (ii) a person or entity, directly or indirectly through one or more intermediaries, that is in control of, or controlled by, or under common control with, the Company;

"Competitive Business" means any person or entity engaged in a business similar to or competitive with the Business as it is or was conducted by the Company wherever the Company does business during the Employment Term at any time during the Restricted Period (including such business as the Company may develop from time to time);

"Current Customer" means any individual or entity which is or was a client of the Company (or its predecessor) or any Affiliate during the twenty-four (24) months preceding the date of the termination of Executive's employment;

"Prospective Customer" means any individual or entity with which Executive has solicited, identified or had contact on behalf of the Company or any Affiliate during the twenty-four (24) months preceding the date of the termination of Executive's employment; and

"Restricted Period" means the period of Executive's employment with the Company or any Affiliate and two (2) years thereafter.

(b) Non-Interference with Business Relationships. Executive hereby agrees that during the Restricted Period, Executive will not directly or indirectly, either individually or as a principal, shareholder, member, partner, joint venturer, investor, employer, director, manager, officer, employee, consultant, agent, or in any other manner or capacity whatsoever:

(i) solicit, induce, advise, request, influence, or take any other action with regard to any sales representative, supplier, customer, lessor, or any other person or entity that has a business relationship with the Company or any Affiliate (or has or had a business relationship with the Company's or any Affiliate's predecessors) which is intended to or has the effect of causing such person or entity to discontinue, reduce the extent of, discourage the development of or otherwise adversely affect such relationship with the Company or any of the Affiliates;

(ii) canvass, solicit, promote or sell any products or services that compete with any of the products or services of the Company or any of the Affiliates to any then Current Customer or Prospective Customer of the Company or any of the Affiliates; or

(iii) (A) recruit, solicit, or otherwise induce or influence any employee, consultant, sales representative, agent, or other personnel of the Company or any of the Affiliates to discontinue or otherwise terminate such relationship with the Company or any of the Affiliates or (B) retain, engage, employ, seek to retain, engage, or employ, or cause any Competitive Business (as defined herein) to retain, engage, employ, or seek to retain, engage, or employ as an employee, consultant, sales representative, or agent, any person who is then (or was at any time within twelve (12) months prior to the date Executive or the Competitive Business retains, engages, or employs or seeks to retain, engage, or employ such person) an employee, consultant, sales representative, agent, or other personnel of the Company or any of the Affiliates (or their predecessors).

(c) Non-Competition. Executive hereby agrees that during the Restricted Period, Executive will not directly or indirectly, either individually or as a principal, shareholder, member, partner, joint venturer, investor, employer, director, manager, officer, employee, consultant, agent, or in any other manner or capacity whatsoever, engage in, assist, directly or indirectly, or have any active or economic interest in a Competitive Business located anywhere in the United States; provided, however, that Executive shall not be prohibited from owning less than one percent (1%) of the outstanding securities of a company which is publicly traded on a securities exchange or over-the-counter market.

(d) No Disclosure of Confidential Information. Executive hereby agrees that he will not, directly or indirectly, disclose to anyone, or use or otherwise exploit for his own benefit or for the benefit of anyone other than the Company, any Confidential Information (as defined herein) of the Company or any Affiliate. For purposes hereof, "Confidential Information" means any and all confidential or proprietary information regarding the Company or its Business or any Affiliate or its business, including, without limitation, any and all trade secrets, employer records (including personnel records), customer lists, prospect lists, price lists, customer order or purchasing patterns and activities, product costing information, stocking requirements, purchase orders, invoices, customer records, product information and applications, customer uses and preferences, passwords, access codes, products, patents,

trademarks, copyrights, processes, techniques, formulas, designs, scientific information, training information and materials, computer programs, computer network and security information, databases, software, services, research, development, inventions, and information regarding manufacturing, financials, purchasing, accounting, marketing, production, customers, suppliers, lessors, employees, and prospective customers, suppliers, lessors, and employees, and other information, whenever conceived, originated, discovered or developed, concerning any aspect of the Company or its Business or any Affiliate or its business, whether or not in written or tangible form; provided, however, that (i) the term "Confidential Information" shall not include information which is or becomes generally available to the public on a non-confidential basis, including from a third party provided that such third party is not in breach of an obligation of confidentiality with respect to such information and Executive is aware of such breach; and (ii) Executive shall not be in violation of this subsection in the event that Executive is legally compelled to disclose any of the Confidential Information, provided that in any such event Executive will provide the Company with reasonably prompt written notice prior to any such disclosure so that the Company (or an Affiliate) may obtain a protective order or other confidential treatment for the Confidential Information, and in the event that a protective order or other remedy is not obtained by the Company, Executive will furnish only that portion of the Confidential Information which Executive is advised by opinion of legal counsel is legally required to be furnished.

(e) Remedies. Executive understands that the Company will not have an adequate remedy at law for the breach or threatened breach by Executive of any one or more of the covenants set forth in this Section 6 and agrees that in the event of any such breach or threatened breach, the Company shall be entitled, in addition to any other remedies which may be available to it, to injunctive relief (without bond) to enjoin Executive from the breach or threatened breach of such covenants. Further, if Executive violates any of the restrictions contained in this Section 6, the Restricted Period shall be extended by a period equal to the length of time from the commencement of any such violation until such time as such violation shall be cured by Executive to the satisfaction of the Company. If any of the covenants set forth herein is not enforceable, in whole or in part, the remaining covenants set forth herein shall be enforceable notwithstanding the invalidity of any other covenant. Any covenant not enforceable in part shall be enforced to the extent valid and enforceable. If, in any judicial proceeding, a court of competent jurisdiction shall refuse to enforce any of the separate covenants herein or shall find that the term or scope of one or more of the separate covenants is unreasonably broad, then in that event the invalid or unreasonably broad provision shall be deleted or modified by said court to the minimum extent necessary to permit enforcement thereof, and the substitute provision shall be incorporated herein. The parties acknowledge and agree that the Affiliates shall be third-party beneficiaries of the Company's rights and Executive's obligations under this Section 6.

(f) Notice to Future Employers. Executive agrees that during the Restricted Period, Executive will notify the Company in writing of any subsequent occupation whether as owner, employee, officer, director, agent, consultant, independent contractor, or the like, and his duties and responsibilities in that position. Further, Executive agrees that during said period, he will inform each new employer, prior to accepting employment, of the existence of this Agreement and the terms of the restrictive covenants and confidentiality restrictions contained herein. Executive acknowledges that during said period the Company shall have the right to contact, independently, any potential or actual future employer of Executive to notify it of Executive's obligations under this Agreement and provide such employer with a copy of this Agreement. The Company shall also be entitled, at its election, to notify any such actual or potential employer of the Company's understanding of the requirements of this Agreement and what steps, if any, the Company intends to take to ensure compliance with or enforcement of this Agreement. Failure of the Company to avail itself of the benefits of this subsection shall not in any way affect its right to obtain enforcement of any provision of this Agreement.

7. Termination.

(a) Termination by the Company for Cause. The Company shall have the right to terminate Executive's employment hereunder for Cause, effective immediately without further notice. Notwithstanding anything to the contrary contained herein, if Executive's employment is terminated other than pursuant to this Section 7(a), after which the Company determines that Executive's acts or omissions would have constituted grounds to terminate Executive for Cause, then Executive shall be deemed to have been terminated for Cause pursuant to this Section 7(a). In the event of such termination, then the Company shall pay to Executive his then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(a). For purposes hereof, "Cause" means the occurrence of any one of the following on the part of Executive: (i) conviction of or a plea of *nolo contendre* to a felony, act of moral turpitude or other behavior which affects or reflects on the Company or any Affiliate in a negative manner; (ii) attempted or actual theft, fraud or embezzlement of money or tangible or intangible assets or property of the Company or any Affiliate or their employees or business relations; (iii) gross negligence or willful misconduct in respect of Executive's performance of his duties and responsibilities to the Company or any Affiliate; (iv) breach of Executive's fiduciary duties to the Company or any Affiliate; (v) violation of any express direction from the Board or other person to whom Executive reports, relating to Executive's duties and responsibilities commensurate with his position, which such violation (if susceptible to cure) continues or is repeated following fifteen (15) days' written notice from the Company to Executive thereof; (vi) breach of Section 6; or (vii) breach of any other material term, covenant, representation or warranty contained in this Agreement, which such breach (if susceptible to cure) remains uncured or is repeated following fifteen (15) days' written notice from the Company to Executive thereof.

(b) Termination as a Result of Executive's Disability or Death. The Company shall have the right to terminate Executive's employment hereunder in the event of Executive's Disability or death, effective immediately. In the event of such termination, then the Company shall pay to Executive (or his legal representative) Executive's then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(b). For purposes hereof, "Disability" means the inability of Executive to substantially perform his duties and responsibilities to the Company by reason of a physical or mental disability or infirmity (i) for a continuous period of ninety (90) days or for at least 180 days in any consecutive twelve (12) month period or (ii) at such earlier time as Executive submits or the Company receives satisfactory medical evidence that Executive has a physical or mental disability or infirmity which will likely prevent him from returning to the performance of his work duties for ninety (90) days or longer. In the event of any dispute regarding the determination of Executive's Disability, such determination shall be made by a physician selected by the Company and reasonably acceptable to Executive, at the Company's sole expense; provided, however, that Executive's Disability shall be conclusively presumed if such determination is made by an insurer providing disability insurance coverage to Executive or the Company in respect of Executive.

(c) Termination by the Company Without Cause. The Company may terminate Executive's employment hereunder at will, for any reason (or for no reason) whatsoever, effective immediately upon notice from the Company to Executive thereof. In the event of such termination by the Company (i.e., other than by reason of death, Disability or for Cause), then the Company shall pay to Executive his then current Base Salary and Benefits accrued, Severance Pay (as defined in and subject to Section 7(f) below) and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination.

(d) Voluntary Termination by Executive. Executive may voluntarily terminate his employment hereunder at any time upon not less than ninety (90) days' prior written notice to the Company; provided, however, that any time during said 90-day period, the Company may request Executive to vacate his office and cease to perform employment services for or on behalf of the Company except those assigned by the Board which are to be conducted from Executive's home. If Executive so terminates his employment, then the Company shall pay to Executive his then current Base Salary, Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(d).

(e) Removal From Positions. Any termination of Executive's employment with the Company shall automatically effectuate Executive's removal from any and all officer and other positions that Executive then holds with the Company or any of its Affiliates as of the effective termination date.

(f) Severance Pay. If the Company terminates Executive's employment pursuant to Section 7(c) above, subject to the terms and conditions in this Agreement and the Release Agreement (as defined below), and provided that Executive executes (and does not revoke, if applicable) a release and waiver agreement by which Executive releases the Company and its Affiliates from claims relating to or arising from Executive's employment with or separation from the Company and its Affiliates (the "Release Agreement") in form and substance and at a time acceptable to the Company, and further provided that Executive has been and remains in compliance with his obligations as set forth in this Agreement and the Release Agreement, the Company shall:

(i) pay Executive an amount (the "Severance Pay") equal to his monthly salary at his then-current rate (excluding any benefits or other amounts) for six (6) months, payable in equal installments in accordance with the Company's payroll policy, over a six (6)-month period following the effective date of Executive's termination (the "Severance Period");

(ii) provided Executive timely elects continued coverage for himself and his spouse and dependents who are then covered under the Company's group health plan under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), pay the employer portion of the costs of continued health coverage for Executive, such spouse and dependents at their then-current level under the Company's health plan (Executive to pay the employee's portion at regular employee rates) during the Severance Period, after which time, the continued participation (if any) of Executive and Executive's spouse and dependents in the Company's health plan shall be at such participants' sole expense in accordance with COBRA.

In the event of Executive's death during but prior to the end of the Severance Period, the Company will pay any unpaid amounts under Section 7(f)(i) above to Executive's estate in accordance with the provisions of this Agreement and the Release Agreement and will continue to pay the employer portion of the costs of continued health coverage for Executive's spouse and dependents in accordance with the terms of Section 7(f)(ii) as if Executive had remained alive for the duration of the Severance Period, after which time, such participants' continued participation (if any) in the Company's health plan shall be at such participants' sole expense in accordance with COBRA. Notwithstanding the foregoing, Executive agrees that if the Company adopts a severance plan in which Executive is eligible to participate and under which Executive is eligible for benefits (the "Severance Plan"), Executive will be eligible to receive the greater of either: (i) the Severance Pay set forth in this Section 7(f); or (ii) the benefits for which Executive is eligible under the Severance Plan, but in no event shall Executive be entitled to receive both.

(g) Return of Property. Immediately upon the Company's request or on the termination date of Executive's employment, whichever occurs first, Executive shall return to the Company all Confidential Information and any other property of the Company, its Affiliates, or any third parties which is in Executive's possession or control by virtue of his employment with the Company. Property to be returned to the Company shall include without limitation, all documents and things (whether in tangible or electronic format and whether such documents or things contain any Confidential Information) in Executive's possession or control, further including without limitation, all computer programs, files and diskettes, and all written or printed files, manuals, contracts, memoranda, forms, notes, records and charts, and any and all copies of, or extracts from, any of the foregoing.

8. Assignment. The parties acknowledge and agree that the covenants, terms and provisions contained in this Agreement constitute a personal employment contract and the rights and obligations of the parties hereunder cannot be transferred, sold, assigned, pledged or hypothecated, excepting that the Company may assign this Agreement in connection with a sale of the business, merger, consolidation, share exchange, sale of substantially all of the Company's assets, or other reorganization, whether or not the Company is the continuing entity, provided that the assignee is the successor to the business and all or substantially all of the assets of the Company.

9. Severability. If any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect (a) any other provision or part of a provision of this Agreement nor (b) this Agreement's validity, legality and enforceability in any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.

10. Governing Law; Venue. This Agreement shall be covered by, construed, applied and reinforced in accordance with the internal laws of the State of Illinois, without regard to conflicts of law provisions. The parties agree that any action or proceeding to enforce or arising out of this Agreement shall be commenced in the state courts, or in the United States District Court, in Chicago, Illinois. The parties consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections based upon Forum Non Conveniens. The choice of forum set forth in this section shall not be deemed to preclude the enforcement of any action under this Agreement in any other jurisdiction.

11. Continuing Obligation. The covenants, obligations, duties and liabilities of Executive pursuant to Sections 5 and 6 hereof are continuing, absolute and unconditional and shall remain in full force and effect as provided herein.

