



### IMPORTANT INFORMATION TO INVESTORS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND STATE LAWS. THESE SECURITIES ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER FEDERAL OR STATE REGULATORY AUTHORITIES NOR HAVE ANY FEDERAL OR STATE AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING, THESE SECURITIES, OR THE ACCURACY OR ADEQUACY OF THIS OFFERING DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION CONTAINED IN THIS INVESTOR PACKAGE IS CONFIDENTIAL AND PROPRIETARY TO GUARDIAN GAMING. THIS INVESTOR PACKAGE IS SUBMITTED ON A CONFIDENTIAL BASIS FOR USE BY PROSPECTIVE INVESTORS SOLELY IN CONNECTION WITH CONSIDERING WHETHER TO PURCHASE SHARES. THE INVESTOR PACKAGE MAY NOT BE DISTRIBUTED OR REPRODUCED, IN WHOLE OR IN PART, OR SHOWN TO ANY PERSON OTHER THAN A PURCHASER'S REPRESENTATIVE, ACCOUNTANT OR ATTORNEY WITHOUT OUR PRIOR WRITTEN CONSENT.

POTENTIAL INVESTORS SHOULD CONSIDER ALL OF THE INFORMATION SET FORTH IN THIS INVESTOR PACKAGE. WE HAVE MADE A GOOD FAITH EFFORT TO SUMMARIZE INFORMATION AVAILABLE IN VARIOUS DOCUMENTS BUT INVESTORS SHOULD RELY ON THEIR OWN EVALUATION OF SUCH UNDERLYING DOCUMENTS RATHER THAN THE SUMMARY PROVIDED IN THIS INVESTOR PACKAGE.

THE SHARES SOLD HEREBY WILL BE "RESTRICTED SECURITIES" FOR PURPOSES OF FEDERAL AND STATE SECURITIES LAWS. THERE IS NO PUBLIC MARKET FOR THE SHARES AND IT IS UNKNOWN IF THERE WILL BE A MARKET FOR RESALE OF THE SHARES IN THE FORESEEABLE FUTURE, IF EVER. THEREFORE, PROSPECTIVE INVESTORS SHOULD ONLY ACQUIRE THE SHARES OFFERED HEREBY FOR INVESTMENT, SOLELY FOR THEIR OWN ACCOUNT, AND WITHOUT ANY VIEW TOWARD RESALE OR DISTRIBUTION. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS INVESTOR PACKAGE OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM GUARDIAN GAMING AS LEGAL, INVESTMENT OR TAX ADVICE.

THE SHARES BEING OFFERED FOR SALE ARE SUBJECT TO PRIOR SALE, WITHDRAWAL, CANCELLATION OR MODIFICATION OF THIS OFFER WITHOUT NOTICE, SUBJECT TO OUR ACCEPTANCE OF SUBSCRIPTIONS BY PROSPECTIVE INVESTORS AND TO OUR ALLOCATIONS OF THE SHARES AND OTHER CONDITIONS SET FORTH HEREIN. WE MAY REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, AND NEED NOT ACCEPT SUBSCRIPTIONS IN THE ORDER RECEIVED.

BECAUSE THIS INVESTOR PACKAGE FOCUSES PRIMARILY ON DETAILS CONCERNING GUARDIAN GAMING RATHER THAN THE INDUSTRY IN WHICH WE OPERATE, POTENTIAL INVESTORS MAY WISH TO CONDUCT THEIR OWN SEPARATE INVESTIGATION OF OUR INDUSTRY TO OBTAIN BROADER INSIGHT IN ASSESSING OUR PROSPECTS. THE OFFERING PRICE OF THE SHARES TO WHICH THIS INVESTOR PACKAGE RELATES HAS BEEN DETERMINED SOLELY AND ARBITRARILY BY GUARDIAN GAMING, AND DOES NOT NECESSARILY BEAR ANY RELATIONSHIP TO THE ASSETS, BOOK VALUE OR EARNINGS OF GUARDIAN GAMING OR OTHER RECOGNIZED CRITERIA OF VALUE.

