U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2009

o **TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 000-30489

LIFEVANTAGE CORPORATION.

(Exact name of Registrant as specified in its charter)

COLORADO	90-0224471
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

11545 W. Bernardo Court, Suite 301, San Diego, California 92127
(Address of principal executive offices)

(858) 312-8000
(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes o No o

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.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No ☑

The number of shares outstanding of the issuer's common stock, par value $0.001 per share, as of February 9, 2010 was 57,002,412.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-Q contains certain “forward-looking statements” (as such term is defined in section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). These statements, which involve risks and uncertainties, reflect our current expectations, intentions or strategies regarding our possible future results of operations, performance, and achievements. Forward-looking statements in this report include, without limitation: statements regarding future products or product development; statements regarding future selling, including our expectations regarding the success of our network marketing sales channel, general and administrative costs and research and development spending; statements regarding our product development strategy; statements regarding the legal complaint filed against the company; and statements regarding future financial performance, results of operation, capital expenditures and sufficiency of capital resources to fund our operating requirements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and applicable common law and SEC rules.

These forward-looking statements may be identified in this report by using words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “plan”, “predict”, “project”, “should” and similar terms and expressions, including references to assumptions and strategies. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- The deterioration of global economic conditions and the decline of consumer confidence and spending;
- The potential failure or unintended negative consequences of the implementation of our network marketing sales channel;
- Our lack of significant revenues from operations;
- Our ability to successfully expand our operations and manage our future growth;
- The effect of current and future government regulations of the network marketing and dietary supplement industries on our business;
- The effect of unfavorable publicity on our business;
- Competition in the dietary supplement market;
- Our ability to retain independent distributors or to hire new independent distributors on an ongoing basis;
- The potential for product liability claims against the Company;
- Independent distributor activities that violate applicable laws or regulations and the potential for resulting government or third party actions against the Company;
- The potential for third party and governmental actions involving our network marketing sales channel;
- Our dependence on third party manufacturers to manufacture our product;
- The ability to obtain raw material for our product;
- Our dependence on a limited number of significant customers;
- Our ability to protect our intellectual property rights and the value of our product;

- Our ability to continue to innovate and provide products that are useful to consumers;
- The significant control that our management and significant shareholders exercise over us;
- The illiquidity of our common stock;
- Our ability to access capital markets in light of the global credit crisis or other adverse effects to our business and financial position;
- Our ability to generate sufficient cash from operations, raise financing to satisfy our liquidity requirements, or reduce cash outflows without harm to our business, financial condition or operating results; and
- Other factors not specifically described above, including the other risks, uncertainties, and contingencies under “Description of Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” in Item 6 of Part II of our report on Form 10-K for the year ended June 30, 2009.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this report and the documents incorporated by reference. We have no obligation and do not undertake to update or revise any such forward-looking statements to reflect events or circumstances after the date of this report.

LIFEVANTAGE CORPORATION

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Certification pursuant to Securities Exchange Act of 1934 and Sections 302 and 906 of the Sarbanes-Oxley Act of 2002

EXHIBIT 4.3

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PART I Financial Information

Item 1. Financial Statements

LIFEVANTAGE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	December 31, 2009	June 30, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 281,679	$ 608,795
Restricted cash	—	259,937
Marketable securities, available for sale	460,000	520,000
Accounts receivable, net	227,273	648,116
Equity raise receivable	—	119,750
Inventory	687,880	740,014
Deposits	27,178	16,482
Prepaid expenses	141,795	72,738
Total current assets	1,825,805	2,985,832
Long-term assets		
Marketable securities, available for sale	115,000	130,000
Property and equipment, net	229,952	274,741
Intangible assets, net	2,096,130	2,175,281
Deferred debt offering costs, net	291,625	83,023
Deposits	34,613	66,795
TOTAL ASSETS	$ 4,593,125	$ 5,715,672
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 2,004,517	$ 2,029,290
Accrued expenses	1,159,570	822,024
Escrow for equity offering	—	259,937
Revolving line of credit and accrued interest	435,034	581,444
Short-term notes payable — related party	756,635	—
Short-term derivative liabilities	722,715	—
Short-term convertible debt, net of discount	507,330	—
Capital lease obligations, current portion	10,707	41,490
Total current liabilities	5,596,508	3,734,185
Long-term liabilities		
Deferred rent	25,434	23,677
Long-term derivative liabilities	4,155,663	8,429,710
Long-term convertible debt, net of discount	45,107	382,194
Total liabilities	9,822,712	12,569,766
Commitments and contingencies		
Stockholders' deficit		
Preferred stock — par value $.001, 50,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock — par value $.001, 250,000,000 shares authorized; 57,002,314 and 53,968,628 issued and outstanding as of December 31, 2009 and June 30, 2009, respectively	57,002	53,969
Additional paid-in capital	19,582,057	16,964,927
Accumulated deficit	(23,403,341)	(23,872,990)
Cumulative effect of change in accounting principle	(1,461,528)	—
Currency translation adjustment	(3,777)	—
Total stockholders' deficit	(5,229,587)	(6,854,094)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 4,593,125	$ 5,715,672

The accompanying notes are an integral part of these condensed consolidated statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended		For the six months ended	
	2009	2008	2009	2008
Sales, net	$ 2,455,646	$ 578,457	$ 4,313,643	$ 1,851,959
Cost of sales	411,824	127,546	724,798	363,085
Gross profit	2,043,822	450,911	$ 3,588,845	1,488,874
Operating expenses:				
Sales and marketing	1,962,590	322,065	3,975,195	806,869
General and administrative	2,548,891	496,831	4,929,608	1,010,826
Research and development	118,522	65,960	225,414	118,515
Depreciation and amortization	93,475	39,246	146,773	79,428
Total operating expenses	4,723,478	924,102	9,276,990	2,015,638
Operating loss	(2,679,656)	(473,191)	(5,688,145)	(526,764)
Other income and (expense):				
Interest expense	(741,790)	(92,823)	(895,490)	(170,385)
Change in fair value of derivative liabilities	2,740,783	—	8,768,519	—
Total other income/(expense)	1,998,993	(92,823)	7,873,029	(170,385)
Net income/(loss)	(680,663)	(566,014)	2,184,884	(697,149)
Net income/(loss) per share, basic	($0.01)	($0.02)	$ 0.04	($0.03)
Net income/(loss) per share, diluted	($0.01)	($0.02)	$ 0.03	($0.03)
Weighted average shares, basic	56,988,549	24,766,117	56,896,535	24,766,117
Weighted average shares, diluted	56,988,549	24,766,117	68,643,382	24,766,117

The accompanying notes are an integral part of these condensed consolidated statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the six months ended December 31, 2009	2008
Cash Flows from Operating Activities:		
Net income (loss)	$ 2,184,884	$(697,149)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Depreciation and amortization	146,774	79,428
Stock based compensation to employees	929,205	150,797
Stock based compensation to non-employees	724,325	65,290
Amortization of debt discount	741,045	83,555
Non-cash interest expense from amortization of deferred offering costs	44,591	43,074
Consulting fees paid in equity		—
Change in fair value of derivative liabilities	(8,768,519)	—
Changes in operating assets and liabilities:		
Decrease in accounts receivable	420,843	32,257
Decrease in inventory	52,134	28,189
Decrease in deposit from manufacturer	—	12,777
(Increase) decrease in prepaid expenses	(69,057)	107,695
Decrease in deposits and other assets	21,486	89,487
Increase (decrease) in accounts payable	(24,773)	5,215
Increase in accrued expenses	339,302	7,168
(Decrease) in deferred revenue	—	(510,765)
Net Cash Used by Operating Activities	**(3,257,760)**	**(502,982)**
Cash Flows from Investing Activities:		
Redemption of marketable securities	75,000	350,000
Purchase of intangible assets	(22,834)	(8,717)
Purchase of equipment	—	(18,463)
Net Cash Provided by Investing Activities	**52,166**	**322,820**
Cash Flows from Financing Activities:		
Net payments on/proceeds from revolving line of credit and accrued interest	(146,410)	83,465
Borrowings on long-term obligations	756,635	—
Issuance of convertible debt and warrants	1,377,143	—
Receivable from equity raise	119,750	—
Principal payments under capital lease obligation	(30,783)	(846)
Issuance of common stock and warrants	904,256	
Exercise of options and warrants	32,378	—
Private placement fees	(130,714)	
Net Cash Provided (Used) by Financing Activities	**2,882,255**	**82,619**
Foreign Currency Effect on Cash	**(3,777)**	—
Decrease in Cash and Cash Equivalents:	**(327,116)**	**(97,543)**
Cash and Cash Equivalents — beginning of period	608,795	196,883
Cash and Cash Equivalents — end of period	**$ 281,679**	**$ 99,340**
Non Cash Investing and Financing Activities:		
Warrants issued for private placement fees	$ 122,508	$ —
Debt converted into common stock	$ 30,000	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	$ 46,204	$ 54,382
Cash paid for income taxes	$ —	$ —

The accompanying notes are an integral part of these condensed consolidated statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)

These unaudited Condensed Consolidated Financial Statements and Notes should be read in conjunction with the audited financial statements and notes of Lifevantage Corporation as of and for the year ended June 30, 2009 included in our annual report on Form 10-K.

Note 1 — Organization and Basis of Presentation:

The condensed consolidated financial statements included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of the management of Lifevantage Corporation ("Lifevantage" or the "Company"), these interim Financial Statements include all adjustments, consisting of normal recurring adjustments, that are considered necessary for a fair presentation of the Company's financial position as of December 31, 2009, and the results of operations for the three and six month periods ended December 31, 2009 and 2008 and the cash flows for the six month periods ended December 31, 2009 and 2008. Interim results are not necessarily indicative of results for a full year or for any future period. Certain prior period amounts have been reclassified to conform to our current period presentation.

The condensed consolidated financial statements and notes included herein are presented as required by Form 10-Q, and do not contain certain information included in the Company's audited financial statements and notes for the fiscal year ended June 30, 2009 pursuant to the rules and regulations of the SEC. For further information, refer to the financial statements and notes thereto as of and for the year ended June 30, 2009, and included in the Annual report on Form 10-K on file with the SEC.