12. Waiver. The waiver by the Company or Executive of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition hereof.

13. Notices. Any notice, request, consent or communication under this Agreement shall be effective only if it is in writing and shall be deemed to have been given when personally delivered or three (3) days after being deposited in the United States mail, certified or registered, postage prepaid, return receipt requested and addressed to the party at its or his last known address. The address of any party may be changed by notice in writing to the other party duly served in accordance with this Section.

14. Section 409A. The intent of the parties is that payments and benefits under this Agreement be exempt from, and to the extent not exempt from, comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance with such intent. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A. Without limiting the generality of the foregoing, the Company and the Executive agree as follows:

(a) Reimbursements payable to Executive hereunder shall be paid in no event later than the end of the calendar year following the year in which the reimbursable expense is incurred. In addition, such reimbursements shall be made in a manner that complies with all the requirements of Treasury Regulation Section 1.409A-3(i)(l)(iv). In no event shall reimbursements and payments provided under the Agreement be subject to liquidation or exchange in a manner which violates Treasury Regulation Section 1.409A-3(i)(l)(iv).

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) Notwithstanding any other payment schedule provided herein to the contrary, if Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then each of the following shall apply:

(i) With regard to any payment that is considered "nonqualified deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment shall be made on the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive, and (B) the date of Executive's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein; and

(ii) To the extent that benefits to be provided during the Delay Period are considered "nonqualified deferred compensation" under Code Section 409A provided on account of a "separation from service," and such benefits are not otherwise exempt from Code Section 409A, Executive shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse Executive, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, the Company's share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.

(d) To the extent that severance payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by Executive of a release of claims, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of Executive's termination of employment. If the foregoing release is timely executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent that any such cash payment or continuing benefit to be provided is not "nonqualified deferred compensation" for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately following the date that the release is executed, delivered and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

(ii) Subject to Section 14(c)(i), to the extent that any such cash payment or continuing benefit to be provided is "nonqualified deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60th) day following Executive's termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

The Company may provide, in its sole discretion, that Executive may continue to participate in any benefits delayed pursuant to this Section 14(d) during the period of such delay, provided that Executive shall bear the full cost of such benefits during such delay period. Upon the date such benefits would otherwise commence pursuant to this Section 14(d), the Company may reimburse Executive the Company's share of the cost of such benefits, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, in each case, had such benefits commenced immediately upon Executive's termination of employment. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the schedule and procedures specified herein.

(e) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

15. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

16. Miscellaneous. This Agreement may be executed in two or more counterparts (including via facsimile), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings (whether oral or written) between the parties (or between the Company and Executive) with respect to such subject matter.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have made and entered into this Employment Agreement the date first hereinabove set forth.

THE COMPANY:

PROFESSIONAL DIVERSITY NETWORK, INC.

By:_____

Name:_____

Its:_____

EXECUTIVE:

_____

James R. Kirsch

Exhibit 10.8

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is dated as of March [__], 2013, and effective as of the Merger Date (defined below) (the "Effective Date"), by and between PROFESSIONAL DIVERSITY NETWORK, INC., a Delaware corporation (the "Company"), and RUDY MARTINEZ ("Executive").

RECITALS:

A. Executive is a founding member, manager, employee and the CEO of the iHispano.com business division of Professional Diversity Network, LLC, an Illinois limited liability company (the "LLC"), which is the predecessor of the Company and is engaged in the business of developing and operating online networks dedicated to serving diverse professionals in the United States and designing, developing and hosting online job boards for clients (the "Business").

B. The LLC plans to engage in an initial public offering of its equity interests (the "IPO"), and the LLC and its members have entered into a certain Contribution Agreement and Plan of Reorganization and Merger pursuant to which the members of the LLC shall contribute all of the outstanding membership interests of the LLC to the Company, following which the LLC shall merge with and into the Company and the assets of the LLC shall be the assets of the Company (the "Merger," the date of the Merger, "Merger Date");

C. After the Merger, the Company desires to retain the services of Executive and Executive desires to be retained by the Company, all on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants, representations and warranties contained herein, the parties hereto agree as follows:

1. Employment. The Company hereby employs, and Executive hereby accepts such employment and agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

2. Employment Period. Subject to the provisions of Section 7 below, the initial term of Executive's employment pursuant to this Agreement shall commence on the Effective Date and continue until the one (1) year anniversary of the Effective Date (the "Initial Employment Period"). Thereafter, unless the Employment Period has been previously terminated, Executive shall continue his employment with the Company hereunder on an "at-will" basis, subject to termination by the Company at any time for any reason whatsoever, with or without cause, in accordance with Section 7 below. The Initial Employment Period and any period of continuing employment of Executive by the Company thereafter is referred to herein as the "Employment Period."

3. Duties and Responsibilities. Executive shall serve as Executive Vice President of the Company and Chief Executive Officer of the iHispano.com business division of the Company, and Executive shall have such normal and customary duties and responsibilities commensurate with his position, subject to the general supervision of the Company's Board of Directors (the "Board"). Executive shall devote his best efforts and all of his business time and attention to the business and affairs of the Company and shall diligently, faithfully and competently perform his duties and responsibilities hereunder; provided however that the foregoing shall not preclude Executive from engaging in charitable and community affairs and managing his personal investments to the extent they do not unreasonably interfere with his duties and obligations hereunder.

4. Compensation and Related Matters.

(a) Base Salary. The Company will pay Executive an annual base salary ("Base Salary") of Two Hundred Thousand Dollars ($200,000), payable in substantially equal monthly or more frequent installments in accordance with the Company's normal and customary payroll practices. The Board may review and further adjust Executive's Base Salary from time to time in its sole and absolute discretion, provided that during the Employment Period the Company may not decrease Executive's Base Salary below the amount set forth in this section. Any such increased Base Salary shall be and become the "Base Salary" for purposes of this Agreement.

(b) Expense Reimbursement. The Company shall reimburse Executive for all reasonable business expenses properly incurred by Executive in the ordinary course of performing his duties and responsibilities hereunder, subject to the Company's normal and customary practices and policies as are in effect from time to time with respect to travel, entertainment and other business expenses (including the Company's reasonable requirements with respect to prior approval, reporting and documentation of such expenses).

(c) Benefits. The Company will provide or offer for Executive's participation such benefits (other than life insurance, bonus, incentive compensation, pension, profit sharing, equity participation and severance benefits) as are generally provided or offered by the Company to its other senior executive employees, including, without limitation, health/major medical insurance, life insurance, disability insurance and welfare benefits, sick days and other fringe benefits (collectively, "Benefits"), if and to the extent that Executive is eligible to participate in accordance with the terms of the applicable Benefit plan or program generally and subject to any required contributions.

(d) Bonus. Executive shall be eligible for an annual bonus based upon the financial results achieved by the Company for the fiscal year. The amount of such bonus, if any, and the manner in which it is paid shall be determined in the sole and absolute discretion of the Board (or the Compensation Committee).

(e) Withholding. All salary, bonus and other compensation described in this Agreement shall be subject to withholding for federal, state or local taxes, amounts withheld under applicable benefit policies or programs, and any other amounts that may be required to be withheld by law, judicial order or otherwise.

(f) Right of Setoff; Recoupment. The Company shall have the right to offset any amounts due from Executive to the Company against any amounts owed by the Company to Executive under this Agreement. Compensation payable to Executive shall be subject to applicable securities rules and Company policies regarding recapture or claw back, and the Grantee shall reimburse the Company any amount previously paid that is subject to such recapture or claw back provision.

5. Executive Work Product and Inventions.

(a) Transfer of Ownership of Inventions. Executive agrees that Inventions (as defined below) shall be deemed "work made for hire" and shall be the property of the Company. Executive shall promptly disclose to the Company all such Inventions and hereby irrevocably assigns to Company all such Inventions and all such worldwide right, title and interest therein. Executive hereby waives and agrees not to assert any moral rights or similar rights under the laws of any jurisdiction with respect to any Inventions. Executive further agrees to execute or cause to be executed any and all

assignment documents or other documents that may be necessary to perfect the ownership rights of the Company in such Inventions or to secure the Company's statutory protection (including, without limitation, patent, trademark, trade secret or copyright protection) throughout the world for any and all such Inventions. For purposes hereof, "Invention" means all work product, including, without limitation, any and all creative works, discoveries, ideas, inventions, designs, devices, models, prototypes, processes, works, know-how, documentation, files, information, manuals, materials, input materials and output materials, software programs or packages (together with any related documentation, source code or codes, object codes, upgrades, revisions, modifications and any related materials) and other information and materials, and the media upon which they are located (including cards, tapes, discs and other storage facilities), which are conceived, created, developed, reduced to practice, fixed in a tangible medium of expression or otherwise made by Executive solely or jointly with others in connection with or arising from Executive's employment hereunder (whether or not during regular business hours).

(b) Illinois Employee Patent Act. Executive acknowledges and understands, the foregoing to the contrary notwithstanding, that this section does not waive or transfer Executive's rights to any Inventions for which no equipment, supplies, facility or trade secret or Confidential Information (as defined herein) of the Company was used and which was developed entirely on Executive's own time, unless the Invention relates to the business of the Company or to the Company's research or development or the results of any work that Executive performed for the Company during the term of Executive's employment relationship with the Company (or its predecessor). Executive further acknowledges and understands that the assignment of ownership rights in Inventions pursuant to this section are intended to comply with the requirements of the Illinois Employee Patent Act 765 (ILCS 1060/1 et seq.), and that the above-stated conditions should be interpreted in a manner consistent therewith.

6. Non-Solicitation, Non-Competition and Confidentiality. Executive acknowledges that he has been and will continue to be employed by the Company directly or indirectly in one or more aspects of the research, development, engineering, manufacturing, design, promotion and/or sale relating to the Company's existing or proposed products and services. Executive further acknowledges that he will be exposed to certain confidential and proprietary information of the Company and its Affiliates (as defined herein) during the course of his employment with the Company. Executive's involvement or participation in a business which is competitive with the Company or any of its Affiliates, disruption of the Company's or any of its Affiliates' business relationships, or misappropriation or unauthorized use of the Company's or any of its Affiliates' confidential and proprietary information would have a material adverse impact on the Company and its Affiliates and their business operations. Accordingly, as a condition to the Company's employment of Executive hereunder, Executive hereby agrees as follows:

(a) Certain Definitions. For purposes hereof:

"Affiliate" means, with respect to the Company, (i) the Company's present and former parent companies, subsidiaries, successors, affiliated and related companies, and (ii) a person or entity, directly or indirectly through one or more intermediaries, that is in control of, or controlled by, or under common control with, the Company;

"Competitive Business" means any person or entity engaged in a business similar to or competitive with the Business as it is or was conducted by the Company wherever the Company does business during the Employment Term at any time during the Restricted Period (including such business as the Company may develop from time to time);

"Current Customer" means any individual or entity which is or was a client of the Company (or its predecessor) or any Affiliate during the twenty-four (24) months preceding the date of the termination of Executive's employment;

"Prospective Customer" means any individual or entity with which Executive has solicited, identified or had contact on behalf of the Company or any Affiliate during the twenty-four (24) months preceding the date of the termination of Executive's employment; and

"Restricted Period" means the period of Executive's employment with the Company or any Affiliate and two (2) years thereafter.

(b) Non-Interference with Business Relationships. Executive hereby agrees that during the Restricted Period, Executive will not directly or indirectly, either individually or as a principal, shareholder, member, partner, joint venturer, investor, employer, director, manager, officer, employee, consultant, agent, or in any other manner or capacity whatsoever:

(i) solicit, induce, advise, request, influence, or take any other action with regard to any sales representative, supplier, customer, lessor, or any other person or entity that has a business relationship with the Company or any Affiliate (or has or had a business relationship with the Company's or any Affiliate's predecessors) which is intended to or has the effect of causing such person or entity to discontinue, reduce the extent of, discourage the development of or otherwise adversely affect such relationship with the Company or any of the Affiliates;

(ii) canvass, solicit, promote or sell any products or services that compete with any of the products or services of the Company or any of the Affiliates to any then Current Customer or Prospective Customer of the Company or any of the Affiliates; or

(iii) (A) recruit, solicit, or otherwise induce or influence any employee, consultant, sales representative, agent, or other personnel of the Company or any of the Affiliates to discontinue or otherwise terminate such relationship with the Company or any of the Affiliates or (B) retain, engage, employ, seek to retain, engage, or employ, or cause any Competitive Business (as defined herein) to retain, engage, employ, or seek to retain, engage, or employ as an employee, consultant, sales representative, or agent, any person who is then (or was at any time within twelve (12) months prior to the date Executive or the Competitive Business retains, engages, or employs or seeks to retain, engage, or employ such person) an employee, consultant, sales representative, agent, or other personnel of the Company or any of the Affiliates (or their predecessors).

(c) Non-Competition. Executive hereby agrees that during the Restricted Period, Executive will not directly or indirectly, either individually or as a principal, shareholder, member, partner, joint venturer, investor, employer, director, manager, officer, employee, consultant, agent, or in any other manner or capacity whatsoever, engage in, assist, directly or indirectly, or have any active or economic interest in a Competitive Business located anywhere in the United States; provided, however, that Executive shall not be prohibited from owning less than one percent (1%) of the outstanding securities of a company which is publicly traded on a securities exchange or over-the-counter market.

(d) No Disclosure of Confidential Information. Executive hereby agrees that he will not, directly or indirectly, disclose to anyone, or use or otherwise exploit for his own benefit or for the benefit of anyone other than the Company, any Confidential Information (as defined herein) of the Company or any Affiliate. For purposes hereof, "Confidential Information" means any and all confidential or proprietary information regarding the Company or its Business or any Affiliate or its business, including, without limitation, any and all trade secrets, employer records (including personnel records), customer lists, prospect lists, price lists, customer order or purchasing patterns and activities, product costing information, stocking requirements, purchase orders, invoices, customer records, product information and applications, customer uses and preferences, passwords, access codes, products, patents,

trademarks, copyrights, processes, techniques, formulas, designs, scientific information, training information and materials, computer programs, computer network and security information, databases, software, services, research, development, inventions, and information regarding manufacturing, financials, purchasing, accounting, marketing, production, customers, suppliers, lessors, employees, and prospective customers, suppliers, lessors, and employees, and other information, whenever conceived, originated, discovered or developed, concerning any aspect of the Company or its Business or any Affiliate or its business, whether or not in written or tangible form; provided, however, that (i) the term "Confidential Information" shall not include information which is or becomes generally available to the public on a non-confidential basis, including from a third party provided that such third party is not in breach of an obligation of confidentiality with respect to such information and Executive is aware of such breach; and (ii) Executive shall not be in violation of this subsection in the event that Executive is legally compelled to disclose any of the Confidential Information, provided that in any such event Executive will provide the Company with reasonably prompt written notice prior to any such disclosure so that the Company (or an Affiliate) may obtain a protective order or other confidential treatment for the Confidential Information, and in the event that a protective order or other remedy is not obtained by the Company, Executive will furnish only that portion of the Confidential Information which Executive is advised by opinion of legal counsel is legally required to be furnished.

