

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Securities Purchase Agreement with GPL Ventures LLC

On January 10, 2017, PM&E, Inc. (the “Company”) entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”) with GPL Ventures, LLC (“GPL”). Pursuant to the Securities Purchase Agreement, the Company, at its sole and exclusive option, may issue and sell to GPL, from time to time as provided therein, and GPL would purchase from the Company shares of the Company’s common stock (“Shares”) equal to a value of up to Ten Million Dollars (\$10,000,000). The Company will be registering the shares under Regulation A.

Subject to the terms and conditions of the Securities Purchase Agreement, the Company, at its sole and exclusive option, may issue and sell to GPL, and GPL shall purchase from the Company, the Shares upon the Company’s delivery of written notices to GPL. The aggregate maximum amount of all purchases that GPL shall be obligated to make under the Securities Purchase Agreement shall not exceed \$10,000,000. Once a written notice is received by GPL, it shall not be terminated, withdrawn or otherwise revoked by the Company. GPL is not obligated to purchase any Shares unless and until the Company has registered the Shares pursuant to a registration statement on Form S-1 (or on such other form as is available to the Company), which is required to be effective within 11 months of the execution of the Agreements.

Additionally, on January 10, 2017, the Company issued to GPL a Convertible Promissory Note (the “Note”) in the principal amount of \$500,000 as payment of a commitment fee to induce GPL to enter into the Agreements. The Note accrues interest at the rate of five percent (5%) per annum and is due in full on or before January 10, 2018. The Note also prohibits prepayment of the principal. GPL has the right to convert all or any portion of the note balance at any time at a conversion price per share of seventy-five percent (75%) of the lowest Trading Price during the Valuation Period (as defined and calculated pursuant to the Note), which is adjustable in accordance with the Note terms in the event certain capital reorganization, merger, or liquidity events of the Company as further described in the Note.

The Securities Purchase Agreement, and Note contain other provisions customary to transactions of this nature. The foregoing descriptions of the Securities Purchase Agreement, and Note are qualified in their entirety by reference to the Securities Purchase Agreement, and Note, which are filed herewith as Exhibits 10.1, 10.2 and 10.3 and incorporated herein by reference.