On August 5, 2009, the Company issued common stock in a private placement offering. The gross proceeds received by the Company from the offering of approximately $904,000 are being used to develop and expand its network marketing sales channel and to increase the Company's working capital.

Effective September 15, 2009, the Company received a bridge loan in the amount of $100,000 from each of Mr. Thompson and Mr. Mauro, members of the Company's board of directors. The terms of the notes were for one month with interest payable at a rate of 10% per annum. Accrued interest was payable in cash by the Company upon repayment of the note at the maturity date. All parties agreed to an extension of the term of these notes, until repayment of the principle and interest, which occurred on February 4, 2010.

On September 24, 2009, the Company received an additional loan for $500,000 from a shareholder with simple interest payable on the unpaid principle balance equal to 3% per calendar month through March 24, 2010. On February 4, 2010, the accrued interest was paid and the principle was converted into convertible debentures in a private placement offering.

On November 18, 2009, December 11, 2009 and December 31, 2009, the Company issued convertible debentures in a private placement offering that bear interest at 8 percent per annum and have a term of two years. The convertible debentures are convertible into the Company's common stock at $0.20 per share during their term. The Company has the option to redeem the outstanding principal plus accrued interest for cash at any time during the term of the notes. Net proceeds of $1,246,428 were

distributed to the Company pursuant to the issuance of convertible debentures in the private placement offering. The Company also issued warrants to purchase shares of the Company's common stock at $0.50 per share in the private placement offering.

The Company anticipates raising additional capital to continue to expand the network marketing sales channel. However, there can be no assurance that any additional funds can be raised or that revenue generated from this new sales channel will result in positive cash flow.

Note 2 — Summary of Significant Accounting Policies:

Translation of Foreign Currency Statements

The Company translates the Foreign Currency statements for the three entities established in Mexico (LifeVantage de México, S. de R.L. de C.V, Importadora LifeVantage, S. de R.L. de C.V., and Servicios Administrativos para la Importación de Productos Body & Skin, S.C.) by using the current exchange rate. For assets and liabilities, the exchange rate at the balance sheet date is used. For revenue, expenses, gains, and losses, an appropriately weighted average exchange rate for the period is used. For any investment in subsidiaries and retained earnings, the historical exchange rate is used.

Consolidation

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiaries Lifeline Nutraceuticals Corporation ("LNC"), LifeVantage de México, S. de R.L. de C.V. (Limited Liability Company), Importadora LifeVantage, S. de R.L. de C.V. (Limited Liability Company), and Servicios Administrativos para la Importación de Productos Body & Skin, S.C. All inter-company accounts and transactions between the entities have been eliminated in consolidation.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements. Actual results could differ from those estimates.

Fair Value Measurements

Fair value measurement requirements are embodied in certain accounting standards applied in the preparation of our financial statements. Significant fair value measurements include our common stock and warrant financing arrangements and certain share-based payment arrangements. See Notes 4 and 7 — Convertible Debentures and Common Stock and Warrant Offerings for disclosures related to our common stock and warrant financing arrangements. The fair value hierarchy is defined below:

Fair value hierarchy:

(1) Level 1 inputs are quoted prices in active markets for identical assets and liabilities, or derived therefrom.

(2) Level 2 inputs are inputs other than quoted prices that are observable.

(3) Level 3 inputs are unobservable inputs.

The summary of fair values of financial instruments is as follows at December 31, 2009:

Instrument:	Fair value	Carrying Value	Level	Valuation Methodology
Short-term marketable securities	$ 460,000	$ 460,000	2	Market price
Long-term marketable securities	$ 115,000	$ 115,000	2	Market price
Derivative warrant liabilities	$2,988,428	$2,988,428	3	Black-Scholes
Embedded conversion liability	$1,889,950	$1,889,950	3	Lattice model

The summary of fair values of financial instruments is as follows at June 30, 2009:

Instrument:	Fair value	Carrying Value	Level	Valuation Methodology
Short-term marketable securities	$ 520,000	$ 520,000	2	Market price
Long-term marketable securities	$ 130,000	$ 130,000	2	Market price
Derivative warrant liabilities	$8,429,710	$8,429,710	3	Black-Scholes

The following represents a reconciliation of the changes in fair value of financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the six months ended December 31, 2009 and the year ended June 30, 2009:

	December 31, 2009	June 30, 2009
Beginning balance: Short-term derivative financial instruments	$ —	$ —
Total (gains) losses	61,086	—
Purchases, sales, issuances and settlements, net	661,629	—
Ending balance	$ 722,715	$ —

	December 31, 2009	June 30, 2009
Beginning balance: Long-term derivative financial instruments	$ 8,429,710	$ —
Total (gains) losses	(8,829,605)	777,687
Purchases, sales, issuances and settlements, net	4,555,558	7,652,023
Ending balance	$ 4,155,663	$ 8,429,710

Revenue Recognition

The Company ships the majority of its products sold through the network marketing or multi-level marketing sales channel directly to the consumer via United Parcel Service (“UPS”) and receives substantially all payment for these sales in the form of credit card charges. Revenue from direct product

sales to customers and distributors is recognized upon passage of title and risk of loss to customers when product is shipped from the fulfillment facility. Sales revenue and estimated returns are recorded when product is shipped. The Company's standard return policy is to provide a 30-day money back guarantee on orders placed by customers. After 30 days, the Company does not issue refunds to direct sales customers for returned product. In the network marketing sales channel, the Company allows terminating distributors to return unopened unexpired product that they have previously purchased up to twelve months prior to termination, subject to certain consumption limitations. To date, returns from terminating distributors have been negligible and the Company recognizes all such revenue. The Company has experienced overall monthly returns of approximately 3% of sales. Our direct to consumer return rate, other than network marketing or multi-level marketing sales, and our retail sales return rate is approximately 1% of sales based on historical experience and our network marketing sales channel return rate is approximately 4% of sales based upon our network marketing industry experience. As of December 31, 2009 and June 30, 2009, the Company's reserve balance for returns and allowances was approximately $92,610 and $68,500, respectively.

For its sales to retailers, the Company analyzed individual contracts to determine the appropriate accounting treatment for recognition of revenue on a customer by customer basis. As of December 31, 2009, the Company ceased all shipments to retailers.

Accounts Receivable

The Company's accounts receivable primarily consists of its receivable from its retail distributor. Management reviews accounts receivable on a regular basis to determine if any receivables will potentially be uncollectible. The Company has one national retailer, GNC, as of December 31, 2009. The Company's national retailer comprises approximately 75% of the Company's customer accounts receivable balance as of December 31, 2009. Based on the current aging of its accounts receivable, the Company believes that it is not necessary to maintain an allowance for doubtful accounts.

For credit card sales to independent distributors and direct sales customers, the Company verifies the customer's credit card prior to shipment of product. Any payment not yet received from credit card sales is treated as a receivable on the accompanying balance sheet. As of June 30, 2009 the Company's credit card processor put a hold on approximately $533,000 of credit card sales due to higher sales volumes and perceived credit card risks from the Company's change to a network marketing sales channel for distribution of its products. During the six months ended December 31, 2009 the Company changed its credit card processor and received all of the reserve deposit that had been held with the old processor. After changing to a new credit card processor the Company is now required to maintain a 3% reserve on a rolling six month basis. The reserve balance at December 31, 2009 was approximately $120,000.

Based on the Company's verification process for customer credit cards and historical information available, management does not believe that there is justification for an allowance for doubtful accounts on credit card sales related to its direct and independent distributor sales as of December 31, 2009. For direct and independent distributor sales, there is no bad debt expense for the three or six month periods ended December 31, 2009.

Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the first-in, first-out method. The Company has capitalized payments to its contract product manufacturer for the

acquisition of raw materials and commencement of the manufacturing, bottling and labeling of the Company's product. As of December 31, 2009 and June 30, 2009, inventory consisted of:

	December 31, 2009	June 30, 2009
Finished goods	$ 446,519	$ 522,599
Raw materials	241,361	217,415
Total inventory	$ 687,880	$ 740,014

Income/(Loss) per share

Basic income or loss per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share are computed by dividing net income by the weighted average common shares and potentially dilutive common share equivalents. The effects of approximately 48.4 million common shares issuable pursuant to the convertible debentures and warrants issued in the Company's private placement offerings, compensation based warrants issued by the Company and options granted through the Company's 2007 Long-Term Incentive Plan are not included in computations when their effect is antidilutive. Because of the net loss for the three months ended December 31, 2009 and 2008, and the six months ended December 31, 2008 the basic and diluted average outstanding shares are the same since including the additional potential common share equivalents would have an antidilutive effect on the loss per share calculation. As the Company reported net income for the six months ended December 31, 2009, earnings per share is computed using the weighted average common shares and potentially dilutive common share equivalents.

Research and Development Costs

The Company expenses all costs related to research and development activities as incurred. Research and development expenses for the six month periods ended December 31, 2009 and 2008 were $225,414 and $118,515 respectively.

Cash and Cash Equivalents

The Company considers only its monetary liquid assets with original maturities of three months or less as cash and cash equivalents.

Marketable Securities

The Company has, from time to time, invested in marketable securities, including auction rate preferred securities of closed-end funds ("ARPS") to maximize interest income. The Company has classified its investment in these instruments as marketable securities available for sale.

These marketable securities which historically have been liquid have been adversely affected by the broader national liquidity crisis. During the six months ended December 31, 2009, $75,000 of the

Company's ARPS were redeemed by the underlying fund. The Company entered into an agreement with its investment advisor, Stifel Nicolaus, to repurchase 100% of the remaining ARPS at par on or prior to June 30, 2012. The schedule for repurchase of remaining ARPS by Stifel Nicolaus over the next three years is as follows:

(a) The greater of 10 percent or $25,000 to be completed by June 30, 2010;

(b) The greater of 10 percent or $25,000 to be completed by June 30, 2011;

(c) The balance of outstanding ARPS, if any, to be repurchased by June 30, 2012.

The Company established a line of credit to borrow against marketable securities so that sales of these securities would not have to occur in order to fund operating needs of the Company. The interest on amounts borrowed has been approximately the same as the interest being earned from the underlying securities.