(e) Remedies. Executive understands that the Company will not have an adequate remedy at law for the breach or threatened breach by Executive of any one or more of the covenants set forth in this Section 6 and agrees that in the event of any such breach or threatened breach, the Company shall be entitled, in addition to any other remedies which may be available to it, to injunctive relief (without bond) to enjoin Executive from the breach or threatened breach of such covenants. Further, if Executive violates any of the restrictions contained in this Section 6, the Restricted Period shall be extended by a period equal to the length of time from the commencement of any such violation until such time as such violation shall be cured by Executive to the satisfaction of the Company. If any of the covenants set forth herein is not enforceable, in whole or in part, the remaining covenants set forth herein shall be enforceable notwithstanding the invalidity of any other covenant. Any covenant not enforceable in part shall be enforced to the extent valid and enforceable. If, in any judicial proceeding, a court of competent jurisdiction shall refuse to enforce any of the separate covenants herein or shall find that the term or scope of one or more of the separate covenants is unreasonably broad, then in that event the invalid or unreasonably broad provision shall be deleted or modified by said court to the minimum extent necessary to permit enforcement thereof, and the substitute provision shall be incorporated herein. The parties acknowledge and agree that the Affiliates shall be third-party beneficiaries of the Company's rights and Executive's obligations under this Section 6.

(f) Notice to Future Employers. Executive agrees that during the Restricted Period, Executive will notify the Company in writing of any subsequent occupation whether as owner, employee, officer, director, agent, consultant, independent contractor, or the like, and his duties and responsibilities in that position. Further, Executive agrees that during said period, he will inform each new employer, prior to accepting employment, of the existence of this Agreement and the terms of the restrictive covenants and confidentiality restrictions contained herein. Executive acknowledges that during said period the Company shall have the right to contact, independently, any potential or actual future employer of Executive to notify it of Executive's obligations under this Agreement and provide such employer with a copy of this Agreement. The Company shall also be entitled, at its election, to notify any such actual or potential employer of the Company's understanding of the requirements of this Agreement and what steps, if any, the Company intends to take to ensure compliance with or enforcement of this Agreement. Failure of the Company to avail itself of the benefits of this subsection shall not in any way affect its right to obtain enforcement of any provision of this Agreement.

7. Termination.

(a) Termination by the Company for Cause. The Company shall have the right to terminate Executive's employment hereunder for Cause, effective immediately without further notice. Notwithstanding anything to the contrary contained herein, if Executive's employment is terminated other than pursuant to this Section 7(a), after which the Company determines that Executive's acts or omissions would have constituted grounds to terminate Executive for Cause, then Executive shall be deemed to have been terminated for Cause pursuant to this Section 7(a). In the event of such termination, then the Company shall pay to Executive his then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(a). For purposes hereof, "Cause" means the occurrence of any one of the following on the part of Executive: (i) conviction of or a plea of *nolo contendre* to a felony, act of moral turpitude or other behavior which affects or reflects on the Company or any Affiliate in a negative manner; (ii) attempted or actual theft, fraud or embezzlement of money or tangible or intangible assets or property of the Company or any Affiliate or their employees or business relations; (iii) gross negligence or willful misconduct in respect of Executive's performance of his duties and responsibilities to the Company or any Affiliate; (iv) breach of Executive's fiduciary duties to the Company or any Affiliate; (v) violation of any express direction from the Board or other person to whom Executive reports, relating to Executive's duties and responsibilities commensurate with his position, which such violation (if susceptible to cure) continues or is repeated following fifteen (15) days' written notice from the Company to Executive thereof; (vi) breach of Section 6; or (vii) breach of any other material term, covenant, representation or warranty contained in this Agreement, which such breach (if susceptible to cure) remains uncured or is repeated following fifteen (15) days' written notice from the Company to Executive thereof.

(b) Termination as a Result of Executive's Disability or Death. The Company shall have the right to terminate Executive's employment hereunder in the event of Executive's Disability or death, effective immediately. In the event of such termination, then the Company shall pay to Executive (or his legal representative) Executive's then current Base Salary and Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(b). For purposes hereof, "Disability" means the inability of Executive to substantially perform his duties and responsibilities to the Company by reason of a physical or mental disability or infirmity (i) for a continuous period of ninety (90) days or for at least 180 days in any consecutive twelve (12) month period or (ii) at such earlier time as Executive submits or the Company receives satisfactory medical evidence that Executive has a physical or mental disability or infirmity which will likely prevent him from returning to the performance of his work duties for ninety (90) days or longer. In the event of any dispute regarding the determination of Executive's Disability, such determination shall be made by a physician selected by the Company and reasonably acceptable to Executive, at the Company's sole expense; provided, however, that Executive's Disability shall be conclusively presumed if such determination is made by an insurer providing disability insurance coverage to Executive or the Company in respect of Executive.

(c) Termination by the Company Without Cause. The Company may terminate Executive's employment hereunder at will, for any reason (or for no reason) whatsoever, effective immediately upon notice from the Company to Executive thereof. In the event of such termination by the Company (i.e., other than by reason of death, Disability or for Cause), then the Company shall pay to Executive his then current Base Salary and Benefits accrued, Severance Pay (as defined in and subject to Section 7(f) below) and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination.

(d) Voluntary Termination by Executive. Executive may voluntarily terminate his employment hereunder at any time upon not less than ninety (90) days' prior written notice to the Company; provided, however, that any time during said 90-day period, the Company may request Executive to vacate his office and cease to perform employment services for or on behalf of the Company except those assigned by the Board which are to be conducted from Executive's home. If Executive so terminates his employment, then the Company shall pay to Executive his then current Base Salary, Benefits accrued, and any expenses for which Executive is entitled to be reimbursed, up to and including the effective date of such termination. Executive shall not be entitled to any other salary, bonus, benefits or other compensation as a result of termination pursuant to this Section 7(d).

(e) Removal From Positions. Any termination of Executive's employment with the Company shall automatically effectuate Executive's removal from any and all officer and other positions that Executive then holds with the Company or any of its Affiliates as of the effective termination date.

(f) Severance Pay. If the Company terminates Executive's employment pursuant to Section 7(c) above, subject to the terms and conditions in this Agreement and the Release Agreement (as defined below), and provided that Executive executes (and does not revoke, if applicable) a release and waiver agreement by which Executive releases the Company and its Affiliates from claims relating to or arising from Executive's employment with or separation from the Company and its Affiliates (the "Release Agreement") in form and substance and at a time acceptable to the Company, and further provided that Executive has been and remains in compliance with his obligations as set forth in this Agreement and the Release Agreement, the Company shall:

(i) pay Executive an amount (the "Severance Pay") equal to his monthly salary at his then-current rate (excluding any benefits or other amounts) for six (6) months, payable in equal installments in accordance with the Company's payroll policy, over a six (6)-month period following the effective date of Executive's termination (the "Severance Period");

(ii) provided Executive timely elects continued coverage for himself and his spouse and dependents who are then covered under the Company's group health plan under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), pay the employer portion of the costs of continued health coverage for Executive, such spouse and dependents at their then-current level under the Company's health plan (Executive to pay the employee's portion at regular employee rates) during the Severance Period, after which time, the continued participation (if any) of Executive and Executive's spouse and dependents in the Company's health plan shall be at such participants' sole expense in accordance with COBRA.

In the event of Executive's death during but prior to the end of the Severance Period, the Company will pay any unpaid amounts under Section 7(f)(i) above to Executive's estate in accordance with the provisions of this Agreement and the Release Agreement and will continue to pay the employer portion of the costs of continued health coverage for Executive's spouse and dependents in accordance with the terms of Section 7(f)(ii) as if Executive had remained alive for the duration of the Severance Period, after which time, such participants' continued participation (if any) in the Company's health plan shall be at such participants' sole expense in accordance with COBRA. Notwithstanding the foregoing, Executive agrees that if the Company adopts a severance plan in which Executive is eligible to participate and under which Executive is eligible for benefits (the "Severance Plan"), Executive will be eligible to receive the greater of either: (i) the Severance Pay set forth in this Section 7(f); or (ii) the benefits for which Executive is eligible under the Severance Plan, but in no event shall Executive be entitled to receive both.

(g) Return of Property. Immediately upon the Company's request or on the termination date of Executive's employment, whichever occurs first, Executive shall return to the Company all Confidential Information and any other property of the Company, its Affiliates, or any third parties which is in Executive's possession or control by virtue of his employment with the Company. Property to be returned to the Company shall include without limitation, all documents and things (whether in tangible or electronic format and whether such documents or things contain any Confidential Information) in Executive's possession or control, further including without limitation, all computer programs, files and diskettes, and all written or printed files, manuals, contracts, memoranda, forms, notes, records and charts, and any and all copies of, or extracts from, any of the foregoing.

8. Assignment. The parties acknowledge and agree that the covenants, terms and provisions contained in this Agreement constitute a personal employment contract and the rights and obligations of the parties hereunder cannot be transferred, sold, assigned, pledged or hypothecated, excepting that the Company may assign this Agreement in connection with a sale of the business, merger, consolidation, share exchange, sale of substantially all of the Company's assets, or other reorganization, whether or not the Company is the continuing entity, provided that the assignee is the successor to the business and all or substantially all of the assets of the Company.

9. Severability. If any one or more of the provisions or parts of a provision contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect (a) any other provision or part of a provision of this Agreement nor (b) this Agreement's validity, legality and enforceability in any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.

10. Governing Law; Venue. This Agreement shall be covered by, construed, applied and reinforced in accordance with the internal laws of the State of Illinois, without regard to conflicts of law provisions. The parties agree that any action or proceeding to enforce or arising out of this Agreement shall be commenced in the state courts, or in the United States District Court, in Chicago, Illinois. The parties consent to such jurisdiction, agree that venue will be proper in such courts and waive any objections based upon Forum Non Conveniens. The choice of forum set forth in this section shall not be deemed to preclude the enforcement of any action under this Agreement in any other jurisdiction.

11. Continuing Obligation. The covenants, obligations, duties and liabilities of Executive pursuant to Sections 5 and 6 hereof are continuing, absolute and unconditional and shall remain in full force and effect as provided herein.

12. Waiver. The waiver by the Company or Executive of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition hereof.

13. Notices. Any notice, request, consent or communication under this Agreement shall be effective only if it is in writing and shall be deemed to have been given when personally delivered or three (3) days after being deposited in the United States mail, certified or registered, postage prepaid, return receipt requested and addressed to the party at its or his last known address. The address of any party may be changed by notice in writing to the other party duly served in accordance with this Section.

14. Section 409A. The intent of the parties is that payments and benefits under this Agreement be exempt from, and to the extent not exempt from, comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance with such intent. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A or damages for failing to comply with Code Section 409A. Without limiting the generality of the foregoing, the Company and the Executive agree as follows:

(a) Reimbursements payable to Executive hereunder shall be paid in no event later than the end of the calendar year following the year in which the reimbursable expense is incurred. In addition, such reimbursements shall be made in a manner that complies with all the requirements of Treasury Regulation Section 1.409A-3(i)(l)(iv). In no event shall reimbursements and payments provided under the Agreement be subject to liquidation or exchange in a manner which violates Treasury Regulation Section 1.409A-3(i)(l)(iv).

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(c) Notwithstanding any other payment schedule provided herein to the contrary, if Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then each of the following shall apply:

(i) With regard to any payment that is considered "nonqualified deferred compensation" under Code Section 409A payable on account of a "separation from service," such payment shall be made on the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive, and (B) the date of Executive's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein; and

(ii) To the extent that benefits to be provided during the Delay Period are considered "nonqualified deferred compensation" under Code Section 409A provided on account of a "separation from service," and such benefits are not otherwise exempt from Code Section 409A, Executive shall pay the cost of such benefits during the Delay Period, and the Company shall reimburse Executive, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, the Company's share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.

(d) To the extent that severance payments or benefits pursuant to this Agreement are conditioned upon the execution and delivery by Executive of a release of claims, Executive shall forfeit all rights to such payments and benefits unless such release is signed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the date of Executive's termination of employment. If the foregoing release is timely executed and delivered and no longer subject to revocation as provided in the preceding sentence, then the following shall apply:

(i) To the extent that any such cash payment or continuing benefit to be provided is not "nonqualified deferred compensation" for purposes of Code Section 409A, then such payment or benefit shall commence upon the first scheduled payment date immediately following the date that the release is executed, delivered and no longer subject to revocation (the "Release Effective Date"). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

(ii) Subject to Section 14(c)(i), to the extent that any such cash payment or continuing benefit to be provided is "nonqualified deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60th) day following Executive's termination of employment. The first such cash payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. The delayed benefits shall in any event expire at the time such benefits would have expired had such benefits commenced immediately following Executive's termination of employment.

The Company may provide, in its sole discretion, that Executive may continue to participate in any benefits delayed pursuant to this Section 14(d) during the period of such delay, provided that Executive shall bear the full cost of such benefits during such delay period. Upon the date such benefits would otherwise commence pursuant to this Section 14(d), the Company may reimburse Executive the Company's share of the cost of such benefits, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to Executive, in each case, had such benefits commenced immediately upon Executive's termination of employment. Any remaining benefits shall be reimbursed or provided by the Company in accordance with the schedule and procedures specified herein.

(e) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

15. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

16. Miscellaneous. This Agreement may be executed in two or more counterparts (including via facsimile), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement

embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings (whether oral or written) between the parties (or between the Company and Executive) with respect to such subject matter.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have made and entered into this Employment Agreement the date first hereinabove set forth.

THE COMPANY:

PROFESSIONAL DIVERSITY NETWORK, INC.