THE STATEMENTS CONTAINED HEREIN ARE BASED ON INFORMATION BELIEVED TO BE RELIABLE. NO WARRANTY CAN BE MADE AS TO THE ACCURACY OF SUCH INFORMATION OR THAT CIRCUMSTANCES HAVE NOT CHANGED SINCE THE DATE SUCH INFORMATION WAS SUPPLIED. THIS INVESTOR PACKAGE CONTAINS SUMMARIES OF AND REFERENCES TO CERTAIN PROVISIONS OF THE CURRENT INVESTOR PACKAGE AND ARTICLES OF ASSOCIATION OF GUARDIAN GAMING AND VARIOUS OTHER SUMMARIES, AGREEMENTS OR DOCUMENTS, COPIES OF WHICH ARE AVAILABLE UPON REQUEST. EACH SUMMARY OR REFERENCE IN THIS INVESTOR PACKAGE IS QUALIFIED IN ALL RESPECTS BY THE ACTUAL AGREEMENT OR DOCUMENT SUMMARIZED OR REFERENCED. IT SHOULD NOT BE ASSUMED THAT THE SUMMARIES ARE COMPLETE. COPIES OF SUCH DOCUMENTS ARE AVAILABLE AT OUR OFFICES.

EXCEPT FOR THIS INVESTOR PACKAGE (INCLUDING AMENDMENTS AND SUPPLEMENTS), AND STATEMENTS CONTAINED OR DOCUMENTS SUMMARIZED HEREIN, AND EXCEPT AS ALLOWED BY LAW, NO OFFERING LITERATURE OR ADVERTISING IN WHATEVER FORM WILL OR MAY BE EMPLOYED IN THE OFFERING OF THE SHARES. ANY REPRESENTATIONS OTHER THAN THOSE SET FORTH IN THIS INVESTOR PACKAGE (INCLUDING AMENDMENTS AND SUPPLEMENTS HERETO) MUST NOT BE RELIED UPON.

THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY OF THE SHARES OFFERED HEREBY TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. THIS INVESTOR PACKAGE HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF INVESTORS INTERESTED IN THE PROPOSED SALE OF THE SHARES AND CONSTITUTES AN OFFER ONLY TO THE OFFEREE TO WHOM THIS INVESTOR PACKAGE WAS ORIGINALLY DELIVERED.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION CONCERNING THIS OFFERING, OTHER THAN AS CONTAINED OR PROVIDED FOR IN THIS INVESTOR PACKAGE. IF ANY OTHER INFORMATION OR REPRESENTATIONS ARE GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY GUARDIAN GAMING. NEITHER DELIVERY OF NOR ANY SALE OR PURCHASE MADE WITH THIS INVESTOR PACKAGE SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THE SALE OF THE SHARES IS SUBJECT TO THE PROVISIONS OF A SUBSCRIPTION AGREEMENT THAT CONTAINS CERTAIN REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS. ANY INVESTMENT IN THE SHARES SHOULD BE MADE ONLY AFTER A COMPLETE AND THOROUGH REVIEW OF THE PROVISIONS OF SUCH AGREEMENT AND ALL OTHER DOCUMENTS REFERENCED THEREIN.

OFFEREES, BY ACCEPTING DELIVERY OF THIS INVESTOR PACKAGE, AGREE TO RETURN THIS INVESTOR PACKAGE AND ALL RELATED DOCUMENTS TO GUARDIAN GAMING AT ITS ADDRESS THAT APPEARS ABOVE IF (A) THE OFFEREE DOES NOT SUBSCRIBE TO PURCHASE ANY OF THE SHARES OR (B) THIS OFFERING IS TERMINATED WITHOUT BEING COMPLETED.

***The Shares offered hereby involve a high degree of risk. In addition to the other information contained in this Subscription Agreement, the following risk factors should be carefully considered before subscribing for Shares. These factors are not inclusive and we will face many risks not determinable at this time. A potential investor should consider reviewing the risk factors and other information contained in this Subscription Agreement with their professional investment and legal advisors. Investors in this Offering could lose their entire investment. Each prospective investor should carefully consider the following risk factors inherent in and affecting our industry and business and this Offering before making an investment decision.***

## **Risks Related to Our Industry**

### ***Significant Governmental Regulation***

As an operator of a web based casino, Guardian Gaming will be highly regulated and subject to applicable laws in the jurisdictions in which we operate. We currently intend to operate under the laws of Malta and will be governed by the Malta Lotteries and Gaming Authority ("MLGA"). Additionally, we will be subject to the laws of the jurisdictions where our internet gaming patrons reside. While the regulatory regime for land-based gaming operations is well-established in many countries, the gaming laws in many of them have not been updated to address internet gaming. This can lead to uncertainty about our ability to operate in certain jurisdictions, as can the application or enforcement of gaming laws or regulations, a change in sentiment by regulatory authorities or the taking of any action by relevant authorities that restricts the processing of online gaming payments or advertising. Some jurisdictions have introduced regulations attempting to restrict or prohibit internet gaming. Other jurisdictions have taken the position that internet gaming is legal. Certain of these jurisdictions have adopted or are in the process of considering legislation to regulate internet gaming.