The Company has entered into an agreement to expand the borrowing base of the line of credit with its investment advisor from 50% to 80% of the par value of the Company's marketable securities.

Based upon the agreement to expand the line of credit to 80%, management has access to 80% of its ARPS through borrowing in the current year. Accordingly, management classified 80% or $460,000 of the Company's marketable securities as short term. The remaining 20% or $115,000 of the Company's marketable securities that may not be available in the current year is classified as long-term.

As of December 31, 2009, in light of the plan for repurchase and the repurchases made during the year, management has determined that there has not been a change in the fair value of the securities owned. The Company has not recorded any impairment related to these investments, as management does not believe that the underlying credit quality of the assets has been impacted by the reduced liquidity of these investments. We consider the inputs to valuation of these securities as level 2 inputs in the fair value hierarchy.

Investment in marketable securities are summarized as follows as of December 31, 2009 and June 30, 2009:

	Unrealized (Loss)	Estimated Fair Value
As of December 31, 2009:		
Available for sale securities — current	$ —	$ 460,000
Available for sale securities — long term	—	115,000
Total marketable securities	$ —	$ 575,000
As of June 30, 2009:		
Available for sale securities — current	$ —	$ 520,000
Available for sale securities — long term	—	130,000
Total marketable securities	$ —	$ 650,000

Shipping and Handling

Shipping and handling costs associated with inbound freight and freight out to customers, including independent distributors, are included in cost of sales. Shipping and handling fees charged to all customers are included in sales.

Intangible Assets

As of December 31, 2009 and June 30, 2009, intangible assets consisted of:

	December 31, 2009	June 30, 2009
Patent costs	$2,269,157	$2,255,696
Trademark costs	142,084	132,712
Amortization of patents & trademarks	(315,111)	(213,127)
Intangible assets, net	$2,096,130	$2,175,281

Patents

The costs of applying for patents are capitalized and, once the patent is granted, are amortized on a straight-line basis over the lesser of the patent's economic or legal life. Capitalized costs will be expensed if patents are not granted or it is determined that the patent is impaired. The Company reviews the carrying value of its patent costs periodically to determine whether the patents have continuing value and such reviews could result in impairment of the recorded amounts. As of December 31, 2009, three U.S. patents have been granted. Amortization of these patents commenced upon the date of the grant and will continue over their remaining legal lives.

Stock-Based Compensation

Payments in equity instruments for goods or services are accounted for by the fair value method. The Company has estimated the forfeiture rate on options to be 20%.

The Company adopted and the shareholders approved the Company's 2007 Long-Term Incentive Plan (the "Plan"), effective November 21, 2006, to provide incentives to certain eligible employees who are expected to contribute significantly to the strategic and long-term performance objectives and growth of the Company. A maximum of 10,000,000 shares of the Company's common stock can be issued under the Plan in connection with the grant of awards. Awards to purchase common stock have been granted pursuant to the Plan and are outstanding to various employees, officers, directors, independent distributors and Scientific Advisory Board ("SAB") members at prices between $0.11 and $0.76 per share, vesting over one- to three-year periods. Awards expire in accordance with the terms of each award and the shares subject to the award are added back to the Plan upon expiration of the award. As of December 31, 2009, awards for the purchase of an aggregate of 8,833,230 shares of the Company's common stock are outstanding.

In certain circumstances, the Company issued common stock for invoiced services and in other similar situations to pay contractors and vendors. Payments in equity instruments to non-employees for

goods or services are accounted for by the fair value method, which relies on the valuation of the service at the date of the transaction, or public stock sales price, whichever is more reliable as a measurement.

Compensation expense was calculated using the fair value method during the three and six month periods ended December 31, 2009 and 2008 using the Black-Scholes option pricing model. Compensation based options totaling 621,500 and 1,377,500 were granted during the three and six month periods ended December 31, 2009, respectively. No compensation based options were granted during the three and six month periods ended December 31, 2008. Warrants for the purchase of 240,000 and 520,000 shares were granted to consultants during the three and six month periods ended December 31, 2008, respectively. No warrants were granted to consultants during the three and six month periods ended December 31, 2009. The following assumptions were used for options and warrants granted during the three and six month periods ended December 31, 2009 and 2008:

1. risk-free interest rates of between 2.01 and 3.52 percent for the three and six months ended December 31, 2009 and 2.42 percent for the three and six months ended December 31, 2008;
2. dividend yield of -0- percent;
3. expected life of 3 to 6 years; and
4. a volatility factor of the expected market price of the Company’s common stock of 160 and 337 percent for the three and six months ended December 31, 2009 and 204 percent for the six months ended December 31, 2008.

Derivative Financial Instruments

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. However, we have entered into certain other financial instruments and contracts, such as freestanding warrants and embedded conversion features on convertible debt instruments that are not afforded equity classification. These instruments are required to be carried as derivative liabilities, at fair value, in our consolidated financial statements.

Derivative financial instruments consist of financial instruments or other contracts that contain a notional amount and one or more underlying variables (e.g. interest rate, security price or other variable), require no initial net investment and permit net settlement. Derivative financial instruments may be free-standing or embedded in other financial instruments. Further, derivative financial instruments are initially, and subsequently, measured at fair value and recorded as liabilities or, in rare instances, assets.

We estimate fair values of derivative financial instruments using various techniques that are considered to be consistent with the objective measurement of fair values. In selecting the appropriate technique, we consider, among other factors, the nature of the instrument, the market risks that it embodies and the expected means of settlement. For less complex derivative instruments, such as freestanding warrants, we generally use the Black Scholes Merton option valuation technique, adjusted for the effect of dilution, because it embodies all of the requisite assumptions (including trading volatility, estimated terms, and risk free rates) necessary to fair value these instruments. For embedded conversion features we generally use a lattice technique because it contains all the requisite assumptions to value these features. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques are highly volatile and sensitive to changes in the trading market price of our common stock. Since derivative financial instruments are initially and subsequently carried at fair values, our income will reflect the volatility in changes to these estimates and assumptions.

The following table summarizes the effects on our income (expense) associated with changes in the fair values of our derivative financial instruments for the three and six months ended December 31, 2009:

	Three months ended December 31, 2009	Six months ended December 31, 2009
Investor warrants issued March 16, 2009	$ 431,308	$ 1,418,053
Investor warrants issued March 26, 2009	1,002,518	3,296,763
Investor warrants issued April 6, 2009	492,557	1,506,315
Investor warrants issued November 18, 2009	(39,754)	(39,754)
Investor warrants issued December 11, 2009	(139,172)	(139,172)
Investor warrants issued December 31, 2009	(32,249)	(32,249)
Embedded conversion derivative related to 2007 debentures	811,550	2,544,538
Embedded conversion derivative related to 2009 debentures	214,025	214,025
Total change in fair value of derivative liability	$ 2,740,783	$ 8,768,519

There were no derivative financial instruments outstanding and no changes to fair value of derivative liability for the three and six month periods ended December 31, 2008.

Our derivative liabilities are significant to our financial statements for the three and six month periods ended December 31, 2009. The magnitude of derivative income (expense) reflects the following:

- The market price of our common stock, which significantly affects the fair value of our derivative financial instruments, experienced material price fluctuations. To illustrate, the closing price of our common stock decreased from $0.67 on June 30, 2009 to $0.38 on September 30, 2009 and to $0.25 on December 31, 2009. The lower stock price had the effect of significantly decreasing the fair value of our derivative liabilities and, accordingly, we were required to adjust the derivatives to these lower values with a credit to derivative income.

Convertible Debt Instruments

We issued convertible debt in September and October 2007 and in November and December 2009. We review the terms of convertible debt and equity instruments that we issue to determine whether there are embedded derivative instruments, including the embedded conversion options that are required to be bifurcated and accounted for separately as derivative instrument liabilities. Also, in

connection with the sale of convertible debt and equity instruments, we may issue freestanding options or warrants that may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity. For option-based derivative financial instruments, we use the Black-Scholes option pricing model to value the derivative instruments . For embedded conversion derivatives we use a lattice model to value the derivative.

When the embedded conversion option in a convertible debt instrument is not required to be bifurcated and accounted for separately as a derivative instrument, we review the terms of the instrument to determine whether it is necessary to record a beneficial conversion feature. When the effective conversion rate of the instrument at the time it is issued is less than the fair value of the common stock into which it is convertible, we recognize a beneficial conversion feature, which is credited to equity and reduces the initial carrying value of the instrument.

When convertible debt is initially recorded at less than its face value as a result of allocating some or all of the proceeds received to derivative instrument liabilities, to a beneficial conversion feature or to other instruments, the discount from the face amount, together with the stated interest on the convertible debt, is amortized over the life of the instrument through periodic charges to income, using the effective interest method.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using statutory tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the effective date of the change.

Concentration of Credit Risk

We disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments with significant credit risk include cash and marketable securities. At December 31, 2009, the Company had approximately $264,000 cash accounts at one financial institution, approximately $15,000 in a foreign bank for our subsidiary and approximately $3,100 in an investment management account at another financial institution.

Effect of New Accounting Pronouncements

We have reviewed recently issued, but not yet effective, accounting pronouncements and do not believe any such pronouncements will have a material impact on our financial statements.

Note 3 —Accounting for Intellectual Property

Long-lived assets of the Company are reviewed at least annually as to whether their carrying value has become impaired. The Company assesses impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. When assessing impairment of long-lived assets, long-lived assets to be disposed of, and certain identifiable intangibles related to those assets, the Company is required to compare the net carrying

value of long-lived assets on the lowest level at which cash flows can be determined on a consistent basis to the related estimates of future undiscounted net cash flows for such properties. If the net carrying value exceeds the net cash flows, then impairment is recognized to reduce the carrying value to the estimated fair value, generally equal to the future undiscounted net cash flow.

Note 4 — Convertible Debentures

2007

On September 26, 2007 and October 31, 2007, the Company issued convertible debentures in a private placement offering that bear interest at 8 percent per annum and have a term of three years. The convertible debentures are convertible into the Company's common stock at $0.20 per share during their term and at maturity, at the Company's option, may be repaid in full or converted into common stock at the lower of $0.20 per share or the average trading price for the 10 days immediately prior to the maturity date on September 26, 2010 and October 31, 2010.