By: _____
Name: James R. Kirsch
Its: Chief Executive Officer

EXECUTIVE:

_____
Rudy Martinez

Signature Page to Employment Agreement of Rudy Martinez

Exhibit 10.9

CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION AND MERGER

CONTRIBUTION AGREEMENT AND PLAN OF REORGANIZATION AND MERGER (the "Agreement"), dated as of _____, 2013, by and among PROFESSIONAL DIVERSITY NETWORK, LLC f/k/a iHispano.com, LLC, an Illinois limited liability company ("LLC"), PROFESSIONAL DIVERSITY NETWORK, INC., a Delaware corporation ("PDN"), and the holders of outstanding Units (as defined in Section 1.2) who execute this Agreement (or a joinder hereto in the form of Exhibit A) or who otherwise agree to be bound by this Agreement as members (the "Members").

WHEREAS, LLC and the Members desire to reorganize LLC as a corporation in order to effectuate an initial public offering (the "IPO") in accordance with the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, the reorganization (the "Reorganization") shall be effected through (i) the contribution to PDN by the Members of all of the right, title and interest in and to their entire membership interest in LLC (the "Contribution") such that LLC will become a wholly-owned subsidiary of PDN and the Members will become stockholders of PDN, and (ii) the merger of LLC with and into PDN such that LLC will cease to exist as a separate and distinct legal entity and PDN shall continue as the surviving corporation (the "PDN Merger");

WHEREAS, for federal income tax purposes, it is intended that (i) the Contribution shall qualify as a transfer of property to PDN by the Members described in Section 351 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the PDN Merger shall qualify as a reorganization described in Section 368(a) of the Code;

WHEREAS, each of the managers of LLC ("Managers") and the incorporator and board of directors of PDN (the "Board") have approved this Agreement;

WHEREAS, no further action on the part of the Managers or the Board is required to effect the transactions contemplated hereby;

WHEREAS, the Members of the LLC and the incorporator and Board of PDN have approved this Agreement and the Contribution and no further action on the part of the Members of the LLC or the incorporator or Board of PDN is required to effect the transactions contemplated hereby; and

WHEREAS, LLC and PDN desire to make certain representations, warranties, covenants and agreements in connection with the combination and also to prescribe various conditions to the Reorganization.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, the parties agree as follows:

ARTICLE I
THE CONTRIBUTION AND THE MERGER

Section 1.1 Certificate of Incorporation and Bylaws of PDN. The Certificate of Incorporation and Bylaws of PDN shall be amended and adopted, respectively, to be effective as of the Closing (as defined herein) and substantially in the form of Exhibit A and Exhibit B attached hereto, respectively. From the date hereof until the Effective Time (as defined herein), no party hereto may take any action inconsistent with the provisions of this Agreement without the written consent of the other parties hereto.

Section 1.2 The Contribution. Upon the terms and subject to the provisions of this Agreement, at the Closing, each holder of any outstanding Units of membership interest in LLC (the "Units") shall contribute to PDN all of the right, title and interest in and to such holder's Units, free and clear of any Encumbrances (as defined in Section 3.2), which Units, in each case, are set forth next to the name of such person in Schedule 5.1 attached hereto, and in exchange therefor each holder of Units shall be entitled to receive a number of shares of common stock of PDN ("PDN Common Stock") as described in Section 2.1. As a result of the Contribution, PDN shall become the sole member of LLC and LLC will become a wholly-owned subsidiary of PDN.

Section 1.3 The PDN Merger. Upon the terms and subject to the provisions of this Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL") and the Illinois Limited Liability Company Act (the "ILCA"), LLC shall merge with and into PDN immediately following the Contribution. As a result of the PDN Merger, the separate legal existence of LLC shall cease and PDN shall continue as the surviving corporation. Upon becoming effective, the PDN Merger shall have the effects set forth in the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all properties, rights, privileges, powers and franchises of LLC shall vest in PDN, and all debts, liabilities and duties of LLC shall become the debts, liabilities and duties of PDN.

Section 1.4 Effective Time of Merger. Subject to, and consistent with, the provisions of this Agreement, a certificate(s) of merger (the "PDN Certificate of Merger") with respect to the PDN Merger in such form as is required by the relevant provisions of the DGCL and the ILCA shall be duly prepared, executed and acknowledged and thereafter delivered to the Secretary of State of the States of Delaware and Illinois for filing, as provided in the DGCL and the ILCA, as early as practicable following the Closing. The PDN Merger shall become effective upon the filing of the PDN Certificate of Merger with the Secretary of State of the State of Delaware and Illinois or such later time as may be specified therein. The time at which the PDN Merger becomes effective is hereinafter referred to as the "Effective Time."

Section 1.5 Closing. The closing of the Reorganization (the "Closing") shall occur on the date (the "Closing Date") and at such time as the underwriting agreement is executed by PDN and the underwriter in connection with the IPO and no further action by the parties will be necessary provided that all preconditions set forth in this Agreement have been fully satisfied.

ARTICLE II
EXCHANGE OF SECURITIES

Section 2.1 Exchange of Units of LLC. At the Closing, (i) each Unit then outstanding and owned by a Member shall, by virtue of the Contribution as described in Section 1.2, be exchanged for [•] shares of PDN Common Stock (the "PDN Shares"); provided, however, that fractional PDN Shares shall be rounded up or down, as the case may be, to the nearest whole number. Upon such Contribution, (a) all such Units shall be transferred and exchanged in full, together with all right, title and interest in and to such Units, to PDN and (b) each person who was formerly a holder of a Unit shall cease to have any rights with respect thereto, except the right to receive the PDN Shares to be issued or paid in consideration therefor.

Section 2.2 Exchange of Certificates. The procedures for exchanging certificates representing Units outstanding immediately prior to Closing for the PDN Shares are as follows:

(a) Exchange Agent. As of or prior to Closing, PDN shall deposit with James Kirsch (the "Exchange Agent"), for the benefit of the Members immediately prior to the Closing, certificates representing the PDN Shares issuable to the Members pursuant to Section 2.1 in exchange for their outstanding Units. The Exchange Agent may resign from his capacity as Exchange Agent at any time by written notice delivered to PDN. If there is a vacancy at any time in the position of Exchange Agent for any reason, such vacancy shall be filled by a majority interest of the Members existing immediately prior to the Exchange Agent's resignation. The Members shall indemnify and hold harmless the Exchange Agent from any and all losses, liabilities, and expenses (including reasonable attorneys' fees) arising out of or in connection with the Exchange Agent's execution and performance (solely in his capacity as the Exchange Agent and not in his capacity as a holder of Units or otherwise) of this Agreement. James Kirsch shall not be entitled to any fees or other compensation in his capacity as Exchange Agent.

(b) Exchange Procedures.

(i) At or prior to Closing, each holder of a Unit shall deliver to the Exchange Agent, or to such other agent or agents as may be appointed by PDN, documentation reasonably satisfactory to the Exchange Agent or PDN, duly executed by such holder, evidencing the transfer of the Units (the "Transfer Documents"). Upon delivery of the Transfer Documents, duly endorsed, to the Exchange Agent, such Members shall be entitled to receive in exchange therefor, certificates representing the number of whole PDN Shares that such holder has the right to receive pursuant to the provisions of this Article II.

(ii) Immediately after Closing, all Units shall be deemed to have been delivered to the Exchange Agent and exchanged for the PDN Shares in accordance with the provisions set forth in subsection (i) above.

(c) No further Ownership Rights in Units and PDN Common Stock. All PDN Shares issued upon the delivery of the Transfer Documents in accordance with the terms hereof (and any cash paid pursuant to subsection (c) or (e) of this Section 2.2) shall be deemed to have been issued in full satisfaction of all rights pertaining to the Units so contributed and exchanged. If, after the Closing, Transfer Documents with respect to valid Units are presented to PDN for any reason, such Units shall be deemed contributed and exchanged to PDN in accordance with the provisions of this Agreement, effective as of the Closing and the Members, in exchange therefor, shall receive such number of PDN Shares as may be calculated pursuant to Section 2.1, together, without interest, with cash in lieu of fractional PDN Shares as described in Section 2.2(e).

(d) No Liability. Neither LLC nor PDN shall be liable to any Member for any PDN Shares or any dividends or distributions with respect thereto) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(e) Withholding Rights. PDN shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Units such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by PDN such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Units in respect of which such deduction and withholding was made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF LLC

LLC represents and warrants to PDN that the statements contained in this Article III are true and correct as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article III).

Section 3.1 Organization of LLC. LLC is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois. LLC has all requisite limited liability company power to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets, properties, financial condition or results of operations of LLC (an "LLC Material Adverse Effect").

Section 3.2 LLC Capital Structure. The outstanding Units currently consist, and will consist immediately prior to the the Closing, of the Units set forth in Schedule 5.1 attached hereto, which Units represent 100% of the equity interests in LLC. No other person owns or holds any Units or portion of a Unit or any other equity interest in LLC, including, without limitation, an economic interest in LLC, an interest in the profits or losses of LLC or an interest in the right to receive distributions from LLC. There are no outstanding subscriptions, calls, commitments, warrants or options for the purchase of Units or other equity interests in LLC, or any securities convertible into or exercisable or exchangeable for Units or other equity interests in LLC, or any other commitments of any kind for the granting of additional Units or other equity interests in LLC or other equity interests or securities issued by LLC. All of the outstanding Units are duly authorized, fully paid and nonassessable securities of LLC, free and clear of all Encumbrances (as defined below) (other than any restrictions under the Securities Act and state securities laws and under the Operating Agreement (as defined in Section 5.1 below)). There are no contracts relating to the issuance, sale, or transfer of any Units or other equity interests in LLC, or any portions of any Units or other equity interests in LLC. To the knowledge of LLC, except for the Operating Agreement, there are no operating, members, shareholders or similar agreements, registration rights agreements, agreements with respect to the transfer or sale of Units or other equity interests in LLC, or voting trusts, proxies or other voting agreements or understandings with respect to the outstanding Units or other equity interests in LLC. For purposes of this Agreement, "Encumbrance" shall mean any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

Section 3.3 Authority. LLC has all requisite limited liability company power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the Reorganization. The execution, delivery and performance by LLC of this Agreement and the consummation by it of the Transactions have been duly authorized by all necessary action on the part of LLC, its Managers and its Members. This Agreement has been duly executed and delivered by LLC and constitutes the valid and binding obligations of LLC, enforceable against LLC in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles (the "Bankruptcy and Equity Exception").

Section 3.4 Noncontravention. The execution, delivery and performance by LLC of this Agreement and the consummation by it of the Reorganization do not and will not (i) violate the articles of organization or operating agreement of LLC, (ii) violate any applicable material law, rule, regulation, judgment, injunction, order or decree or (iii) require any material consent or other material action by any person, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of LLC under any material agreement or instrument binding upon LLC.

Section 3.5 Governmental Authorization. The execution, delivery and performance by LLC of this Agreement and the consummation of the Reorganization require no material action by or in respect of, or material approval by, notice to or filing with, any governmental body, agency or official, other than compliance with any applicable requirements of federal and state securities laws including, without limitation, the Securities Act.

Section 3.6 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III, LLC MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND LLC HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY WITH RESPECT TO THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE CONSUMMATION OF THE REORGANIZATION.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PDN

PDN represents and warrants to LLC and the Members that the statements contained in this Article IV are true and correct as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article IV).

Section 4.1 Organization of PDN. PDN is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite corporate power to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would have a PDN Material Adverse Effect (as defined below). PDN does not have, and, since the date of its incorporation, has not had any Subsidiaries. PDN does not directly or indirectly own any equity or similar interest in, or any interest that is mandatorily convertible into or exchangeable or exercisable for, any corporation, partnership, joint venture or other business association or entity. For purposes of this Agreement "PDN Material Adverse Effect" shall mean a material adverse effect on the business, assets, properties, financial condition or results of operations of PDN.

Section 4.2 PDN Capital Structure.

(a) The authorized capital stock of PDN consists of 25,000,000 shares of PDN Common Stock. As of the date hereof, (i) no shares of PDN Common Stock are issued and outstanding, and (ii) no shares of PDN Common Stock are held in the treasury of PDN. There are no obligations, contingent or otherwise, of PDN to repurchase, redeem or otherwise acquire any shares of PDN Common Stock or make any investment (in the form of a loan, capital contribution or otherwise) in any other entity.

(b) (i) There are no securities of PDN, or any security convertible into or exercisable or exchangeable for such securities, issued, reserved for issuance or outstanding; (ii) there are no options, warrants, securities, calls, rights, commitments or agreements of any character to which PDN is a party or by which it is bound obligating PDN to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of PDN or obligating PDN to grant, extend, accelerate the vesting of or

enter into any such option, warrant, equity security, call, right, commitment or agreement; and (iii) to the knowledge of PDN, except as set forth on Schedule 5.1 hereto, there are no shareholders or similar agreements, registration rights agreements, agreements with respect to the transfer or sale of PDN Common Stock or other securities of PDN, or voting trusts, proxies or other voting agreements or understandings with respect to the shares of capital stock of PDN.

Section 4.3 Authority. PDN has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the Reorganization. The execution, delivery and performance by PDN of this Agreement and the consummation by it of the Reorganization have been duly authorized by all necessary action on the part of PDN, its existing stockholders and the Board. This Agreement has been duly executed and delivered by PDN and constitutes the valid and binding obligations of PDN, enforceable against PDN in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 4.4 Noncontravention. The execution, delivery and performance by PDN of this Agreement and the consummation by it of the Reorganization do not and will not (i) violate the certificate of incorporation or bylaws of PDN, (ii) violate any applicable material law, rule, regulation, judgment, injunction, order or decree or (iii) require any material consent or other material action by any person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of PDN under any material agreement or instrument binding upon PDN.

Section 4.5 Governmental Authorization. The execution, delivery and performance by PDN of this Agreement and the consummation of the Reorganization require no material action by or in respect of, or material approval by, notice to or filing with, any governmental body, agency or official, other than compliance with any applicable requirements of federal and state securities laws including, without limitation, the Securities Act.

Section 4.6 Section 203 of the DGCL Not Applicable. The Board of PDN, has taken all actions necessary under the DGCL, including approving the transactions contemplated by this Agreement, to ensure that Section 203 of the DGCL applicable to a "business combination" (as defined in Section 203 of the DGCL) does not, and will not, apply to the transactions contemplated hereunder and thereunder. No other "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation is applicable to PDN or the Reorganization.