Because companies and consumers involved in internet gaming are located in jurisdictions throughout the world, there is uncertainty regarding which government has authority to regulate or legislate the industry. Future decisions of these jurisdictions may have a material impact on our operations and financial results. Existing legislation has and could continue to be construed as prohibiting or restricting gaming through the use of the internet and there is a risk governmental authorities may view our activities as violating such statutes. Accordingly, there is a risk that if Guardian Gaming were to violate laws from countries where internet gaming is illegal as determined by the government in that country, criminal or civil proceedings, including class actions could be initiated against us and possibly our executives and directors. If this were to occur, we would be exposed to substantial litigation expense, penalties, fines, injunctions or other remedies or restrictions. Such actions would in all likelihood divert the attention of our key executives and may expose these executives and our directors to criminal or civil proceedings. Any such proceedings would have a material adverse impact on our business, revenues, operating results and financial condition.

### ***Payment Processing***

The development of commercial relationships with international payment processors will be critical to the success of our operations. Recently, certain financial institutions in the United States ceased processing online gaming transactions through their credit cards due to the uncertainty regarding the legislation of internet gaming. This event has had a negative impact on the internet gaming industry as a whole. There can be no assurance that other financial institutions or credit card issuers in other countries will not enact additional restrictions. If international financial institutions and credit-card issuers were to change their current policies and stop accepting online gaming transactions for processing, we may be unable to conduct our business as contemplated and we may not be able to implement our intended business operations.

***E-commerce Law***

In addition to regulations pertaining specifically to online gaming, we will become subject to any number of laws and regulations that have been or may be adopted with respect to internet and electronic commerce, in particular, laws regulating privacy with regard to processing of personal data in the electronic communications services sector, laws regulating the remote conclusion of contracts, online content, advertising and information security. New laws and regulations that address issues such as privacy, pricing, online content regulation, taxation, advertising, intellectual property, information security and the characteristics and quality of online products and services may be enacted. Current laws, which in some jurisdictions predate or are incompatible with the internet and electronic commerce, may be applied and enforced in a manner that restricts electronic commerce. The application of such preexisting laws regulating communications or commerce in the context of the internet and electronic commerce is uncertain. It may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel or personal privacy are applicable to the internet. Adoption of new laws or regulations related to the internet, particularly applications or interpretations of existing laws, could decrease the growth in the use of the internet, decrease the demand for our services, increase our costs of doing business or otherwise have a material adverse effect on our operations and financial results.

***Reduced Demand***

We will provide an internet-based casino enabling players to play a variety of casino games online. Our business will be dependent on consumer demand for the games that we offer. Gaming is a discretionary leisure activity, and participation in discretionary leisure activities has in the past, and may in the future, decline during economic downturns because consumers have less disposable income. Therefore, during periods of economic contraction, our revenue may decrease while some of our costs remain fixed, resulting in decreased earnings. Gaming activity may also decline based on changes in consumer confidence related to general economic conditions or outlook, fears of war, future acts of terrorism, or other factors.

Changes in consumer preferences could also harm our business. Gaming competes with other leisure activities as a form of consumer entertainment, and may lose popularity as new leisure activities arise or as other leisure activities become more popular. In addition, internet-based gaming companies compete with traditional gaming establishments for customers, and we do not operate in the traditional land-based gaming market. The popularity and acceptance of gaming is also influenced by the prevailing social mores. Changes in social mores could result in reduced acceptance of gaming as a leisure activity. To the extent that the popularity of gaming declines as a result of either of these factors, the demand for our internet casino may decline and our business may be adversely affected.

**Risks Related to Our Business*****Development Stage Company***

There is no operating history to evaluate our prospects for successful operations. We are entering into a new line of business with the acquisition of the rights under the Shuffle Master License Agreement, the Playtech License Agreement and the Financial Gaming™ Memorandum of Understanding and development of the online casino, online website, and wireless applications. We may not be successful in launching the intended online gaming web site. Even if we are successful in launching our online casino, we may not be able to operate this business at a profit. We anticipate that we will incur losses and have negative cash flow for the foreseeable future following the termination of this Offering.