Gross proceeds of $1,490,000 were distributed to the Company pursuant to the issuance of convertible debentures in the private placement offering. The Company also issued warrants to purchase shares of the Company's common stock at $0.30 per share in the private placement offering.

Prior to conversion or repayment of the convertible debentures, if (i) the Company fails to remain subject to the reporting requirements under the Exchange Act for a period of at least 45 consecutive days, (ii) the Company fails to materially comply with the reporting requirements under the Exchange Act for a period of 45 consecutive days, (iii) the Company's common stock is no longer quoted on the Over the Counter Bulletin Board or listed or quoted on a securities exchange, or (iv) a Change of Control (as defined in the convertible debentures) is consummated, the Company will be required upon the election of the holder to redeem the convertible debentures in an amount equal to 150 percent of the principal amount of the convertible debenture plus any accrued or unpaid interest.

The Company determined that the conversion option in the convertible debentures did not satisfy the definition of being indexed to its own stock, as an anti-dilution provision in the convertible debentures reduces the conversion price dollar for dollar if the Company issues common stock with a price lower than the conversion price of the convertible debentures. Based on authoritative guidance effective on July 1, 2009 the embedded conversion option in the convertible debentures was a liability as of July 1, 2009. The Company has bifurcated the embedded conversion option from the host contract and accounted for this feature as a separate derivative liability. The cumulative effect of the change in accounting principle was recognized as a cumulative effect adjustment of $1,461,528 to the opening balance of stockholders' deficit.

In addition, The Company has reviewed the terms of the convertible debentures to determine whether there are any other embedded derivative instruments that may be required to be bifurcated and accounted for separately as derivative instrument liabilities. Certain events of default associated with the convertible debentures, including the holder's right to demand redemption in certain circumstances, have risks and rewards that are not clearly and closely associated with the risks and rewards of the debt instruments in which they are embedded. The Company has reviewed these embedded derivative instruments to determine whether they should be separated from the convertible debentures. However, at this time, the Company has determined that the value of these derivative instrument liabilities is not material.

The Company allocated the proceeds received in the private placement to the convertible debentures and warrants to purchase common stock based on their relative estimated fair values. Management determined that the convertible debentures contained an embedded derivative related to the anti-dilution provision and price after allocating proceeds of the convertible debentures to the common stock purchase warrants. As a result, the Company allocated $661,629 to the embedded derivative which was recorded as a liability and $578,185 to the common stock warrants, which were recorded in additional paid-in-capital. The discount from the face amount of the convertible debentures represented by the value initially assigned to any associated warrants and to any beneficial conversion feature is amortized over the period to the due date of each convertible debenture, using the effective interest method.

Effective interest associated with the convertible debentures totaled $147,955 and $306,703 for the three and six month periods ended December 31, 2009, respectively. Effective interest associated with the convertible debentures totaled $74,195 and $137,937 for the three and six month periods ended December 31, 2008, respectively. Effective interest is accreted to the balance of convertible debt until maturity. A total of $256,567 was paid for commissions and expenses incurred in the 2007 private placement offering which is being amortized into interest expenses over the term of the convertible debentures on a straight-line basis. As of December 31, 2009 the Company has recorded accumulated amortization of 2007 deferred offering costs of $176,051.

2009

On November 18, 2009, December 11, 2009 and December 31, 2009, in a private placement offering, the Company issued convertible debentures that bear interest at 8 percent per annum and have a term of two years and 4,080,790 warrants to purchase shares of the Company's common stock with an exercise price of $0.50 per share in exchange for aggregate net proceeds of $1,246,428. The convertible debentures are convertible into the Company's common stock at $0.20 per share during their term. Subject to meeting certain equity conditions, the Company has the option to redeem the outstanding principal plus accrued interest for cash at any time during the term of the notes.

Prior to conversion or repayment of the convertible debentures, if (i) the Company's reporting requirements under the Exchange Act are suspended or terminated, (ii) the Company's common stock is no longer quoted on the Over the Counter Bulletin Board or listed or quoted on a securities exchange, (iii) at any time during the period commencing from the six month anniversary of the date the debenture was issued and ending at such time that all of the shares of common stock issuable upon conversion of that debenture may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (iv) a change of control is consummated, the Company will be required upon the election of the holder to redeem that holder's convertible debenture in an amount equal to 130 percent of the principal amount of the convertible debenture plus any accrued or unpaid interest.

The Company determined that the convertible debentures did not satisfy the definition of a conventional convertible instrument, as an anti-dilution provision in the convertible debentures reduces the conversion price dollar for dollar if the Company issues common stock with a price lower than the conversion price of the convertible debentures, subject to specified exceptions. Based on authoritative guidance effective on July 1, 2009 the Company has concluded that the embedded conversion option in the convertible debentures is required to be bifurcated from the host contract and accounted for this feature as a separate derivative liability, at fair value, in its financial statements. In addition, the

Company has determined that the warrants issued in conjunction with the convertible debentures are required to be carried as derivative liabilities, at fair value, in its financial statements.

In addition, the Company has reviewed the terms of the convertible debentures to determine whether there are any other embedded derivative instruments that may be required to be bifurcated and accounted for separately as derivative instrument liabilities. Certain events of default associated with the convertible debentures, including the holder's right to demand redemption in certain circumstances, have risks and rewards that are not clearly and closely associated with the risks and rewards of the debt instruments in which they are embedded. The Company has reviewed these embedded derivative instruments to determine whether they should be separated from the convertible debentures. However, at this time, the Company has determined that the value of these derivative instrument liabilities is not material.

The Company allocated the proceeds received in the private placements to the embedded derivative and warrants based on their estimated fair values. As a result, the Company recorded $1,167,234 to the embedded derivative and $782,737 to the warrants, which were recorded as liabilities. The discount from the face amount of the convertible debentures represented by the value initially assigned to any associated warrants and embedded derivative is amortized over the period from the date of issuance to the due date of each convertible debenture, using the effective interest method. Discount exceeding the face value of the debt in the amount of $450,314 was recorded to interest expense upon allocation.

Effective interest associated with the convertible debentures totaled $45,107 for the three and six month periods ended December 31, 2009. Effective interest is accreted to the balance of convertible debt until maturity. The Company incurred an aggregate of $253,222 in commissions and expenses in connection with the 2009 private placement offerings, $130,714 of which was paid in cash and the balance of which was reflected in the issuance of warrants with a fair market value of $122,508. The $253,222 in commissions and expenses is being amortized into interest expenses over the term of the convertible debentures on a straight-line basis. As of December 31, 2009 the Company has recorded accumulated amortization of 2009 deferred offering costs of $11,523.

In connection with the private placement offerings, the Company issued warrants to purchase shares of the Company's common stock. These warrants are exercisable for a period of five years from the date of issuance at an exercise price of $0.50 per share. The Company determined that the warrants should be accounted for as a derivative liability, at fair value, in its financial statements. The following is a table of the placement agent warrants issued and their fair value on the date of issuance:

	Common shares indexed to the warrants	Fair Value
November 18, 2009	741,305	$ 132,661
December 11, 2009	2,574,613	484,810
December 31, 2009	764,872	165,266
Totals	4,080,790	$ 782,737

The warrants were valued using the Black-Scholes Merton valuation technique, adjusted for the effects of dilution using the following assumptions:

Significant assumptions (or ranges):

	November 18, 2009	December 11, 2009	December 31, 2009
Trading market values (1)	$0.21	$0.22	$0.25
Term (years) (3)	5.00	5.00	5.00
Volatility (1)	146%	146%	145%
Risk-free rate (2)	2.21%	2.26%	2.69%
Dividends	—	—	—

Note 5 — Line of Credit and Notes Payable

The Company established a line of credit to borrow against its marketable securities and any cash received from redemption of its marketable securities. Under an agreement to extend the line of credit from 50% to 80% of the face value of its marketable securities, as of December 31, 2009, the Company can borrow up to $460,000. The line is collateralized by the Company's marketable securities. The interest rate charged through December 31, 2009, 3.00 percent, is 0.25 percentage points below the published Wall Street Journal Prime Rate, which was 3.25 percent as of December 31, 2009. As of December 31, 2009, the Company has borrowed approximately $435,000 including accrued interest from the line.

Effective September 15, 2009, the Company received a bridge loan in the amount of $100,000 from each of Mr. Thompson and Mr. Mauro, members of the Company's board of directors. The terms of the notes were for one month with interest payable at a rate of 10% per annum. Accrued interest was payable in cash by the Company upon repayment of the note at the maturity date. All parties agreed to an extension of the term of these notes. See Note 9 — Subsequent Events for additional information. On September 24, 2009, the Company received an additional loan for $500,000 from a shareholder with simple interest payable on the unpaid principal balance equal to 3% per calendar month through March 24, 2010. This loan would have been due in full on March 24, 2010. As of December 31, 2009 accrued and unpaid interest on these loans is $56,635. On February 4, 2010, the accrued interest was paid, and the principle was converted into convertible debentures in a private placement offering.

Note 6 — Stockholders' Equity

During the six months ended December 31, 2009, the Company issued common stock and warrants in a private offering, resulting in gross proceeds to the Company of approximately $904,000. The Company sold an aggregate of 2,583,668 shares of common stock and warrants to purchase 516,724 shares of common stock to participants in the offering. These warrants are exercisable for a period of three years from the date of issuance at an exercise price of $0.50 per share.

Payments in equity instruments for goods or services are accounted for under the guidance of share based payments, which require use of the fair value method. For the three and six months ended

December 31, 2009, stock based compensation of $851,281 and $1,653,530, respectively, was reflected as an increase to additional paid in capital. Of the stock based compensation for the three and six months ended December 31, 2009, $490,338 and $929,205 respectively, was employee related and $360,943 and $724,325 respectively, was non-employee related. For the three and six months ended December 31, 2008 stock based compensation of $90,064 and $216,087 respectively, was reflected as an increase to additional paid in capital. Of the stock based compensation for the three and six months ended December 31, 2008, $62,797 and $150,797 respectively, was employee related and $27,267 and $65,290 respectively, was non-employee related.