Section 4.7 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV, PDN MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND PDN HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY WITH RESPECT TO THE EXECUTION, DELIVERY AND PERFORMANCE OF THIS AGREEMENT AND THE CONSUMMATION OF THE REORGANIZATION.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF MEMBERS

Each Member, individually and not jointly and severally, represents and warrants to PDN and LLC that the statements contained in this Article V are true and correct as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article V).

Section 5.1 Ownership of Interests. Such Member holds of record and owns beneficially the Units set forth next to his name in Schedule 5.1 hereto, free and clear of any Encumbrances (other than any restrictions under the Securities Act and state securities laws and under the Operating Agreement). Such Member is not a party to any option, warrant, purchase right, or other contract or commitment (other than this Agreement) that could require such Member to sell, transfer, or otherwise dispose of any Units. Such Member is not a party to any operating, members, shareholders or similar agreements, registration rights agreements, agreements with respect to the transfer or sale of Units or other equity interests in LLC, or voting trust, proxy, or other agreement or understanding with respect to the voting of any Units or other equity interests in LLC, except for the LLC's Operating Agreement dated as of November 12, 2004 among LLC and its members, as amended (the "Operating Agreement").

Section 5.2 Authority. Such Member has full legal capacity (and if an entity, power) to execute and deliver this Agreement and to perform his obligations hereunder. All acts required to be taken by such Member to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken. This Agreement has been duly executed and delivered by such Member and constitutes the valid and binding obligation of such Member enforceable against such Member in accordance with its terms, subject to the Bankruptcy and Equity Exception and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Member is a party.

Section 5.3 Noncontravention; Governmental Authorization.

(a) The execution, delivery and performance by such Member of this Agreement and the consummation of the Reorganization do not and will not (a) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which such Member is subject or, if such Member is an entity, any provision of its charter, bylaws, or other governing documents, (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which such Member is a party or by which he, she, or it is bound or to which any of his, her, or its assets are subject, or (c) result in the imposition or creation of any Encumbrance upon or with respect to its Units or any other equity interests it owns in the Company or PDN.

(b) The execution, delivery and performance by such Member of this Agreement and the consummation of the Reorganization require no material action by or in respect of, or material approval by, notice to or filing with, any governmental body, agency or official, other than compliance with any applicable requirements of federal and state securities laws including, without limitation, the Securities Act.

Section 5.4 Access to Information.

(a) Such Member has been given an opportunity to ask questions and receive answers from the managers, directors and officers of the LLC and PDN and to obtain additional information from the LLC and PDN.

(b) Such Member is an "accredited investor" (as defined in Rule 501(a) of Regulation D of the Securities Act) and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in PDN's securities and has obtained, in his judgment, sufficient information about PDN to evaluate the merits and risks of an investment in PDN.

(c) Such Member is relying solely on the representations and warranties contained in Articles III and IV in making his, her or its decision to enter into this Agreement and to consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the LLC or PDN or their respective managers, directors, officers, employees or agents to such Member.

Section 5.5 Securities Laws. The PDN Shares will be acquired for such Member's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act or any applicable state securities laws, and no PDN Shares will be disposed of by such Member in contravention of the Securities Act or any applicable state securities laws.

Section 5.6 Restricted Stock. Such Member understands that the PDN Shares have not been registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States of America or the laws of any foreign jurisdiction). Such Member understands and agrees further that the PDN Shares may not be offered, resold, pledged or otherwise transferred unless they have been registered under the Securities Act and any applicable state or other securities laws or unless an exemption from such registration is available. Such Member understands that legends stating that the PDN Shares have not been registered under the Securities Act and any applicable state or other laws and setting out or referring to the restrictions on the transferability and resale of the PD Shares may be placed on certificates evidencing the PDN Shares.

Section 5.7 Member Acknowledgment. Such Holder understands that this Agreement contains provisions that may have significant legal, tax and financial consequences for such Member. Such Member has consulted with such independent legal, tax and financial advisors as deemed appropriate to assist such Member in evaluating the transactions contemplated hereby.

ARTICLE VI
COVENANTS

Section 6.1 Cooperation; Notice; Cure. Each of the parties hereto will use commercially reasonable efforts to effectuate the Reorganization and to fulfill and cause to be fulfilled the conditions to Closing under this Agreement. Each of the parties hereto, shall notify each of the other parties of, and will use all commercially reasonable efforts to cure before the Closing Date, any event, transaction or circumstance, as soon as practicable after it becomes known to such party, that causes or will cause any covenant or agreement of such party, under this Agreement to be breached or that renders or will render untrue any representation or warranty of such party contained in this Agreement. Each of the parties hereto shall notify each of the other parties in writing of, and will use all commercially reasonable efforts to cure, before the Closing Date, any violation or breach, or soon as practicable after it becomes known to such party, of any representation, warranty, covenant or agreement made by such party. No notice given pursuant to this paragraph shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein.

Section 6.2 Registration Statement.

(a) On May 22, 2012, PDN filed with the U.S. Securities and Exchange Commission (the "SEC") the Registration Statement contemplating the IPO on Form S-1. PDN shall use its commercially reasonable efforts to prepare and file any amendments thereto and to cause such Registration Statement to be declared effective with the SEC (such Registration Statement, as amended, the "Registration Statement"); provided, however, that the Members acknowledge and agree that the PDN Shares will not be registered in the IPO.

(b) Each party hereto shall use its commercially reasonable efforts to furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law (including all information required to be included in Registration Statement) in connection with the Reorganization.

Section 6.3 Legal Conditions to Reorganization.

(a) Each party hereto shall each use its commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary and proper under applicable law to consummate and make effective the Reorganization as promptly as practicable, (ii) obtain from any governmental entity or any other third party any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained or made by such party in connection with the authorization, execution and delivery of this Agreement and the consummation of the Reorganization, (iii) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement, the Contribution and the PDN Merger required under the Securities Act and the Securities Exchange Act of 1934, as amended, and any other applicable laws, and (iv) refrain from taking any which would reasonably be likely to delay, hinder or interfere with the Reorganization.

(b) Each party hereto agrees to cooperate and to use its commercially reasonable efforts to obtain any government clearances required for Closing, to respond to any government requests for information, and to contest and resist any action, including any legislative, administrative or judicial action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Reorganization.

(c) Each of the parties hereto shall give any notices to third parties, and shall use its commercially reasonable efforts to obtain any third party consents related to or required in connection with the Reorganization.

Section 6.4 Non-recognition Exchange. Whether before or after the Effective Time, none of the parties hereto shall knowingly take any action, or knowingly fail to take any action, that is reasonably likely to jeopardize the treatment of the PDN Merger and the Contribution as transfers of property described in Section 351 of the Code or the PDN Merger as a reorganization described in Section 368(a) of the Code.

Section 6.5 Conveyance Taxes. The parties hereto shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, any transfer, recording, registration and other fees or any similar taxes (together, "Conveyance Taxes") which become payable in connection with the Reorganization that are required or permitted to be filed on or before the Effective Time. LLC shall pay with respect to the Contribution and PDN shall pay with respect to the PDN Merger, without deduction or withholding from any amount payable to the holders of Units or PDN Common Stock, as the case may be, any such Conveyance Taxes imposed by any governmental entity (and any penalties and interest with respect to such Conveyance Taxes), which become payable in connection with the Reorganization, on behalf of their stockholders or Members, as the case may be.

Section 6.6 Release. Effective as of the Closing, each holder of Units, individually and on behalf of his or its heirs, agents, assigns and representatives, hereby remises, releases and forever discharges LLC and its members, officers, managers, agents, employees, affiliates, successors and assigns of and from any liability for any and all claims, counterclaims, controversies, actions, causes of action, demands, debts, damages, costs, attorneys' fees, or liabilities of any nature whatsoever in law or in equity, whether now known or hereafter discovered, that have arisen, or may arise, out of events that have occurred from the beginning of time until the date hereof; provided, however, that this Section 6.7 shall not be effective to release LLC or PDN from any of its obligations under this Agreement or under the Debt Conversion Agreement or any Employment Agreement with PDN and such holder, or other agreements entered into by such holder and LLC or PDN in connection with the IPO.

ARTICLE VII
CONDITIONS TO THE REORGANIZATION

Section 7.1 Conditions to the Obligation of PDN and LLC to Effect the Reorganization. The respective obligations of PDN and LLC to effect the Reorganization shall be subject to the satisfaction or waiver by each of PDN and LLC prior to the Closing of the following conditions:

(a) All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any governmental entity the failure of which to file, obtain or occur is reasonably likely to have an LLC Material Adverse Effect or a PDN Material Adverse Effect shall have been filed, obtained or occurred.

(b) PDN and the underwriter shall have entered into an underwriting agreement in connection with the IPO.

(c) No governmental entity shall have enacted, issued, promulgated, enforced or entered any order, executive order, stay, decree, judgment or injunction or statute, rule, regulation which is in effect and which has the effect of making the Reorganization illegal or otherwise prohibiting consummation of the Reorganization.

(d) LLC shall have obtained the consent or approval of any person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the Reorganization, except those of which, if not obtained, would not, individually or in the aggregate, have an LLC Material Adverse Effect.

(f) PDN shall have obtained the consent or approval of any person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the Reorganization, except those which, if not obtained, would not, individually or in the aggregate, have a PDN Material Adverse Effect.

(g) PDN shall have taken all actions necessary so that not later than the Closing Date, the Certificate of Incorporation and Bylaws of PDN shall have been amended or adopted, respectively, to be substantially in the form of Exhibit A and Exhibit B, respectfully, attached hereto.

Section 7.2 Additional Conditions to Obligations of LLC. The obligation of LLC to effect the PDN Merger is subject to the satisfaction of each of the following conditions prior to the Closing, any of which may be waived in writing exclusively by LLC:

(a) The representations and warranties of PDN set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

(b) PDN shall have performed in all material respects all material obligations required to be performed by it under this Agreement at or prior to the Closing Date.

Section 7.3 Additional Conditions to Obligations of PDN. The obligations of PDN to effect the Reorganization are subject to the satisfaction of each of the following conditions prior to the Closing, any of which may be waived in writing exclusively by PDN:

(a) The representations and warranties of LLC and the Members set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

(b) LLC and the Members shall have performed in all material respects all material obligations required to be performed by each of them under this Agreement at or prior to the Closing Date.

Section 7.4 Additional Conditions to Obligations of the Members. The obligations of each Member to effect the Contribution are subject to the satisfaction of each of the following conditions prior to Closing, any of which may be waived in writing exclusively by each Member:

(a) The representations and warranties of LLC and PDN set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

(b) Each of LLC and PDN shall have performed in all material respects all material obligations required to be performed by it under this Agreement at or prior to the Closing Date.

ARTICLE VIII
TERMINATION AND AMENDMENT

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Closing (a) by mutual written consent of LLC and PDN or (b) automatically, upon written notice by any party hereto delivered to each of the other parties hereto, if any federal or state governmental entity shall have issued a nonappealable final order, decree or ruling or taken any other nonnappealable final action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the Reorganization.

Section 8.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 8.1(a), written notice shall be given to each other party hereto and this Agreement shall immediately become void and there shall be no liability or obligation on the part of the Members, LLC or PDN or any of their respective officers, directors, or equityholders.

Section 8.3 Amendment. This Agreement may be amended by the parties hereto by an instrument in writing signed on behalf of each of the parties hereto.

Section 8.4 Extension; Waiver. At any time prior to the Closing, the parties hereto may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions of the other parties hereto contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. Any waiver or failure to insist on strict compliance with any obligation, covenant, agreement or condition contained in this Agreement shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Survival of Representations, Warranties and Agreements. The representations, warranties, covenants and agreements set forth in this Agreement and in any certificates delivered at the Closing in connection with this Agreement shall survive the Closing.

Section 9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or mailed by registered or certified mail (return receipt requested) to the parties at the addresses set forth in the Operating Agreement, the Registration Statement or to the last known address of a Member as set forth in the LLC's records, as the case may be.

Section 9.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to each of the other parties, it being understood that all parties need not sign the same counterpart.

Section 9.4 Entire Agreement; No Third Party Beneficiaries. This Agreement and all documents and instruments referred to herein (a) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and thereof, and (b) are not intended to confer upon any person other than the parties hereto any rights or remedies hereunder. Each party hereto agrees that, except for the representations and warranties contained in this Agreement, none of LLC, PDN or any Member makes any other representations or warranties, and each hereby disclaims any other representations and warranties made by itself or any of its officers, directors, managers, members, employees, agents, financial and legal advisors or other representatives, with respect to the execution and delivery of this Agreement or the Reorganization, notwithstanding the delivery or disclosure to any other party or the other party's representatives of any documentation or other information with respect to any one or more of the foregoing.

Section 9.5 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware without regard to any applicable conflicts of law. Except as otherwise expressly provided in this Agreement, any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the Reorganization may be brought in any state or federal court sitting in Cook County, Illinois, and each of

the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court.

Section 9.6 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.7 Certification Pursuant to DGCL Section 251(f). The undersigned, being the Secretary of PDN, hereby certifies that no shares of stock of PDN are outstanding prior to the adoption by PDN's sole Director of the resolution approving this Agreement.

Myrna Newman

[*Signature Page Follows*]

IN WITNESS WHEREOF, LLC, PDN and the Members have caused this Agreement to be signed by their respective duly authorized officers as of the date first written above.

PROFESSIONAL DIVERSITY NETWORK, LLC
f/k/a iHispano.com, LLC

By: _____
James Kirsch, Chief Executive Officer

PROFESSIONAL DIVERSITY NETWORK, INC.

By: _____
James Kirsch, Chief Executive Officer

MEMBERS:

_____
James Kirsch

_____
Daniel L. Ladurini, not individually but as Trustee under the Daniel L. Ladurini GST Trust Agreement dated August 1, 1997

_____
Rudy Martinez

Exhibit A

(Amended and Restated Certificate of Incorporation)

Exhibit B

(Amended and Restated Bylaws)

Schedule 5.1

(Outstanding LLC Interests)

Name	LLC Interests	Percentage Ownership	PDN Common Stock
Daniel L. Ladurini GST Trust Agreement, dated August 1, 1997		_____%	
James R. Kirsch		_____%	
Rudy Martinez		_____%	

Note: Daniel L. Ladurini, not indivdiually but as Trustee of the Daniel L. GST Trust Agreement dated August 1, 1997 ("Ladurini Trust") and James R. Kirsch ("Kirsch") are parties to a certain Stock Option Agreement dated _____, 2013, pursuant to which Kirsch has the right to acquire from the Ladurini Trust a number of shares of PDN Common Stock equal to seven percent (7%) of the shares of PDN Common Stock issued and outstanding immediately following the Reorganization and prior to the IPO.