Our operations will be subject to all of the risks inherent in the establishment of a new business enterprise, particularly one that is dependent on the ever changing online gaming industry. The likelihood

of our success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with establishing a new business, including uncertainty as to technical capabilities, market acceptance, marketing methods, expenses and competition. We may not be successful in our proposed new business activities.

### ***Gaming Licenses***

The operation of an internet gaming web site is subject to extensive governmental regulation. Malta, and most other jurisdictions, requires licenses, permits or other forms of approval of casino gaming businesses, including evidence of financial stability and of the suitability of their officers, directors, major shareholders and key employees. These regulatory agencies conduct in-depth investigations of gaming companies as well as detailed personal background checks of key employees and major shareholders of the licensees. Obtaining requisite licenses and approvals from gaming authorities can be a time-consuming and costly process. Even after incurring significant time and expense in seeking regulatory approvals, we may not be able to obtain them.

Assuming we do obtain licenses from the MLGA and other required jurisdictions, if any, we will be under continuous scrutiny by these regulatory authorities and our licenses or approvals may be revoked, suspended or curtailed at any time if we fail to comply with applicable laws. Our failure to obtain or maintain regulatory approval in Malta or other applicable jurisdictions may prevent us from obtaining or maintaining regulatory approval in other jurisdictions, leading to a negative “domino effect” in which the loss or denial of a license in one jurisdiction could lead to regulatory investigation and possible loss of a license in other jurisdictions.

### ***License Agreements***

Our intended operations are dependent upon maintaining our rights under the Shuffle Master License Agreement, Financial Gaming™ Memorandum of Understanding and Playtech License Agreement. We must consistently demonstrate, execute and document to the gaming authorities and Shuffle Master our processes for restricting illegal gaming, and prove the efficacy of these processes. There can be no assurance that our gaming systems as developed will guarantee protection against fraudulent activities and unauthorized access from minors or illegal jurisdictional access, which could have a material adverse effect on our reputation, business, revenue, operating results and financial condition. If we are not successful in restricting illegal or fraudulent play, our license for Shuffle Master products may be revoked, causing a material adverse impact to Guardian Gaming.

### ***Intellectual Property Protection***

Protection of our intellectual property rights will be critical to our success. We consider our Shuffle Master License Agreement, Financial Gaming™ Memorandum of Understanding and Playtech License Agreement as well as the software and gaming engines to be developed as proprietary and intend to protect this property under a combination of patent, copyright, trade secret and trademark laws and contractual restrictions. Despite these precautions, it may be possible for unauthorized parties to copy our software or to reverse engineer or obtain and use information we consider proprietary. Existing trade secret and copyright laws provide only limited protection. Contractual arrangements that we may enter into may be enforceable under the laws of certain jurisdictions, and we may be required to negotiate limits on these provisions from time to time. In addition, the laws of some foreign jurisdictions do not protect proprietary rights to the same extent as the laws of other jurisdictions. There can be no assurance that the protections put in place will be adequate.

Significant and protracted litigation may be necessary to protect our intellectual property rights, to determine the scope of the proprietary rights of others or to defend against claims of infringement. We are not currently involved in any litigation with respect to intellectual property rights and are not aware of any threatened claims. However, there can be no assurance that third party claims, with or without merit, alleging infringement will not be asserted in the future. Such assertions can be time consuming and

expensive to defend and could require us to discontinue the use of certain software or processes, to discontinue certain products lines, to incur significant litigation costs and expenses and to develop or acquire non-infringing technology or obtain licenses to the alleged infringing technology. There can be no assurance that we will be able to develop or acquire alternative technologies or to obtain such licenses or, if the licenses may be obtained, that the terms would be commercially acceptable.

### ***Changing Technology***

Future technological advances in the internet gaming industry may result in the availability of new products and services or increase the efficiency of existing products and services. We may not be able to adapt to such technological changes. If a technology becomes available that is more cost-effective or creates a superior product or service, we may be unable to access such technology or its use may involve substantial capital expenditures that we may be unable to finance. Existing, proposed or as yet undeveloped technologies may render our technology less viable, less profitable or obsolete. We may not have available the financial and other resources to compete effectively against companies possessing such technologies. If we fail to develop our product and service offerings to take advantage of technological developments, we may fall behind our competitors and our business, financial condition, results and prospects could suffer.

### ***Additional Capital Requirements***

Our proposed plan of operations, even if successful, may not result in cash flow sufficient to finance the continued operation of our new business. A substantial portion of the proceeds of this Offering will be applied to the acquisition of various online gaming assets and development of our online casino web site. Even if the Offering is fully subscribed, it is possible that we will require additional capital for our operations. There can be no assurance we will be successful in obtaining any additional equity or debt capital or other financing or, if obtained, that such capital will be obtained at a reasonable cost.