Compensation based warrants for the purchase of 520,000 shares of the Company's common stock were granted to consultants for services rendered during the six month period ended December 31, 2008. The value of these warrants was estimated at $74,383, and was expensed over the service period. No compensation based warrants were granted during the three or six month periods ended December 31, 2009.

The Company's Articles of Incorporation authorize the issuance of preferred shares. However, as of December 31, 2009, none have been issued nor have any rights or preferences been assigned to the preferred shares by the Company's Board of Directors.

Note 7 —Common Stock and Warrant Offerings

In March and April of 2009 the Company issued and sold to accredited investors an aggregate of 17,500,000 shares of common stock and warrants to purchase the same number of shares of common stock. The offering occurred in three closings:

- March 16, 2009: The issuance of 3,925,000 shares of common stock of the Company at a purchase price of $0.20 per share and warrants exercisable for 3,925,000 shares of common stock with an exercise price of $0.50 per share. Gross proceeds received amounted to $785,000. Total cash fees for this offering were $78,500.
- March 26, 2009: The issuance of 9,115,000 shares of common stock of the Company at a purchase price of $0.20 per share and warrants exercisable for 9,115,000 shares of common stock with an exercise price of $0.50 per share. Gross proceeds received amounted to $1,823,000. Total cash fees for this offering were $182,300.
- April 6, 2009: The issuance of 4,460,000 shares of common stock of the Company at a purchase price of $0.20 per share and warrants exercisable for 4,460,000 shares of common stock with an exercise price of $0.50 per share. Gross proceeds received amounted to $892,000. Total cash fees for this offering were $39,200.

Note 8 — Contingencies and Litigation

On February 27, 2009, Zrii, LLC ("Zrii") filed a complaint against the Company and two former Zrii independent contractors in the United States District Court for the Southern District of California. The Company's Lawsuit with Zrii, LLC was completely and permanently settled on December 18, 2009. On that day, the Company and Zrii, LLC executed a Settlement Agreement which, among other things, (1) released all claims which each party, including associated individuals, of each, had against one

another (2) provided for the dismissal with prejudice of the Lawsuit and (3) called for the payment of $400,000 by the Company to Zrii, LLC. That payment was timely made on December 18, 2009. The Stipulation of Dismissal of the Lawsuit was filed with the Court on December 18, 2009. The Order of Dismissal with Prejudice was entered on December 21, 2009.

Note 9 — Subsequent Events

Two bridge loans in the amount of $100,000 from each of Mr. Thompson and Mr. Mauro, members of the Company's board of directors and related parties of the Company, were repaid on February 4, 2010. The terms of the notes were for one month with interest payable at a rate of 10% per annum. Accrued interest was payable in cash by the Company upon repayment of the note at the maturity date. All parties agreed to an extension of the term of these notes, until repayment of the principle and interest, which occurred on February 4, 2010. On September 24, 2009, the Company received an additional loan for $500,000 from a shareholder with simple interest payable on the unpaid principle balance equal to 3% per calendar month through March 24, 2010. On February 4, 2010, the accrued interest was paid, and the principle was converted into convertible debentures in a private placement offering.

On November 30, 2009 the Company's board of directors approved a grant of 1,160,000 shares of restricted stock to distributors in lieu of cash payments owed. The shares will be issued in the third fiscal quarter of 2010.

On January 20 and February 4, 2010, in a private placement offering, the Company issued convertible debentures in the aggregate principal amount of $3,104,892 that bear interest at 8 percent per annum and have a term of two years and warrants to purchase an aggregate of 7,770,000 shares of the Company's common stock with an exercise price of $0.50 per share. Net proceeds of from these issuances was $2,839,700. The convertible debentures are convertible into the Company's common stock at $0.20 per share during their term. Subject to meeting certain equity conditions, the Company has the option to redeem the outstanding principal plus accrued interest for cash at any time during the term of the notes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements within the meaning of the federal securities laws. We urge you to carefully review our description and examples of forward-looking statements included in the section entitled "Cautionary Note Regarding Forward-Looking Statements" at the beginning of this report. Forward-looking statements speak only as of the date of this report and we undertake no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this report. Actual events or results may differ materially from such statements. In evaluating such statements, we urge you to specifically consider various factors identified in this report, including the matters set forth below in Part II, Item 1A of this report, any of which could cause actual results to differ materially from those indicated by such forward-looking statements. The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes, as well as the Financial Statements and related notes in our Annual report on Form 10-K for the fiscal year ended June 30, 2009 and the risk factors discussed therein.

Overview

This management's discussion and analysis discusses the financial condition and results of operations of Lifevantage Corporation (the "Company", "Lifevantage", or "we", "us" or "our") and its wholly-owned subsidiaries Lifeline Nutraceuticals Corporation ("LNC"), LifeVantage de México, S. de R.L. de C.V. (Limited Liability Company), Importadora LifeVantage, S. de R.L. de C.V. (Limited Liability Company), and Servicios Administrativos para la Importación de Productos Body & Skin, S.C.

We are a publicly traded dietary supplement company that markets and sells our products through the network marketing or multi-level marketing industry and seeks to enhance life through anti-aging and wellness products while creating business opportunities. We offer products backed by science in two principal categories: dietary supplements that combat oxidative stress and anti-aging skincare. We manufacture, market, distribute and sell two products, our centerpiece product, Protandim®, a dietary supplement, and our Lifevantage TrueScience™ Anti-Aging Cream. We primarily sell our products in the United States, and have recently started selling in Mexico, through a network of independent distributors, preferred customers and direct customers. We also sell our products through our direct to consumer sales channel.

Our revenue is primarily dependent upon the number and productivity of our independent distributors. We have developed a distributor compensation plan and other incentives designed to motivate our independent distributors to market and sell our products and to build sales organizations. If we experience delays or difficulties in introducing compelling products or attractive initiatives to independent distributors, this can have a negative impact on our revenue and harm our business.

We will also leverage our resources to develop and introduce innovative products. Our research efforts to date have been focused on investigating various aspects and consequences of the imbalance of oxidants and antioxidants. We intend to continue our research, development, and documentation of the efficacy of Protandim® to provide credibility to the market. We also anticipate undertaking research, development, testing, and licensing efforts to be able to introduce additional products in the future, although we cannot offer any assurance that we will be successful in this endeavor.

The primary manufacturing, fulfillment, and shipping components of our business are outsourced to companies we believe possess a high degree of expertise. Through outsourcing, we hope to achieve a more direct correlation between the costs we incur and our level of product sales, versus the relatively high fixed costs of building our own infrastructure to accomplish these same tasks. Outsourcing also helps to minimize our commitment of resources required to manage these operational components successfully, and provides additional capacity without significant advance notice and at competitive prices.

Our expenses have consisted primarily of commission and marketing expenses, payroll, legal and professional fees, customer service, research and development and product manufacturing for the marketing and sale of Protandim® and TrueScience™ Anti-Aging Cream.

In October 2008, we announced our launch into a network marketing sales channel. While we have incurred significant costs by doing so, we believe this channel will continue to increase sales. We believe that our products are well-suited for and will benefit from the network marketing sales channel based upon the numerous scientific studies behind Protandim® which are best communicated in a direct to consumer manner.

Net revenue from Protandim®, TrueScience® and related marketing materials totaled approximately $2,456,000 and $4,314,000 for the three and six months ended December 31, 2009,

respectively, and approximately $578,000 and $1,852,000 for the three and six months ended December 31, 2008, respectively. During the six months ended December 31, 2008, the Company recognized all deferred revenue and expenses from GNC and Vitamin Cottage (retail customers at the time which had unlimited right of return requirements), as the Company determined it had sufficient history to reasonably estimate returns and meet the retail revenue recognition requirements. $511,000 of the $1,852,000 of net revenue for the six months ended December 31, 2008 represented recognition of prior period deferred revenue from GNC and Vitamin Cottage.

Recent Developments

November and December 2009 Debenture Offerings

On November 18, 2009, December 11, 2009 and December 31, 2009, in a private placement offering, the Company issued convertible debentures that bear interest at 8 percent per annum, have a term of two years, and warrants to purchase shares of the Company's common stock with an exercise price of $0.50 per share in exchange for aggregate net proceeds of $1,246,428. The convertible debentures are convertible into the Company's common stock at $0.20 per share during their term. Subject to meeting certain equity conditions, the Company has the option to redeem the outstanding principal plus accrued interest for cash at any time during the term of the notes.

Three and Six Months Ended December 31, 2009 Compared to Three and Six Months Ended December 31, 2008

Revenue We generated net revenue of approximately $2,456,000 during the three months ended December 31, 2009, and generated net revenue of $578,000 during the three months ended December 31, 2008. We generated net revenue of approximately $4,314,000 during the six months ended December 31, 2009 and approximately $1,852,000 during the six months ended December 31, 2008. The increase in revenue is due to increased sales volume through the network marketing or multi-level marketing sales channel. During the three and six month periods ended December 31, 2009, most of our marketing effort was directed toward building this channel.

Gross Margin Our gross profit percentage for the three month periods ended December 31, 2009 and 2008 was 83% and 78%, respectively. Our gross profit percentage for the six months ended December 31, 2009 and 2008 was 83% and 80%, respectively. The higher gross margin in 2009 was primarily due to efficiencies and cost reductions obtained through our contract manufacturer.

Operating Expenses Total operating expenses for the three months ended December 31, 2009 were approximately $4,723,000 as compared to operating expenses of approximately $924,000 for the three months ended December 31, 2008. Total operating expenses during the six month period ended December 31, 2009 were approximately $9,277,000 as compared to operating expenses of approximately $2,016,000 during the six month period ended December 31, 2008. Operating expenses consist of marketing and customer service expenses, general and administrative expenses, research and

development, and depreciation and amortization expenses. Operating expenses increased significantly due to additional personnel related costs for the Company's network marketing sales channel strategy, commissions for distributors, and higher legal expenses.

Sales and Marketing Expenses Sales and marketing expense increased from approximately $322,000 in the three months ended December 31, 2008 to approximately $1,963,000 in the three months ended December 31, 2009. Sales and marketing expenses increased from approximately $807,000 in the six months ended December 31, 2008 to approximately $3,975,000 in the six months ended December 31, 2009. This increase was due to additional sales and marketing personnel, commissions paid to distributors, website and materials redevelopment and consulting fees.