Note: The Ladurini Trust and Daniel Marovitz ("Marovitz") are parties to a certain Stock certain Stock Option Agreement dated _____, 2013, pursuant to which Marovitz has the right to acquire from the Ladurini Trust a number of shares of PDN Common Stock equal to three percent (3%) of the shares of PDN Common Stock issued and outstanding immediately following the Reorganization and prior to the IPO.

Exhibit 10.10

DEBT EXCHANGE AGREEMENT

THIS DEBT EXCHANGE AGREEMENT (this "Agreement"), dated as of _____ , 2013, by and among PROFESSIONAL DIVERSITY NETWORK, LLC, an Illinois limited liability company f/k/a iHispano.com, LLC (the "Company"), DANIEL L. LADURINI ("Daniel"), FERDINANDO LADURINI ("Ferdinando") and JAMES R. KIRSCH ("James," together with Daniel and Ferdinando, the "Holders" and each a "Holder").

WHEREAS, on November 12, 2004, the Company issued (a) a promissory note to Daniel in the original principal amount of $142,000 (the "Daniel Note"), (b) a promissory note to Ferdinando in the original principal amount of $1,341,676 (the "Ferdinando Note") and (c) a promissory note to James in the original principal amount of $37,143 (the "James Note," together with the Daniel Note and the Ferdinando Note, the "Notes");

WHEREAS, as part of the Company's plan to effect an initial public offering (the "IPO") under the Securities Act of 1933, as amended (the "Securities Act"), the Company and its members have entered into a certain Contribution Agreement and Plan of Reorganization and Merger dated as of the date hereof (the "Merger Agreement") pursuant to which the members have agreed to contribute all of the outstanding membership interests of the Company to Professional Diversity Network, Inc., a Delaware corporation formed specifically for the IPO (the "Corporation") in exchange for shares of common stock of the Corporation ("Common Stock"), following which the Company shall merge with and into the Corporation and the assets of the Company shall be the assets of the Corporation (the "Merger"); and

WHEREAS, the Company believes that the outstanding Notes negatively impact the Company's ability to attract prospective investors in the IPO and has requested that the Holders exchange their Notes for Units of the Company, and each Holder has determined that it is in his best interest to exchange his Note for Units, all pursuant to the terms set forth herein.

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Company's Operating Agreement dated as of November 12, 2004 among the Company and its members, as amended (the "Operating Agreement").

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements of the parties hereinafter set forth, the parties hereto hereby agree as follows:

1. DEBT EXCHANGE.

(a) At the Closing (as defined herein), the Company shall issue and deliver Units to each Holder, and each Holder, acting severally and not jointly, shall deliver to the Company, or as otherwise directed by the Company, his or its Note for cancellation and acquire from the Company in exchange for his or its Note, in an amount of Units ("Exchange Units") determined by dividing the sum of (i) (A) the principal amount of such Holder's Note plus (B) any accrued but unpaid interest on such Holder's Note through the date hereof by (ii) an amount equal to the offering price per share of common stock in the IPO (the "Debt Exchange").

(b) The Company hereby authorizes the issuance of the Exchange Units to the Holders in the manner set forth in Section 1(e) at the Closing.

(c) Immediately prior to the effectiveness of the Company's and the Corporation's respective requisite filings with the Delaware and Illinois Secretaries of State that are necessary to effectuate the Merger (the "Merger Filings"), the Debt Exchange shall be deemed effective (the "Closing" and such date, the "Closing Date"). If the Merger Filings are not filed or the Merger is not otherwise effectuated for any reason whatsoever, the Holders shall not be obligated to exchange their Notes for Exchange Units and the Company shall not be obligated to issue the Exchange Units to the Holders.

(d) The Company and the Holders shall use their reasonable best efforts to consummate the transactions contemplated hereby, including taking such actions as may be necessary to effectuate the Debt Exchange and to explain the circumstances surrounding the Debt Exchange to potential investors in the IPO or any regulatory authority, including, without limitation, the Securities and Exchange Commission (the "SEC"), the Nasdaq Stock Market and the Financial Industry Regulatory Authority ("FINRA").

(e) At the Closing, each Holder shall deliver its Note for cancellation and the Company shall issue to each Holder the Conversion Units to which such Holder is entitled as a result of such Debt Exchange. From and after the Closing, the Notes shall be deemed cancelled and represent solely the right to receive Exchange Units. If a Holder has lost his Note and is unable to deliver his Note at the Closing, it shall submit an affidavit of loss and indemnity agreement prior to the Closing so that the Note may be replaced and deemed cancelled in accordance with the terms hereof. The Company shall pay any documentary, stamp or similar issue or transfer tax due on such Debt Exchange.

2. REPRESENTATIONS AND WARRANTIES OF COMPANY. The Company hereby represents and warrants to the Holders that the statements contained in this Section 2 are true and correct as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 2).

(a) The Company has full legal power to execute and deliver this Agreement and to perform its obligations hereunder. All acts required to be taken by the Company to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken, and this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which the Company is a party. Without limiting the foregoing, the Company represents and warrants that the Exchange Units have been duly authorized and, upon the Closing will be validly issued by the Company to the Holders in accordance with its governing documents.

(b) The Company has delivered or made available to the Holders prior to the execution of this Agreement true and complete copies of the Company's audited financial statements dated December 31, 2011 (the "Financial Statements"), the Company's IPO registration statement on Form S-1, as filed with the SEC on May 22, 2012, as amended (including the financial statements set forth therein) (the "Registration Statement"), and the Merger Agreement and any documents referenced therein.

3. REPRESENTATIONS AND WARRANTIES OF THE HOLDERS. Each Holder, individually and not jointly and severally, hereby represents and warrants to the Company that the statements contained in this Section 3 are true and correct as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3).

(a) Such Holder is the sole record and beneficial owner of his or its Note, free and clear of any liens or encumbrances. Such Holder has not pledged, assigned, encumbered or otherwise granted any right in his Note to any third party.

(b) Such Holder has full legal power to execute and deliver this Agreement and to perform his obligations hereunder. All acts required to be taken by such Holder to enter into this Agreement and to carry out the transactions contemplated hereby have been properly taken; and this Agreement constitutes a legal, valid and binding obligation of such Holder enforceable against such Holder in accordance with its terms and does not conflict with, result in a breach or violation of or constitute (or with notice of lapse of time or both constitute) a default under any instrument, contract or other agreement to which such Holder is a party.

(c) Such Holder has reviewed the Financials, the Registration Statement, the Merger Agreement and other Company documents delivered or made available to the Holders as referred to in Section 2(b) above.

(d) Such Holder has been given an opportunity to ask questions and receive answers from the officers and directors of the Company and to obtain additional information from the Company.

(e) Such Holder is an "accredited investor" (as defined in Rule 501(a) of Regulation D of the Securities Act) and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company's securities and has obtained, in his judgment, sufficient information about the Company to evaluate the merits and risks of an investment in the Company.

(f) Such Holder is relying solely on the representations and warranties contained in Section 2 in making his decision to enter into this Agreement and to consummate the transactions contemplated hereby and no oral representations or warranties of any kind have been made by the Company or its officers, directors, employees or agents to such Holder.

(g) The Exchange Units acquired or to be acquired by such Holder, and the shares of Common Stock into which such Holder's Exchange Units will be converted pursuant to the Merger Agreement (the "PDN Shares") will be acquired for such Holder's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act or any applicable state securities laws, and no Exchange Units (or the PDN Shares) will be disposed of by such Holder in contravention of the Securities Act or any applicable state securities laws.

(h) Such Holder understands that the Exchange Units (and the PDN Shares) have not been registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States of America or the laws of any foreign jurisdiction). Such Holder understands and agrees further that the Exchange Units (and the PDN Shares) may not be offered, resold, pledged or otherwise transferred unless they have been registered under the Securities Act and any applicable state or other securities laws or unless an exemption from such registration is available. Even if such an exemption is available, the assignability and transferability of the Exchange Units will, prior to the consummation of the Merger, be governed by the Operating Agreement, which, subject to certain exceptions, imposes restrictions on transfer. Such Holder understands that legends stating that the Exchange Units (and the PDN Shares) have not been registered under the Securities Act and any applicable state or other laws and setting out or referring to the restrictions on the transferability and resale of the Exchange Units (and the PDN Shares) may be placed on documents evidencing the Exchange Units, if any (and the certificates evidencing the PDN Shares).

(i) Such Holder represents and warrants that his ownership of Exchange Units will not result in (i) a termination of the Company for Federal income tax purposes, (ii) the Company not qualifying for an exemption from the registration requirements of any applicable Federal or state securities laws, (iii) any violation of any applicable Federal or state securities laws, (iv) a default under or the acceleration of any indebtedness of, or secured by assets of, the Company, (v) the Company having to register as an investment company under the Investment Company Act of 1940, as amended, (vi) the Company or any Affiliate to register as an investment advisor under the Investment Advisers Act of 1940, as amended, or (vii) the Partnership being deemed to hold "plan assets" under ERISA or otherwise having the transactions contemplated under the Operating Agreement (defined below) (including the payment of fees to the General Partner or Manager) be considered prohibited transactions under ERISA or the Code.

(j) Such Holder understands that this Agreement contains provisions that may have significant legal, tax and financial consequences for such Holder. Such Holder has consulted with such independent legal, tax and financial advisors as he or it deemed appropriate to assist such Holder in evaluating the transactions contemplated hereby.

4. CONDITIONS.

(a) In addition to the preconditions set forth in Section 1(a), the obligations of the Company to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver of the following conditions:

(i) the representations and warranties of each of the Holders set forth in Section 3 hereof shall be true and correct on and as of the Closing Date;

(ii) all necessary consents, approvals or authorizations of any governmental or regulatory authority or other third party required to be obtained by the Company or the Holders in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained in form and substance reasonably satisfactory to the Company; and

(iii) each of the Holders shall have delivered to the Company for cancellation and exchange his Notes or an affidavit of loss and indemnity.

(b) The obligations of the Holders to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver of the following conditions:

(i) the representations and warranties of the Company set forth in Section 2 hereof shall be true and correct on and as of the Closing Date; and

(ii) all necessary consents, approvals or authorizations of any governmental or regulatory authority required to be obtained by the Company in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained in form and substance reasonably satisfactory to the Holders.

5. TERMINATION. This Agreement may be terminated no later than the Closing:

(a) At the option of the Holders, on the one hand, and the Company, on the other hand, by written notice to the other, in the event the Merger has not occurred by June 30, 2013;

(b) At the option of the Company if any Holder has materially breached a term of this Agreement and has not cured such breach within 30 days of written notice thereof from the Company;

(c) At the option of the Holders if the Company has materially breached a term of this Agreement and has not cured such breach within 30 days of written notice thereof from the Holders; or

(d) At the option of the Holders, on the one hand, and the Company, on the other hand, by written notice to the other, if any competent court or regulatory authority shall have issued a final, non-appeable order making illegal or otherwise preventing, prohibiting or refusing to approve the transactions contemplated hereby, the Merger or the IPO, and such order shall have become final and non-appealable.

6. MISCELLANEOUS.

(a) Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

(b) This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(c) This Agreement shall be a contract made under and governed by the laws of the State of Illinois.

(d) This Agreement shall be binding upon the Company, the Holders and their respective successors and assigns, and shall inure to the benefit of the Company, the Holders and their respective successors and permitted assigns. No party may assign its rights or obligations hereunder without the prior written consent of each of the other parties hereto.

(e) The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity.

(f) All amendments or modifications of this Agreement and all consents, waivers and notices delivered hereunder or in connection herewith shall be in writing signed by the parties hereto.

(g) This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect thereto.

7. Each of Daniel and Ferdinando agrees, effective as of the Closing, to be bound by the terms of the Operating Agreement as required by Section 11.01 of the Operating Agreement. Each Holder agrees to be bound by the terms of the Merger Agreement.

8. WAIVER OF JURY TRIAL. EACH OF THE COMPANY AND THE HOLDERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

9. SPECIFIC PERFORMANCE. THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT ANY REMEDY AT LAW FOR ANY BREACH OF THE PROVISIONS OF THIS AGREEMENT WOULD BE INADEQUATE, AND EACH PARTY HERETO HEREBY CONSENTS TO THE GRANTING BY ANY COURT OF AN INJUNCTION OR OTHER EQUITABLE RELIEF, WITHOUT THE NECESSITY OF ACTUAL MONETARY LOSS BEING PROVED, IN ORDER THAT THE BREACH OR THREATENED BREACH OF SUCH PROVISIONS MAY BE EFFECTIVELY RESTRAINED.

10. FURTHER ASSURANCES. Each party hereto shall execute and deliver all such further and additional instruments and agreements and shall take such further and additional actions as may be reasonably requested by any other party hereto in order to evidence or carry out the provisions of this Agreement or consummate the transactions contemplated hereby.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

THE COMPANY:

PROFESSIONAL DIVERSITY NETWORK, LLC

By: _____
James R. Kirsch, Manager

THE HOLDERS:

_____
Daniel L. Ladurini

_____
Ferdinando Ladurini

_____
James R. Kirsch

The undersigned, representing a Super Majority of the Members and a majority of the Managers of the Company and in accordance with Sections 11.01 and 13.05 of the Operating Agreement, hereby authorize (i) the issuance of the Exchange Units, (ii) the admittance of each of Ferdinando Ladurini and Daniel L. Ladurini as Members of the Company and (iii) the amendment of Exhibit A to the Operating Agreement to reflect the Debt Exchange.

MEMBERS:

_____
James R. Kirsch

_____
Daniel L. Ladurini, not individually but as Trustee of the Daniel L. Ladurini GST Trust Agreement dated August 1, 1997

_____
Rudy Martinez

MANAGERS:

_____
Ferdinando Ladurini Rudy Martinez

_____
Rudy Martinez

_____
James R. Kirsch

Exhibit A

Member Assent

The undersigned hereby assents to the Limited Liability Company Operating Agreement dated as of November 12, 2004 (the "Agreement"), by and among Professional Diversity Network, LLC, f/k/a iHispano.com, LLC, an Illinois limited liability company, and certain other parties named therein, as such Agreement may be amended from time to time, and hereby agrees to become a party to such Agreement and be bound by all of the applicable terms and provisions thereof as fully as if the undersigned had been named as an original party in such Agreement.