### ***E-commerce Adoption***

The success of our electronic gaming services will depend in a large part on the widespread adoption of the internet for commercial transactions. The marketplace for electronic commerce continues to develop, and is subject to frequent and rapid technology changes. It is not possible to fully predict any trend or the eventual impact on our operations and financial results.

### ***Reliability***

The growth of internet usage has caused frequent interruptions and delays in processing and transmitting data over the internet. There can be no assurance that the internet infrastructure or our networks systems will be able to support the demands placed on them as a result of continued growth of the internet, the overall online gaming industry or that of customers.

The internet's viability could be affected by delays in the development or adoption of new standards and protocols to handle increased levels of internet activity or due to increased government regulation. If critical issues concerning commercial use of the internet are not favorably resolved (including security, reliability, cost, ease of use, accessibility and quality of service), if the necessary infrastructure is not sufficient or if other technologies and technological devices eclipse the internet as a viable channel, internet usage may be negatively impacted, and our business, revenues, financial condition and operating results would be materially adversely affected.

End users of our software depend on internet service providers, online service providers, gaming site operators and our system infrastructure for access to our online gaming site. Many of these services have experienced service outages in the past and could experience service outages, delays and other difficulties due to system failures, stability and interruptions. We could lose customers as a result of

delays or interruption in service, including delays or interruptions relating to high volume of traffic or technological problems. As a result, we may not be able to meet a level of service that we anticipate which could materially affect our business. Additionally, the increasing presence of viruses and cyber attacks could also negatively affect the viability and the infrastructure of the internet and could materially affect our business operations.

### ***Market Demand***

The internet gaming industry continues to rapidly evolve and is characterized by an increasing number of market entrants. The demand and acceptance for new products and services are subject to uncertainty and growing competition. A substantial part of our revenues will be derived from internet gaming. If the market develops more slowly than expected, or becomes saturated with competitors or competitive services, or our services do not achieve market acceptance, our business, revenues and operating results will be adversely affected.

### ***Security***

Our internet gaming software and electronic commerce services will be reliant on technologies and network systems to securely handle transactions and user information over the internet, which may be vulnerable to system intrusions, unauthorized access or manipulation. As users become increasingly sophisticated and devise new ways to commit fraud, our security and network systems may become vulnerable. There is no assurance that any such intrusions or attacks will be prevented, and any system intrusion or attack may cause a delay, interruption or financial loss, which could have a material adverse effect on our business and operations.

### ***Reliance on Other Parties***

Operation of our internet casino web site will rely on internet service providers ("ISPs") and their upstream connectivity providers to allow our customers access to our online gaming web site. If ISPs experience service interruptions or legal restrictions on their activities, this may prevent communication over the internet and impair our ability to carry on business. In addition, our ability to process e-commerce transactions depends on bank processing, various payment processing providers and credit card systems. In addition, operation of our online casino will depend on the quality and robustness of software developed for us by an independent software supplier. Any system failure as a result of reliance on third parties, including network, software or hardware failure that causes a delay or interruption in our e-commerce services could have a material adverse effect on our operations.

### ***Foreign Exchange***

Our operations will be based upon the currency of several foreign jurisdictions. Accordingly, fluctuations in the exchange rate of world currencies could have a positive or negative effect on our operating results. We could experience currency losses even if our operations are otherwise profitable. Any such currency losses could have a material impact upon our operating results.

### ***Foreign Operations***

Essential portions of our business will be operated from Malta. While we believe the Maltese government and economy are stable, our company will be subject to a number of risks associated with doing business internationally, including, but not limited to the following: changes in political or economic conditions; changes in currency; changes in tax laws; tariffs and other trade protection measures; difficulty in staffing and changes in labor laws; varying intellectual property laws; restrictions on our ability to repatriate profits to the United States; risk of our assets being nationalized. If any of the foregoing occurs, our business and future growth plans may be negatively impacted.

***Dependence on Key Personnel***

We will be dependent on the continued services of our new management team, including Bradley McGill, Andrew McGreer, Brian Goodman, Satya Mahapatra, Mary Jane Dixon and Bart Lewin. While we have no assurance that our current management will produce successful operations, the loss of such personnel could have an adverse effect on meeting our business development and financial performance objectives. We do have employment agreements in place with an executive management team, but we do not have key-man life insurance on any of these individuals. We have no assurance that we will not lose the services of these or other key personnel and may not be able to timely replace any personnel if we do lose their services.