General and Administrative Expenses Our general and administrative expense increased from approximately $497,000 in the three months ended December 31, 2008 to approximately $2,549,000 in the three months ended December 31, 2009. General and administrative expense increased from approximately $1,011,000 in the six months ended December 31, 2008 to $4,930,000 in the six months ended December 31, 2009. The increase is primarily due to higher compensation expense for additional personnel related to the rollout of our network marketing sales channel and higher legal expenses during the three and six months ended December 31, 2009.

Research and Development Our research and development expenses increased from $66,000 in the three months ended December 31, 2008 to approximately $119,000 in the three months ended December 31, 2009. Research and development expenses increased from $119,000 for the six months ended December 31, 2008 to $225,000 in the six months ended December 31, 2009. These increases were a result of an increase in fees paid to scientific advisory board members.

Depreciation and Amortization Expense Depreciation and amortization expense increased from approximately $39,000 during the three months ended December 31, 2008 to approximately $93,000 in the three months ended December 31, 2009. Depreciation and amortization expense increased from approximately $79,000 for the six months ended December 31, 2008 to $147,000 for the six months ended December 31, 2009. These increases were due primarily to amortization of trademarks and patents acquired.

Net Other Income and Expense We recognized net other income of approximately $1,999,000 during the three months ended December 31, 2009 as compared to net other expense of approximately $93,000 during the three months ended December 31, 2008. During the six months ended December 31, 2009 we recognized other income of approximately $7,873,000 as compared to net other expenses of approximately $170,000 for the six months ended December 31, 2008. This increase is primarily the result of the change in fair value of the derivative warrant liability during the three and six months ended December 31, 2009 of approximately $2,741,000 and $8,769,000 respectively.

Net Income/Loss We recorded net loss of approximately $681,000 for the three month period ended December 31, 2009 compared to a net loss of approximately $566,000 for the three month period ended December 31 2008. We recorded net income of approximately $2,185,000 for the six month period ended December 31, 2009 compared to a net loss for the six month period ended December 31, 2008 of approximately $697,000. Absent the effect of the change in fair value of the derivative warrant liability, the Company would have incurred net losses of approximately $3,421,000 and $6,584,000 for the three and six months ended December 31, 2009, respectively.

Liquidity and Capital Resources

Our primary liquidity and capital resource requirements are to finance the Company's expansion into the network marketing sales channel. This includes the cost of additional personnel, the compensation plan to distributors, the manufacture and sale of our products, and general and administrative expenses. In order to become cash flow positive, the Company must continue to increase sales, further reduce expenses, or raise additional capital, and there is no guarantee that any of these events will occur.

Our primary sources of liquidity are cash generated from the sales of our product and funds raised from our 2007 and 2009 private placements and issuance of convertible debentures. As of December 31, 2009, our available liquidity was approximately $282,000, including available cash, cash equivalents and marketable securities. This represented a decrease of approximately $327,000 from the approximate $609,000 in cash, cash equivalents and marketable securities as of June 30, 2009. During the six months ended December 31, 2009, our net cash used by operating activities was approximately $3,258,000 as compared to net cash used by operating activities of approximately $503,000 during the six months ended December 31, 2008. The Company's cash used by operating activities during the six month period ended December 31, 2009 increased primarily as a result of increased operating expenditures as previously discussed.

During the six months ended December 31, 2009, our net cash provided by investing activities was approximately $52,000, due to the redemption of marketable securities less the purchase of intangible assets. During the six months ended December 31, 2008, our net cash provided by investing activities was approximately $323,000 primarily due to the redemption of marketable securities.

Cash provided by financing activities during the six months ended December 31, 2009 was approximately $2,882,000 compared to cash provided by financing activities of approximately $83,000 during the six months ended December 31, 2008. Cash provided by financing activities during the six month period ended December 31, 2009 was due primarily to proceeds from the August 2009 private placement of approximately $904,000, loans from two directors and one shareholder totaling approximately $757,000 and proceeds from the sale of convertible debentures in a private placement financing for approximately $1,377,000. Cash provided from financing activities during the six months ended December 31, 2008 was due to proceeds from the revolving line of credit.

We maintain an investment portfolio of marketable securities that is managed by a professional financial institution. The portfolio includes ARPS (auction rate private securities) of AA and AAA rated closed-end funds. These marketable securities which historically have been extremely liquid have been adversely affected by the broader national liquidity crisis.

Based upon an agreement to expand the Company's line of credit to approximately 80% of the par value of the Company's marketable securities which serve as collateral for the line, management has classified 80% or $460,000 of the Company's marketable securities as short term. The remaining 20% or $115,000 of the Company's marketable securities that may not be available in the current year is classified as long-term. However, future economic events could change the portion of these classified as long term.

At December 31, 2009, we had negative working capital (current assets minus current liabilities) of approximately $3,771,000, compared to negative working capital of approximately $748,000 at June 30, 2009. The decrease in working capital was primarily due to the rollout of our network marketing

sales channel and accrued legal expenses related to the complaint filed against the Company by Zrii, LLC, offset by the capital raised in August, November and December 2009.

In the third and fourth quarters of our 2009 fiscal year, we incurred substantial legal expenses and overhead as we entered the network marketing sales channel. In the first and second quarters of our 2010 fiscal year, we instituted a comprehensive review of job functions and eliminated several positions. Our management reduced operating costs while striving to increase our efficiency. We believe these initiatives have allowed us to retain the most qualified and essential personnel required for continued operations and growth of our network marketing distribution model.

Our ability to finance future operations will depend on our existing liquidity and, ultimately, on our ability to generate additional revenues and profits from operations. Management has projected that existing cash on hand and the proceeds from the issuance of additional debentures in the third quarter of fiscal 2010 will be sufficient to allow us to continue operations at current levels through December 31, 2010. A shortfall from projected sales levels would likely result in expense reductions, which could have a material adverse effect on our ability to continue operations at current levels. We are seeking to complete our fundraising through debt, equity or equity-based financing (such as convertible debt); however financing may not be available on favorable terms or at all. If we raise additional funds by selling additional shares of our capital stock, or securities convertible into shares of our capital stock, the ownership interest of our existing shareholders may be diluted. The amount of dilution could be increased by the issuance of warrants or securities with other dilutive characteristics, such as anti-dilution clauses or price resets.

Off-Balance Sheet Arrangements

As of December 31, 2009, we did not have any off-balance sheet arrangements.

Critical Accounting Policies

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America. As such, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Our significant accounting policies are described in Note 2 to our financial statements. Certain of these significant accounting policies require us to make difficult, subjective, or complex judgments or estimates. We consider an accounting estimate to be critical if (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation, but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. Management has discussed the development and selection of these critical accounting estimates with our board of directors, and the audit committee has reviewed the foregoing disclosure.

Allowances for Product Returns We record allowances for product returns at the time we ship the product based on estimated return rates of 1% to 4%. We base these accruals on the historical return rate since the inception of our selling activities, and the specific historical return patterns of the product.

We offer a 30-day, money back unconditional guarantee to all direct customers. As of December 31, 2009, our December 2009 direct and network marketing sales shipments of approximately $757,000 were subject to the money back guarantee. We replace product returned due to damage during shipment wholly at our cost, the total of which historically has been negligible. In addition, we allow terminating distributors to return 30% of unopened unexpired product that they have previously purchased up to twelve months prior, subject to certain consumption limitations.

We monitor our return estimate on an ongoing basis and may revise the allowances to reflect our experience. Our allowance for product returns was approximately $93,000 on December 31, 2009, compared with approximately $68,500 on June 30, 2009. To date, product expiration dates have not played any role in product returns, and we do not expect they will in the foreseeable future because it is unlikely that we will ship product with an expiration date earlier than the latest allowable product return date.

Inventory Valuation We state inventories at the lower of cost or market on a first-in first-out basis. From time to time we maintain a reserve for inventory obsolescence and we base this reserve on assumptions about current and future product demand, inventory whose shelf life has expired and market conditions. From time to time, we may be required to make additional reserves in the event there is a change in any of these variables. We recorded no reserves for obsolete inventory as of December 31, 2009 because our product and raw materials have a shelf life of at least three (3) years based upon testing performed quarterly in an accelerated aging chamber.

Revenue Recognition We ship the majority of our product directly to the consumer through the direct to consumer and network marketing sales channels via United Parcel Service, (“UPS”), and receive substantially all payment for these shipments in the form of credit card charges. We recognize revenue from direct product sales to customers upon passage of title and risk of loss to customers when product ships from the fulfillment facility. Sales revenue and estimated returns are recorded when product is shipped.

For retail customers, the Company analyzed its distributor contracts to determine the appropriate accounting treatment for its recognition of revenue on a customer by customer basis. Where the right of return existed beyond 30 days, revenue and the related cost of sales is deferred until sufficient sell-through data is received to reasonably estimate the amount of future returns. On December 31, 2009, the Company terminated its single retail distributor.

The Company recognized approximately $511,000 of previously deferred retail revenue and its related costs during the six month period ended December 31, 2008, as it had sufficient information to reasonably estimate future returns. Prior to July 2008, the Company recognized retail revenue from its retail distributor on a sell-through basis as product was sold by that distributor to its customer.

Derivative Instruments In connection with the sale of debt or equity instruments, we may sell options or warrants to purchase our common stock. In certain circumstances, these options or warrants may be classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as conversion options, which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

The identification of, and accounting for, derivative instruments is complex. For options, warrants and any bifurcated conversion options that are accounted for as derivative instrument liabilities, we determine the fair value of these instruments using the Black-Scholes option pricing model. That model requires assumptions related to the remaining term of the instruments and risk-free rates of return, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the instruments. Because of the limited trading history for our common stock, we have estimated the future volatility of our common stock price based on not only the history of our stock price but also the experience of other entities considered comparable to us. The identification of, and accounting for, derivative instruments and the assumptions used to value them can significantly affect our financial statements.