Executed as of _____, 2013.

_____

Print Name and Address:

_____

_____

_____

Exhibit 10.13

Statement of Work #1

This first Statement of Work ("SOW"), dated October 1, 2012, is issued pursuant to and made a part of the Revised and Restated Master Services Agreement ("Agreement") which commenced October 1, 2012 between Apollo Group, Inc. ("Apollo Entity") and iHispano.com LLC("Company"). Any terms not otherwise defined herein, shall have the meaning specified in the Agreement. In the event of any conflict between the provisions of this SOW and the Agreement, the provisions of the Agreement shall govern.

Services

Company will provide the following Services to Apollo Entity: (1) Access to the Hosted Service for UOPX Students or UOPX Alumni; (2) Reports on a daily or weekly or as otherwise requested by Apollo Entity; and (3) supporting services, including technical support for the Hosted Service, or as requested by Apollo Entity.

The Hosted Service is available to UOPX Alumni at https://alumni.education2career.com/. A UOPX branded version of the Hosted Service is available to UOPX Students through UOPX's proprietary student web site, eCampus, at https://www.education2career.com/.

The use of any Apollo Materials, or any representations or statements concerning Apollo Affiliates, including UOPX, are prohibited without the prior review and express written consent of Apollo Entity.

Fee and Payment

Company shall invoice Apollo Entity One Hundred Sixteen Thousand, Six Hundred Sixty-Six and Sixty-Six Cents ($116,666.66) each month for the SOW Term. The total Fees due under this SOW shall not exceed One Million Dollars ($1,000,000.00).

Changes/Modifications

In the event that Apollo Entity requires a change in the SOW that would impact the necessary resources or the definition of the nature of the work commitment, the parties agree to negotiate and document such a change in requirement through a written, mutually executed SOW Change Order. Any change orders must be communicated to Executive Sponsor, IT Financial Manager and Buyer before current purchase order is used in full.

Term

The term of this SOW is six (6) months, commencing on the SOW Effective Date and ending on the SOW End Date (the "SOW Term").

SOW Effective Date:	October 1, 2012
SOW End Date:	March 31, 2012

Billing

Company must reference the Apollo Entity purchase order supplied by ApolloEntity on all invoices. All invoices must contain Executive Sponsor, project name, line itemization, including Companyname, role, bill rate and billing period (date range for items billed). All invoices from Company must be forwarded to:

Apollo Group, Inc.
Attn: Accounts Payable, Mail Stop: CF-K801
4025 S. Riverpoint Pkwy
Phoenix, AZ 85040

If invoices are directed to another location within ApolloEntity, a delay in the payment processing may occur.

Accepted by:

Apollo Entity:	**Company:**
Address	Address
Signature */s/ Timothy Gagin*	Signature */s/ Rudy Martinez*
Printed Name Timothy Gagin	Printed Name Rudy Martinez
Title Sr. Director, Strategic Sourcing	Title CEO iHispano
Date	Date 9-25-2012

Exhibit 10.14

Statement of Work #2

This second Statement of Work ("SOW"), dated April 1, 2013, is issued pursuant to and made a part of the Revised and Restated Master Services Agreement ("Agreement") which commenced October 1, 2012 between Apollo Group, Inc. ("Apollo Entity") and iHispano.com LLC("Company"). Any terms not otherwise defined herein, shall have the meaning specified in the Agreement. In the event of any conflict between the provisions of this SOW and the Agreement, the provisions of the Agreement shall govern.

Services

Company will provide the following Services to Apollo Entity: (1) Access to the Hosted Service for UOPX Students or UOPX Alumni; (2) Reports on a daily or weekly or as otherwise requested by Apollo Entity; and (3) supporting services, including technical support for the Hosted Service, or as requested by Apollo Entity.

The Hosted Service is available to UOPX Alumni at https://alumni.education2career.com/. A UOPX branded version of the Hosted Service is available to UOPX Students through UOPX's proprietary student web site, eCampus, at https://www.education2career.com/.

The use of any Apollo Materials, or any representations or statements concerning Apollo Affiliates, including UOPX, are prohibited without the prior review and express written consent of Apollo Entity.

A. Fee and Payment

Company shall invoice Apollo Entity One Hundred Sixteen Thousand, Six Hundred Sixty-Six and Sixty-Six Cents ($116,666.66) each month for the SOW Term. The total Fees due under this SOW shall not exceed One Million Four Hundred Thousand Dollars ($1,400,000.00).

Changes/Modifications

In the event that Apollo Entity requires a change in the SOW that would impact the necessary resources or the definition of the nature of the work commitment, the parties agree to negotiate and document such a change in requirement through a written, mutually executed SOW Change Order. Any change orders must be communicated to Executive Sponsor, IT Financial Manager and Buyer before current purchase order is used in full.

Term

The term of this SOW is twelve (12) months, commencing on the SOW Effective Date and ending on the SOW End Date (the "SOW Term").

SOW Effective Date:	April 1, 2013
SOW End Date:	March 31, 2014

Billing

Company must reference the Apollo Entity purchase order supplied by ApolloEntity on all invoices. All invoices must contain Executive Sponsor, project name, line itemization, including Companyname, role, bill rate and billing period (date range for items billed). All invoices from Company must be forwarded to:

Apollo Group, Inc.
Attn: Accounts Payable, Mail Stop: CF-K801
4025 S. Riverpoint Pkwy
Phoenix, AZ 85040

If invoices are directed to another location within Apollo Entity, a delay in the payment processing may occur

Signature to follow

Accepted by:

Apollo Entity:	**Company:**
Apollo Group, Inc. 4025 Riverpoint Parkway Phoenix, AZ 85040 Address	**PDN 801 W. Adams Street** **Chicago, IL 60607** Address
/s/ Timothy M. Gagin *Signature*	/s/ Rudy Martinez *Signature*
Timothy M. Gagin Printed Name	Rudy Martinez Printed Name
Sr. Director, Strategic Sourcing Title	EVP Title
2/7/2013 Date	2/7/2013 Date

Exhibit 10.15

Professional Diversity Network, Inc.
2013 Equity Compensation Plan

Effective [March 8,] 2013

Contents

Professional Diversity Network, Inc.
2013 Equity Compensation Plan

Article 1. Purpose

The purpose of the Plan is to promote the growth and profitability of the Company by providing certain employees, directors, and consultants of the Company with an incentive to achieve corporate objectives and by attracting and retaining such individuals through an interest in the equity of the Company.

Article 2. Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

2.1 "**Affiliate**" means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

2.2 "Annual Incentive Award" means an award under Article 10.

2.3 "**Award**" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, SARs, Restricted Stock, Restricted Stock Units, Annual Incentive Awards or Other Stock-Based Awards, in each case subject to the terms of this Plan.

2.4 "**Award Agreement**" means a written agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan including any amendment or modification.

2.5 "**Beneficial Owner**" or "**Beneficial Ownership**" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.6 "**Board**" or "**Board of Directors**" means the Board of Directors of the Company.

2.7 "**Cause**" means the Participant's (a) continued failure to substantially perform his duties with the Company or to follow rules of the Company; (b) conviction of a felony; (c) engagement in illegal conduct, an act of dishonesty, or other conduct, that the Committee, in its sole discretion, determines to be injurious to the Company; or (d) material breach of fiduciary duties to the Company. Notwithstanding the foregoing, if the Participant and the Company have entered into an employment or service agreement which defines "Cause" (or words of similar import), such definition and any procedures relating to the determination thereof set forth in such agreement shall govern the determination of whether "Cause" has occurred for purposes of the Plan.

2.8 "**Change in Control**" means the occurrence of any of the following events after the Effective Date:

(a) The acquisition or holding by any Person of Beneficial Ownership of combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of a majority of the Board of Directors (the "Outstanding Company Voting Securities"); provided, that for purposes of this Section 2.8, any such acquisition or holding by any of the following entities shall not by itself constitute a Change in Control: (i) a Person who on the Effective Date is the Beneficial Owner of thirty percent (30%) or more of the Outstanding Company Voting Securities, (ii) the Company or any Affiliate, or (iii) any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Affiliates;

(b) Individuals who constitute the Board as of the Effective Date hereof (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by the Nominating Committee of the Board and/or the subcommittees of such Nominating Committee in accordance with the Company's Amended and Restated Certificate of Incorporation and By-laws shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election or removal of the directors of the Company or other actual or threatened solicitation of proxies of consents by or on behalf of a Person other than the Board;

(c) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case unless, following such Business Combination: the shareholders of the Company immediately before such event continue to hold, directly or indirectly, (i) more than fifty percent (50%) of the Outstanding Company Voting Securities of the Company or a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more direct or indirect subsidiaries (the Company or such other entity resulting from Business Combination, the "Successor Entity") and (ii) more than 50% of the equity ownership interests of the Successor Entity; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

2.9 "**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provisions.

2.10 "**Committee**" means the Compensation Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan. There shall be at least two (2) members of the Committee, who shall be appointed from time to time by and shall serve at the discretion of the Board, and who shall be (a) "independent" within the requirements of applicable listing standards, (b) "outside directors" within the meaning of Section 162(m) of the Code, and (c) "non-employee directors" within the meaning of Rule 16b-3.

2.11 "**Company**" means Professional Diversity Network, Inc. and any successor thereto as provided in Article 19. References herein to Company shall also include Affiliates as the context requires.

2.12 "**Consultant**" means any consultant, advisor, or independent contractor who renders services to the Company and/or its Affiliates.

2.13 "**Director**" means any individual other than an employee who is a member of the Board of Directors of the Company.

2.14 "**Effective Date**" means March 8, 2013, or if later, the effective date of the Company's initial public offering in 2013.

2.15 "**Employee**" means any employee of the Company, and/or its Affiliates.

2.16 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.17 "**Fair Market Value**" or "**FMV**" means, with respect to a Share on a specified date:

(a) the final reported sales price on the date in question (or if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) as reported in the principal consolidated reporting system with respect to securities listed or admitted to trading on the principal United States securities exchange on which the Shares are listed or admitted to trading, as of the close of the market in New York City and without regard to after-hours trading activity; or

(b) if the Shares are not listed or admitted to trading on any such exchange, the closing bid quotation with respect to a Share on such date, as of the close of the market in New York City and without regard to after-hours trading activity, on the National Association of Securities Dealers Automated Quotations System, or, if no such quotation is provided, on another similar system, selected by the Committee, then in use; or

(c) if section 2.17(a) and (b) are not applicable, the fair market value of a Share as the Committee may determine.

2.18 "**Freestanding SAR**" means an SAR that is granted independently of any Options, as described in Article 7.

2.19 "**Grant Price**" means the price established at the time of grant of an SAR pursuant to Article 7, used to determine whether there is any payment due upon exercise of the SAR.

2.20 "**Incentive Stock Option**" or "**ISO**" means an Option to purchase Shares granted under Article 6 to an Employee and that is designated as an Incentive Stock Option and that is intended to meet the requirements of Section 422 of the Code, or any successor provision.

2.21 "**Nonqualified Stock Option**" or "**NQSO**" means an Option to Purchase Shares that is not intended to meet the requirements of Section 422 of the Code, or that otherwise does not meet such requirements.

2.22 "**Option**" means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6.

2.23 "**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.24 "**Other Stock-Based Award**" means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Article 10.

2.25 "**Participant**" means any Employee, Director or Consultant as set forth in Article 5 to whom an Award is granted.

2.26 "**Performance Measures**" means the measures set forth in Section 10.3.

2.27 "**Performance Period**" means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

2.28 "**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

2.29 "**Plan**" means this Professional Diversity Network, Inc. 2013 Equity Compensation Plan.

2.30 "**Plan Year**" means the Company's fiscal year or such other period as is provided by the Committee with respect to an Award.

2.31 "**Restricted Stock**" means a Restricted Stock Award granted to a Participant pursuant to Article 8.

2.32 "**Restricted Stock Unit**" means a Restricted Stock Award granted to a Participant pursuant to Article 8.

2.33 "**Share**" means a share of common stock of the Company, $ 0.01 par value per share.

2.34 "**Stock Appreciation Right**" or "**SAR**" means an Award, designated as an SAR, granted pursuant to the terms of Article 7 herein.

2.35 "**Tandem SAR**" means an SAR that is granted in connection with a related Option pursuant to Article 7 herein, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be canceled).

Article 3. Administration

3.1 General. The Committee shall be responsible for administering the Plan, subject to this Article 3 and the other provisions of the Plan. The Committee may employ attorneys, consultants, accountants, agents, and other Persons, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested Persons.

3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement or document ancillary to or in connection with the Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, and, subject to Article 16, adopting modifications and amendments to the Plan or any Award Agreement, including without limitation, any that are necessary to comply with the laws of the countries and other jurisdictions in which the Company and/or its Affiliates operate.

3.3 Delegation. A Participant who wishes to appeal any determination of the Committee concerning an Award granted pursuant to the Plan shall notify the Committee in a writing, which shall state the basis for the appeal. The appeal shall be filed with the Committee within 30 days after the date the Participant received the notice from the Committee. The written appeal may be filed by the Participant's authorized representative. The Committee shall review the appeal and issue its decision within 90 days after it receives the Participant's appeal. If the Committee needs additional time to review the appeal, it shall notify the Participant in writing and specify when it expects to render its decision. After completion of its review, the Committee shall notify the Participant of its decision in writing, which shall state the reasons for the Committee's decision.

Article 4. Shares Subject to the Plan and Maximum Awards

4.1 Number of Shares Available for Awards. Subject to adjustment as provided in Section 4.4 herein, the maximum number of Shares available for issuance to Participants under the Plan shall be 500,000 Shares.

4.2 Share Usage. Shares covered by an Award shall only be counted as used to the extent Shares are actually delivered. Any Shares related to Awards which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares shall be available again for grant under the Plan. The Shares available for delivery under the Plan may be authorized and unissued Shares or treasury Shares.

4.3 Shares Available. Subject to Section 4.4, the aggregate number of Shares subject to awards granted during any calendar year that may be the subject of Options, Stock Appreciation Rights and Awards (including the Shares issued for meeting or exceeding Performance Measures, as defined in Article 10 hereof, (the "Peformance Units")) to any one Employee shall not exceed 500,000 Shares.