***Competition***

The market for internet casino services is intensely competitive and rapidly changing. Since the internet's commercialization in the early 1990s, the number of web sites on the internet competing for customers' attention and spending has proliferated with relatively few barriers to entry. We expect that the competition for online gaming services will continue to exist.

Many of our competitors have longer operating histories, significantly greater financial, technical and marketing resources, significantly greater name recognition and substantially larger participant basis and product and service offerings. In addition, many of these competitors may be able to respond more quickly to new or emerging technologies and changes in internet use requirements and to devote substantially greater resources than we are able to do in the development, promotion and sale of their gaming services. There can be no assurances that our current or potential competitors will not develop products and services comparable or superior to those that we intend to offer or will adapt more quickly to new technologies, evolving industry trends or changing internet user preferences. Increased competition could result in increased incentives, reduced margins or loss of market share, any of which would materially affect our business operations and financial results. There can be no assurance that we will be able to compete successfully against current and future competitors.

***Growth Management***

In order to implement our business strategy, we must effectively manage rapid growth in our operations. This rapid growth will strain our management, financial and other resources. To manage future growth effectively, we will have to expand our management team, integrate new personnel and augment our marketing technical capabilities. Rapid growth would also require us to improve our financial, accounting and operational systems and controls. Expansion into new geographic areas would further strain our limited operational and marketing resources. If we are unable to effectively manage our growth, we may fail to execute our business strategy, and our operations and financial results may be adversely affected.

**Risks Related to the Nature of the Offering*****Control by Principal Shareholders***

If all Shares in this Offering are sold, DRI will still control a majority of the Shares and can elect or designate the members of the Board of Directors and, thus, exert control over Guardian Gaming. As a practical matter, current management will continue to control Guardian Gaming in the foreseeable future.

***Restrictions on Transfer***

All Shares purchased hereunder are "restricted securities" and may only be transferred in compliance with the Securities Act. Guardian Gaming does not intend to register the Shares under the



Securities Act. A market in the Shares, in all likelihood, will never be established. A purchaser of the Shares will not be able to readily liquidate this investment and, if able to do so, may only be able to liquidate the Shares at a discount.

#### ***Discretion in Application of Proceeds***

Guardian Gaming intends to utilize the proceeds of this Offering generally for financing the development and launch of its online casino web site and for its operations until Guardian Gaming achieves positive cash flow. No particular amounts are specified or committed. Investors will not have any opportunity to evaluate economic, financial or other information that may be utilized by management in determining how and when to apply the proceeds of this Offering. Investors must rely upon the ability of management to identify and make decisions as to the application of proceeds consistent with our objectives.

#### ***Purchases by Affiliates***

There is no restriction on officers, directors, vendors or affiliates of Guardian Gaming or DRI purchasing a portion of the Shares offered hereby, which would ultimately increase the percentage of Shares controlled by such persons. Shares purchased by DRI, its affiliates or affiliates of Guardian Gaming will be counted in determining if the Minimum Offering amount is met. Investors should not expect that the sale of the Minimum Offering amount of Shares indicates that such sales have been made to investors who have no financial or other interest in the Offering, or who are otherwise exercising independent investment discretion. The sale of the Minimum Offering amount, while necessary for Guardian Gaming's operation, is not designed as a protection to investors or to indicate that their investment decision is shared by other unaffiliated investors. Because purchases by DRI, its affiliates or affiliates of Guardian Gaming may be substantial, no individual investor should place reliance on the sale of the Minimum Offering amount as an indication of the merits of this Offering.

#### ***Dilution***

Purchasers of the Shares offered hereby will experience an immediate and substantial dilution in their net book value per share.

#### ***Dividends and Distributions***

We do not anticipate paying cash dividends on the Shares in the foreseeable future.

#### ***No Independent Due Diligence***

Guardian Gaming has not retained counsel to perform independent due diligence as to this Offering. Investors must perform their own due diligence review before making any investment decision.

#### ***No Prior Public Market; Arbitrary Determination of Offering Price***

Prior to this Offering there has been no market for any of our securities and there can be no assurance that an active public market will develop or be sustained for our Shares. The current offering price of the Shares does not necessarily bear any relationship to our potential assets, earnings or net worth or to any other generally recognized criteria of value and should not be regarded as an indication of any future market price of the Shares.