In January 2010 the Company discovered material errors related to the accounting for derivative instruments embedded in Convertible debentures issued in 2007 which resulted in a restatement of the financials issued for the first quarter of fiscal 2010.

Intangible Assets — Patent Costs We review the carrying value of our patent costs and compare to fair value at least annually to determine whether the patents have continuing value. In determining fair value, we consider undiscounted future cash flows and market capitalization.

Stock-Based Compensation We use the fair value approach to account for stock-based compensation in accordance with the modified version of prospective application.

Research and Development Costs We have expensed all of our payments related to research and development activities.

Recently Issued Accounting Standards

We have reviewed recently issued, but not yet effective, accounting pronouncements and do not believe any such pronouncements will have a material impact on our financial statements.

Item 4T. Controls and Procedures

Disclosure Controls and Procedures

The SEC defines the term "*disclosure controls and procedures*" to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. The Company's management maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and evaluated by the Company's management to allow management to make timely decisions regarding required disclosure.

Members of the Company's management, including its Chief Executive Officer, David Brown, and Chief Financial Officer, Carrie E. Carlander, have evaluated the effectiveness of the Company's disclosure controls and procedures, as defined by Exchange Act Rules 13a-15(e) or 15d-15(e), as of December 31, 2009, the end of the period covered by this report. Based upon that evaluation, Mr. Brown and Ms. Carlander concluded that our disclosure controls and procedures were effective as of December 31, 2009.

Changes in Internal Control over Financial reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting other than the engagement of outside experts, as needed, to provide counsel and guidance in areas where the Company cannot economically maintain the required expertise internally with respect to the application of certain accounting standards that resulted in the Company restating its interim financial statements for the quarter ended September 30, 2009. Further, with the addition of new employees for the entry and rollout of the Company's network marketing sales strategy, internal controls are being analyzed and modified where necessary for effectiveness.

PART II Other Information

Item 1. Legal Proceedings

On February 27, 2009, Zrii, LLC ("Zrii") filed a complaint against the Company and two former Zrii independent contractors in the United States District Court for the Southern District of California. The Company's Lawsuit with Zrii, LLC was completely and permanently settled on December 18, 2009. On that day, the Company and Zrii, LLC executed a Settlement Agreement which, among other things, (1) released all claims which each party, including associated individuals, of each, had against one another (2) provided for the dismissal with prejudice of the Lawsuit and (3) called for the payment of $400,000 by the Company to Zrii, LLC. That payment was timely made on December 18, 2009. The Stipulation of Dismissal of the Lawsuit was filed with the Court on December 18, 2009. The Order of Dismissal with Prejudice was entered on December 21, 2009.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in "Part I. Item 1A—Risk Factors" in our Annual report on Form 10-K for the fiscal year ended June 30, 2009. The risks and uncertainties described in such risk factors and elsewhere in this report have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results and future prospects. As of the date of this report, we do not believe that there have been any material changes to the risk factors previously disclosed in our Annual report on Form 10-K for the fiscal year ended June 30, 2009, other than as set out below reflecting our recent entry on the network marketing or multi-level marketing sales channel.

Deteriorating economic conditions globally, including the current financial crisis and declining consumer confidence and spending could harm our business.

Global economic conditions have deteriorated significantly over the past several years. Consumer confidence and spending have declined drastically and the global credit crisis has limited access to capital for many companies. The economic downturn could adversely impact our business in the future by causing a decline in demand for our products, particularly if the economic conditions are prolonged or continue to worsen. In addition, such economic conditions may adversely impact access to capital for us and our suppliers, may decrease our independent distributors' ability to obtain or maintain credit cards, and may otherwise adversely impact our operations and overall financial condition.

Our recently initiated network marketing sales channel may not be successful.

We have recently initiated a network marketing sales channel through which independent distributors will enter into agreements with us to sell Protandim® and other products that we may introduce in the market. In order to implement our new sales channel, we hired approximately 50 additional personnel and enrolled several thousand independent distributors in the third and fourth quarters of our fiscal year 2009. Our additions of personnel and independent distributors resulted in substantial additional costs and expenses, although in the first and second quarters of our fiscal year

2010, we have eliminated many of these personnel. In order to meet these increased expense requirements, we must continue to increase sales of our product which we may be unable to accomplish. If our revenue does not increase correspondingly with these increased costs and expenses, or if we do not further reduce our expenses from current levels, we will be unable to meet the cost requirements of our network marketing sales channel. In addition, there is no guarantee that our independent distributors' efforts to sell Protandim® or other products will be successful. Should some of the risks related to the Company's network marketing distribution channel materialize, we have the option of changing the sales channel and continuing the business.

If we are unable to retain our existing independent distributors and recruit additional independent distributors, our revenue will not increase and may even decline.

We have recently initiated a network marketing sales channel and we depend on our independent distributors to generate a significant portion of our revenue through that sales channel. Our independent distributors may terminate their services at any time, and, like most network marketing companies, we are likely to experience high turnover among independent distributors from year to year. Independent distributors who join to purchase our products for personal consumption or for short-term income goals may only stay with us for a short time. Independent distributors have highly variable levels of training, skills and capabilities. As a result, in order to maintain sales and increase sales in the future, we need to continue to retain independent distributors and recruit additional independent distributors. To increase our revenue, we must increase the number of and/or the productivity of our independent distributors. The number of our independent distributors may not increase and could decline. While we take steps to help train, motivate, and retain independent distributors, we cannot accurately predict how the number and productivity of independent distributors may fluctuate because we rely primarily upon our independent distributor leaders to recruit, train, and motivate new independent distributors. Our operating results could be harmed if we and our independent distributor leaders do not generate sufficient interest in our business to retain existing independent distributors and attract new independent distributors.

The number and productivity of our independent distributors also depends on several additional factors, including:

- any adverse publicity regarding us, our products, our distribution channel, or our competitors;
- lack of interest in existing or new products;
- lack of a story that generates interest for potential new independent distributors and effectively draws them into the business;
- the public's perception of our products and their ingredients;
- the public's perception of our distributors and direct selling businesses in general;
- our actions to enforce our policies and procedures;
- any regulatory actions or charges against us or others in our industry; and
- general economic and business conditions.

Because we compete with other network marketing companies in attracting independent distributors, our operating results could be adversely affected if our existing and new business opportunities and incentives, products, business tools and other initiatives do not generate sufficient enthusiasm and economic incentive to retain our existing independent distributors or to recruit new independent distributors on a sustained basis. There can be no assurance that our initiatives will continue to generate excitement among our independent distributors in the long-term or that planned initiatives will be successful in maintaining independent distributor activity and productivity or in motivating independent distributor leaders to remain engaged in business building and developing new independent

distributor leaders. In addition, some initiatives may have unanticipated negative impacts on our independent distributors, particularly any changes to our compensation plan. The introduction of a new product or key initiative can also negatively impact other product lines to the extent our independent distributor leaders focus their efforts on the new product or initiative.

Although our independent distributors are independent contractors, improper independent distributor actions that violate laws or regulations could harm our business.

Independent distributor activities in our existing markets that violate governmental laws or regulations could result in governmental actions against us in markets where we operate, which would harm our business. Our independent distributors are not employees and act independently of us. We implement strict policies and procedures to ensure our independent distributors will comply with legal requirements. However, given the size of our independent distributor force, we may experience problems with independent distributors from time to time.

Government inquiries, investigations, and actions regarding our network marketing system could harm our business.

The network marketing industry is subject to governmental regulation, including regulation by the Federal Trade Commission ("FTC"). Any determination by the FTC or other governmental agency that we or our distributors are not in compliance with existing laws or regulations regarding the network marketing industry could potentially harm our business. Even if governmental actions do not result in rulings or orders against us, they could create negative publicity that could detrimentally affect our efforts to recruit or motivate independent distributors and attract customers and, consequently, result in a material adverse effect on our business and results of operations.

Challenges by private parties to the form of our network marketing system or other regulatory compliance issues could harm our business.

We may be subject to challenges by private parties, including our independent distributors, to the form of our network marketing system or elements of our network marketing sales channel. For example, lawsuits have recently been brought or threatened against certain companies that include allegations that the businesses involve unlawful pyramid schemes as well as other allegations. Adverse rulings in any of the cases that have been filed or that may be filed in the future could negatively impact our business if they create adverse publicity, modify current regulatory requirements in a manner that is inconsistent with our current business practices, or impose fines or other penalties. In the United States, the network marketing industry and regulatory authorities have generally relied on the implementation of distributor rules and policies designed to promote retail sales to protect consumers and to prevent inappropriate activities and to distinguish between legitimate network marketing distribution plans and unlawful pyramid schemes. We have adopted rules and policies based on case law, rulings of the FTC, discussions with regulatory authorities in several states and domestic and global industry standards. Legal and regulatory requirements concerning network marketing systems, however, involve a high level of subjectivity, are inherently fact-based and are subject to judicial interpretation. As a result, we can provide no assurance that we would not be harmed by the application or interpretation of statutes or regulations governing network marketing, particularly in any civil challenge by a current or former independent distributor.

Adverse publicity concerning our business, marketing plan, products or competitors could harm our business and reputation.

The size of our distribution force and the results of our operations can be particularly impacted by adverse publicity regarding us, the nature of our independent distributor network, our products or the actions of our independent distributors. Specifically, we are susceptible to adverse publicity concerning:

- suspicions about the legality and ethics of network marketing;
- the ingredients or safety of our or our competitors' products;
- regulatory investigations of us, our competitors and our respective products;
- the actions of our current or former distributors; and
- public perceptions of network marketing generally.

The loss of key distributors could negatively impact the growth of our network marketing sales channel.

Our independent distributors, together with their networks of downline distributors, currently account for substantially all of our sales through our network marketing sales channel. As a result, the loss of a high-level independent distributor or a group of leading distributors in the independent distributor's network of downline distributors, whether by choice or through disciplinary actions for violations of our policies and procedures, could negatively impact our revenues and the growth of our network marketing sales channel.

Laws and regulations may prohibit or severely restrict our network marketing efforts and regulators could adopt new regulations that harm our business.