Subject to Section 4.4, the maximum number of Shares that may be the subject of any type of Award other than Options and Stock Appreciation Rights (including the Share-equivalent number of Performance Shares) granted to an Eligible Individual in any calendar year shall be 500,000. For purposes of this Article 4, the Share-equivalent number of Performance Shares shall be equal to the quotient of (i) the aggregate dollar amount in which the Performance Shares are denominated, divided by (ii) the Fair Market Value of a Share on the date of grant. In the case of any Award under the Plan that is neither denominated in Shares nor valued on the basis of the value or change in value of a Share, the maximum Award to any individual for any year shall be $10,000,000.

4.4 Adjustments in Authorized Shares. In the event of any corporate event or transaction (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) after the Effective Date, such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change-in-capital structure or distribution (other than normal cash dividends) to stockholders of the Company, or any similar corporate event or transaction, the Committee, in its sole discretion, in order to prevent dilution or enlargement of Participants' rights under the Plan, shall substitute or adjust, as applicable, the number and kind of Shares that may be issued under the Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, and other value determinations applicable to outstanding Awards. The Committee, in its sole discretion, may also make appropriate adjustments in the terms of any Awards under the Plan to reflect or related to such changes or distributions and to modify any other terms of outstanding Awards, including modifications of performance goals and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants.

Article 5. Eligibility and Participation; Grant of Award

5.1 Eligibility. Subject to the provisions of the Plan, the Committee may, from time to time, select the Employees, Directors, and Consultants, whom Awards shall be granted and shall determine, in its sole discretion, the nature of, any and all terms permissible by law, and the amount of, each Award.

5.2 Award Agreement. Each Award shall be evidenced by an Award Agreement. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or provision of services to the Company and/or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

Article 6. Stock Options

6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion.

6.2 Award Agreement. Each Award Agreement granting an Option shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of the Plan. The Award Agreement also shall specify whether the Option is intended to be an ISO or a NQSO, and in the absence of any such specification, the Option shall be an NQSO.

6.3 Option Price. The Option Price for each grant of an Option under this Plan shall be as determined by the Committee and shall be specified in the Award Agreement, and shall be no less than the Fair Market Value on the date of grant.

6.4 Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, no Option shall be exercisable later than the tenth (10th) anniversary of its grant date other than an Option granted to a Participant outside the United States.

6.5 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant.

6.6 Payment. Options shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price. The Option Price of any Option shall be payable to the Company in full either: (a) in cash or its equivalent; (b) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the aggregate Option Price (provided that the Committee may require that the Shares that are tendered must have been held by the Participant for specified period prior to their tender to satisfy the aggreagte Option Price if acquired under this Plan or any other compensation plan mentioned by the Company, or

have been purchased on the open market); (c) by a combination of (a) and (b); or (d) any other method approved or accepted by the Committee in its sole discretion, including, without limitation, if the Committee so determines, a cashless (broker-assisted) exercise.

Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

6.7 ISO. To the extent that an Option is an Incentive Stock Option, the following provisions shall apply:

Subject to the limit set forth in Section 4.1 on the number of Shares that may be issued in the aggregate under the Plan, the maximum number of Shares that may be issued pursuant to ISOs shall be 500,000. ISOs may be granted only to eligible Employees of the Company or of any parent or subsidiary corporation (as permitted by Section 422 of the Code and the treasury regulations thereunder). If any Participant shall make any disposition of Shares issued pursuant to the exercise of an ISO under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof and such Option shall be considered to be an NQSO.

Notwithstanding any other provision of this Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (a) the Tandem SAR will expire no later than the expiration of the underlying ISO; (b) the value of the payout with respect to the Tandem SAR may be for no more than one hundred percent (100%) of the excess of the Fair Market Value of the Shares subject to the underlying ISO at the time the Tandem SAR is exercised over the Option Price of the underlying ISO; and (c) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the Option Price of the ISO. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the earlier of (a) adoption of the Plan by the Board, or (b) the Effective Date.

To the extent that the aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which options designated as ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plan of the Company, or any subsidiary as defined in Section 424 of the Code) exceeds $100,000, such options shall constitute NQSOs. If an ISO is granted to any person who, at the time such option is granted, owns capital stock possessing more than ten percent (10%) of the total combined voting power of all classes of capital stock of the Company (or of any subsidiary), the purchase price per Share shall be 110% of Fair Market Value and the ISO may not be exercised more than 5 years from the date of grant, otherwise the grant shall be considered to be an NQSO.

Article 7. Stock Appreciation Rights

7.1 Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

Subject to the terms and conditions of the Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Participant and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award, but shall be no less than the Fair Market Value of a Share on the date of grant**.** The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

7.2 SAR Agreement. Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and such other provisions as the Committee shall determine.

7.3 Term of SAR. The term of an SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and except as determined otherwise by the Committee and specified in the SAR Award Agreement, no SAR shall be exercisable later than the tenth (10th) anniversary of its grant date.

7.4 Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

7.5 Exercise of Tandem SARs. Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

7.6 Payment of SAR Amount. Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by

(b) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares, or any combination thereof, or in any other manner approved by the Committee in its sole discretion. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

7.7 Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of an SAR granted pursuant to the Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received upon exercise of an SAR for a specified period of time.

Article 8. Restricted Stock and Restricted Stock Units

8.1 Grant of Restricted Stock or Restricted Stock Units. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine. Restricted Stock Units shall be similar to Restricted Stock except that no Shares are actually awarded to the Participant on the date of grant.

8.2 Restricted Stock or Restricted Stock Unit Agreement . Each Restricted Stock and/or Restricted Stock Unit grant shall be evidenced by an Award Agreement that shall specify the period(s) of restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.

8.3 Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to the Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions, and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units.

To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse (including satisfaction of any applicable tax withholding obligations), and except as expressly provided by the Committee in the Award Agreement, Restricted Stock Units shall be paid in Shares.

8.4 Certificate Legend. In addition to any legends placed on certificates pursuant to Section 20.3, each certificate representing Shares of Restricted Stock granted pursuant to the Plan may bear a legend such as the following or as otherwise determined by the Committee in its sole discretion:

> The sale or transfer of Shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer as set forth in the Professional Diversity Network, Inc. 2013 Equity Compensation Plan, and in the associated Award Agreement. A copy of the Plan and such Award Agreement may be obtained from Professional Diversity Network, Inc.

8.5 Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may be granted

the right to exercise full voting rights with respect to those Shares during the time such shares are subject to restrictions under Section 8.2 or 8.3. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

8.6 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code concerning a Restricted Stock Award, the Participant shall be required to promptly file copy of such election with the Company.

Article 9. Other Stock-Based Awards

9.1 Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares.

9.2 Value of Other Stock-Based Awards. Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met.

9.3 Payment of Other Stock-Based Awards. Payment, if any, with respect to an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

Article 10. Annual Incentive Award

10.1 Establishment of Annual Incentive Pool. The Committee may designate Employees who are eligible to receive a monetary payment in any Plan Year based on a percentage of an incentive pool determined by reference to one or more Performance Measures set forth in Section 10.3. The Committee shall allocate an incentive pool percentage to each designated Employee for each Plan Year, provided the sum of the incentive pool percentages for all Employees cannot exceed one hundred percent (100%) of the total pool.

10.2 Determination of Employees' Portions. As soon as possible after the determination of the incentive pool for a Plan Year, the Committee shall calculate each Employee's allocated portion of the incentive pool based upon the percentage established at the beginning of the Plan Year. Each Employee's incentive award then shall be determined by the Committee based on the Employee's allocated portion of the incentive pool subject to adjustment in the sole discretion of the Committee. In no event may the portion of the incentive pool allocated to a Employee be increased in any way, including as a result of the reduction of any other Employee's allocated portion. The Committee shall retain the discretion to adjust such Awards downward.

10.3 Performance Measures. The performance measures applicable to the payment or vesting of an Award intended to qualify as performance-based compensation under section

162(m) of the Code to a person determined by the Committee to be reasonably likely to be a covered employee under section 162(m) of the Code shall be chosen from among the following performance measures ("**Performance Measures**"): net earnings or net income (before or after taxes); earnings per Share; net sales or revenue growth; net operating profit; return measures (including, but not limited to, return on assets, capital, invested capital, equity, revenue, or sales); cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on equity); earnings before or after taxes, interest, depreciation, and/or amortization; gross or operating margins; productivity ratios; Share price (including, but not limited to, growth measures and total shareholder return); expense targets; margins; operating efficiency; market share; customer satisfaction; and balance sheet and statement of cash flow measures (including but not limited to, working capital amounts and levels of short and long-term debt). In addition, the Committee may make grants without satisfying the requirements of Code Section 162(m) and provide for vesting to be determined based on Performance Measures other than those set forth herein.

For Awards intended to qualify as performance-based compensation under section 162(m) of the Code, the Committee shall establish the applicable Performance Measure(s) within the time prescribed under section 162(m) of the Code. All determinations by the Committee as to the achievement of the applicable Performance Measure(s) shall be in writing prior to the payment of the Award.

Article 11. Dividend Equivalents

Any Participant selected by the Committee may be granted dividend equivalents based on the dividends declared on Shares that are subject to any Award, to be credited as of dividend payment dates, during the period between the date the Award is earned or vested and the date the Award is exercised or expires, as determined by the Committee. Such dividend equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee. Notwithstanding the foregoing, the receipt of dividend equivalents on Options or SARs shall not be made contingent on the exercise of any Award.

Article 12. Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

Article 13. Transferability

Unless otherwise determined by the Committee, Awards by their terms shall not be transferable by the Participant other than by will or by the laws of descent and distribution, and the Shares granted pursuant to Awards shall be distributable, during the lifetime of the Participant, only to the Participant.

Article 14. Rights of Participants

14.1 Employment. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company and/or its Affiliates to terminate any Participant's employment or service on the Board or to the Company at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a Director or Consultant for any specified period of time.

Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company and/or its Affiliates and, accordingly, subject to Article 16 of this Plan, the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company and/or its Affiliates.

14.2 Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

14.3 Rights as a Stockholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

Article 15. Change in Control

If provided in an Award Agreement or otherwise determined by the Committee, upon a Change in Control, all then-outstanding Options and Stock Appreciation Rights shall become fully vested and exercisable, and all other then-outstanding Awards shall vest in full and be free of restrictions. The Committee will not be required to treat all Awards similarly in a Change in Control.

Article 16. Shareholder Approval; Amendment, Modification, Suspension, and Termination

16.1 Shareholder Approval; Amendment, Modification, Suspension, and Termination. The Plan shall be subject to approval of shareholders of the Company. Subject to Section 16.4, the Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan and any Award Agreement in whole or in part; provided, however, that, without the prior approval of the Company's stockholders and except as provided in Sections 4.4 and 16, Options or SARs issued under the Plan will not be repriced, replaced, or regranted through cancellation, or cash out, or by lowering the Option Price of a previously granted Option or the Grant Price of a previously granted SAR, and no amendment of the Plan or grant of Award under the Plan shall be made without stockholder approval if stockholder approval is required by law, regulation, or stock exchange rule; including, but not limited to, the Exchange Act, the Code, and, if applicable, the New York Stock Exchange Listed Company Manual/the Nasdaq Stock Market Rules.

16.2 Termination of the Plan. Unless sooner terminated as provided herein, the Plan shall terminate ten (10) years from the Effective Date. After the Plan is terminated, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan's terms and conditions.

16.3 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.4 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

16.4 Awards Previously Granted. Notwithstanding any other provision of the Plan to the contrary, except as set forth in Section 17.1, no termination, amendment, suspension, or modification of the Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

Article 17. Section 409A.

17.1 To the extent that the Plan and/or any Awards granted or awarded under the Plan are construed to be non-qualified deferred compensation plans described in section 409A of the Code, the Plan and any Award Agreements shall be operated, administered and construed so as to comply with the requirements of section 409A of the Code. The Plan and any Award Agreements shall be subject to amendment, with or without advance notice to Employees, Directors and other interested parties, and on a prospective or retroactive basis, including, but not limited to, amendment in a manner that adversely affects the rights of Employees, Directors and other interested parties, to the extent necessary to effect compliance with section 409A of the Code. This Plan does not permit the acceleration of the time or schedule of any distribution of an Award subject to section 409A of the Code, except as provided by Section 409A of the Code.

Article 18. Withholding

18.1 Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

18.2 Share Withholding. With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock and Restricted Stock Units, or upon the achievement of performance goals related to Performance Shares, or any other taxable event arising as a result of an Award granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be

determined equal to the minimum statutory total tax that could be imposed on the transaction. All such elections shall be irrevocable, made in writing, and signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

Article 19. Successors

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

Article 20. General Provisions

20.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment for Cause, termination of the Participant's provision of services to the Company and/or its Affiliates, violation of material Company and/or Affiliate policies, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

20.2 Recapture. If the grant of an Award or a payment under this Plan is subject to recapture under any securities law or rule or other applicable provision or in accordance with any recapture or clawback policy of the Company, the Participant shall reimburse the Company the amount of any payment in settlement of an Award earned or accrued subject to such recapture or clawback provision.

20.3 Legend. The certificates for Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

20.4 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

20.5 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

20.6 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

20.7 Delivery of Title. The Company shall have no obligation to issue or deliver

evidence of title for Shares issued under the Plan prior to the earlier of (a) obtaining any approvals from governmental or regulatory body or agencies that the Company determines are necessary or advisable; and (b) completion of any registration or other qualification of the Shares under any applicable national, local or foreign law or ruling of any governmental or regulatory body or agency that the Company determines to be necessary or advisable. The inability of the Company to obtain authority from any governmental or regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

20.8 Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

20.9 Uncertificated Shares. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be affected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

20.10 Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company and/or its Affiliates may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other Person. To the extent that any individual acquires a right to receive payments from the Company and/or its Affiliates under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company and/or its Affiliates.

20.11 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

20.12 Retirement and Welfare Plans. Neither Awards made under the Plan nor Shares or cash paid pursuant to such Awards, except pursuant to Annual Incentive Awards, may be included as "compensation" for purposes of computing the benefits payable to any Participant under the Company's, and/or its Affiliates' retirement plans (both qualified and nonqualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

20.13 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (i) limit, impair, or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (ii) limit the right or power of the Company and/or its Affiliates to take any action which such entity deems to be necessary or appropriate.

20.14 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Professional Diversity Network, LLC on Form S-1, Amendment No. 12 (File No. 333-181594) of our report dated April 16, 2012 with respect to our audits of the financial statements of Professional Diversity Network, LLC d/b/a iHispano.com, formerly known as iHispano.com LLC d/b/a Professional Diversity Network, as of December 31, 2011 and 2010 and for the years then ended, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
New York, NY
February 27, 2013