Various government agencies throughout the world regulate network marketing practices. These laws and regulations are generally intended to prevent fraudulent or deceptive schemes, often referred to as "pyramid" schemes, which compensate participants for recruiting additional participants irrespective of product sales, use high pressure recruiting methods and/or do not involve legitimate products. Complying with these rules and regulations can be difficult and requires the devotion of significant resources on our part. If we are unable to continue business in existing markets or commence operations in new markets because of these laws, this could result in a material adverse effect on our business and results of operations. Markets in which we currently do business could change their laws or regulations to negatively affect or completely prohibit network marketing efforts.

There is no assurance that we will be successful in expanding our operations and, if successful, managing our future growth.

Our ability to finance future operations will depend on our existing liquidity and, ultimately, on our ability to generate additional revenues and profits from operations. Management has projected that existing cash on hand will be sufficient to allow us to continue operations at current levels through December 31, 2010. A shortfall from projected sales levels would likely result in expense reductions, which could have a material adverse effect on our ability to continue operations at current levels. We are seeking to complete our fundraising through debt, equity or equity-based financing (such as convertible debt); however financing may not be available on favorable terms or at all. If we raise additional funds by selling additional shares of our capital stock, or securities convertible into shares of our capital stock, the ownership interest of our existing shareholders may be diluted. The amount of dilution could be increased by the issuance of warrants or securities with other dilutive characteristics, such as anti-

dilution clauses or price resets. If we are unable to raise additional financing in a timely manner, we would be forced to liquidate some or all of our assets, and/or to suspend, curtail, or cease all or certain of our operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

4.1	Form of debenture issued in connection with November 2009 financing (1)
4.2	Form of warrant issued in connection with November 2009 financing (1)
4.3	Amendment to Debentures and Warrants, dated as of December 11, 2009 *
4.4	Form of restated debenture issued pursuant to amended and restated securities purchase agreement dated as of December 11, 2009 *
4.5	Form of restated warrant issued pursuant to amended and restated securities purchase agreement dated as of December 11, 2009 *
10.1	Scientific Advisory Board Agreement effective as of October 1, 2009 by and between the Registrant and Joe McCord, M.D. #*
10.2	Form of securities purchase agreement entered into in connection with November 2009 financing (1)
10.3	Form of amended and restated securities purchase agreement originally dated as of December 11, 2009 *
10.4	First Amendment to Chief Executive Officer Employment Agreement dated December 15, 2009 between the Registrant and David W. Brown #*
10.5	Settlement Agreement dated December 18, 2009 by and between Zrii, LLC and William F. Farley, on the one hand, and the Registrant, Wellness Acquisition Group, and the other parties there to, on the other hand.*
10.6	Amendment to and Acknowledgement of Cancellation of Promissory Note Agreement dated February 4, 2010 by and between the Registrant and C. Mike Lu *
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *

\# Indicates management contract, arrangement or compensatory plan

(1) Incorporated by reference to the Registrant's Form 8-K filed November 18, 2009 (SEC file number 000-30489-091177700)

* Filed or furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIFEVANTAGE CORPORATION

Date: February 16, 2010

/s/ *David W. Brown*
David W. Brown
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 16, 2010

/s/ *Carrie E. Carlander*
Carrie E. Carlander
Chief Financial Officer
(Principal Financial Officer)

LIFEVANTAGE CORPORATION
AMENDMENT TO
DEBENTURES AND WARRANTS

This Amendment to the Warrants and Debentures (this "Amendment"), is made and entered into as of December 11, 2009, by and among **LIFEVANTAGE CORPORATION** (the "Company") and each of those persons (each a "Purchaser" and collectively the "Purchasers") who invested in the Company pursuant to that certain Securities Purchase Agreement initially dated as of November 18, 2009 (the "Purchase Agreement"). The financing transaction contemplated by the Purchase Agreement is referred to herein as the "Financing Transaction." Capitalized terms not defined herein shall have the meaning ascribed to them in the Debentures and Warrants, as appropriate.

WITNESSETH:

WHEREAS, pursuant to the Purchase Agreement, the Company issued and sold to the Purchasers 8% convertible debentures with an original conversion price of $0.20 (the "Debentures") and warrants to purchase shares of Common Stock of the Company at an exercise price of $0.50 per share (the "Warrants");

WHEREAS, Section 9(i) of the Debentures provide that any term may be amended with the prior written consent of the Company and the holders of at least a majority of the aggregate principal amount then outstanding under the Debentures (the "Required Debenture Holders");

WHEREAS, Section 6.6 of the Warrants provide that any term may be amended with the prior written consent of the Company and the Holder (the "Required Warrant Holders," together with the Required Debenture Holders, the "Required Purchasers");

WHEREAS, the Company and the Required Purchasers desire to amend the Warrants and Debentures to modify the definition of "Exempt Issuance" and as otherwise set forth herein;

WHEREAS, the Company and the Purchasers are also entering into an amended and restated Purchase Agreement of even date herewith (the "Amended and Restated Purchase Agreement") in connection with this Amendment and in contemplation of the next closing of the Financing Transaction; and

WHEREAS, the Required Purchasers desire to be bound by the terms and conditions of the Amended and Restated Purchase Agreement and have provided the Company with a signed copy of the Amended and Restated Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **AMENDMENT TO DEBENTURES.** A new section (e) is hereby added to the definition of "Excluded Securities" in Section 1 of the Debentures, which shall read in full as follows:

(e) shares of Common Stock issued pursuant to the anti-dilution provisions contained in the Debentures and restated warrants, in each case, as amended from time to time, issued, or to be issued, pursuant to the Purchase Agreement or in those certain (i) subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on June 30, 2009 and August 5, 3009, (ii) unit subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on March 10, 2009, March 26, 2009 and April 6, 2009, and (iii) convertible debentures, as amended from time to time, issued pursuant to the private placement offering that closed on September 26, 2007 and October 31, 2007.

2. **AMENDMENTS TO WARRANTS.**

2.1 Definitions. A new section (e) is hereby added to the definition of "Excluded Securities" in Section 5 of the Warrants, which shall read in full as follows:

(e) shares of Common Stock issued pursuant to the anti-dilution provisions contained in the restated warrants and restated 8% convertible debentures, in each case, as amended from time to time, issued, or to be issued, pursuant to the Purchase Agreement or in those certain (i) subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on June 30, 2009 and August 5, 3009, (ii) unit subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on March 10, 2009, March 26, 2009 and April 6, 2009, and (iii) convertible debentures, as amended from time to time, issued pursuant to the private placement offering that closed on September 26, 2007 and October 31, 2007.

2.2 Amendments. Section 6.6 of the Warrants is hereby amended and restated to read in full as follows:

"6.6 Amendments. This Warrant may be modified or amended or the provisions hereof waived with the prior written consent of the Company and Holders holding Warrants issued pursuant to the Purchase Agreement representing at least a majority of the shares of Common Stock then issuable upon exercise of all such Warrants then outstanding."

3. **MISCELLANEOUS.**

3.1 Governing Law. This Amendment shall be governed by, and construed in accordance with the laws of the State of Colorado applicable to contracts executed in and to be performed in that state, without reference to conflict of laws principles thereof.

3.2 Headings; Interpretation. The descriptive headings contained in this Amendment are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Amendment.

3.3 Counterparts. This Amendment may be executed and delivered (including by facsimile or other electronic transmission) in any number of counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one (1) and the same agreement.

3.4 Continuation of Debentures and Warrants. Except as expressly modified by this Amendment, the Debentures and Warrants shall continue to be and remain in full force and effect in accordance with their terms. Any future reference to the Debentures and Warrants shall be deemed to be a reference to the Debentures and Warrants as modified by this Amendment.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

COMPANY:

LIFEVANTAGE CORPORATION

By: _____
Name: **Carrie E. Carlander**
Title: **Chief Financial Officer**

PURCHASER:

By: _____
Print: _____
Title: _____

[Signature Page to Amendment to Debentures and Warrants]

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Debenture No. ___
Original Issue Date: **November 18, 2009**
Original Conversion Price (subject to adjustment herein): **$0.20**
Original Principal Amount: **$_____**

RESTATED 8% CONVERTIBLE DEBENTURE
DUE NOVEMBER 18, 2011

THIS RESTATED 8% CONVERTIBLE DEBENTURE is a duly authorized and validly issued 8% Convertible Debenture of LifeVantage Corporation, a Colorado corporation (the "Company"), having its principal place of business at 11545 West Bernardo Court, Suite 301, San Diego, California 92127, designated as its 8% Convertible Debenture due November 18, 2011 (this debenture, the "Debenture" and, collectively with the other debentures of such series, the "Debentures").

FOR VALUE RECEIVED, the Company promises to pay pursuant to the terms hereunder to _____ or its registered assigns (the "Holder"), the principal sum of $_____ on November 18, 2011 (the "Maturity Date") or such earlier date as this Debenture is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture in accordance with the provisions hereof. This Debenture is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Debenture, the following terms shall have the following meanings:

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of California are authorized or required by law or other governmental action to close.

"Change of Control Transaction" means the occurrence after the date hereof of any of the following: (a) the Company sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than a majority of the aggregate voting securities of the acquiring entity immediately after the transaction; (b) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of in excess of 50% of the then outstanding voting securities of the Company (other than by means of conversion or exercise of the Debentures and the other securities issued together with the Debentures), (c) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than a majority of the aggregate voting securities of the Company or the surviving entity of such transaction, or (d) a transaction or series of transactions that constitute a "Rule 13e-3 transaction" (as such term is defined in Rule 13(e)-3 promulgated under the Exchange Act) in respect of the Common Stock.

"Common Stock" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Conversion Schedule" means the Conversion Schedule in the form of Schedule 1 attached hereto.

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of this Debenture in accordance with the terms hereof.

"Debenture Register" means the records of the Company regarding registration and transfers of this Debenture.

"Equity Conditions" means, during the period in question, (a) the Company shall have duly honored all conversions scheduled to occur or occurring by virtue of one or more Notices of Conversion, if any, (b) the Common Stock is trading on a Trading Market and all of the shares issuable upon conversion of this Debenture are listed or quoted, if necessary, for trading on such Trading Market (and the Company believes, in good faith, that trading of the Common Stock on a Trading Market will continue uninterrupted for the foreseeable future), (c) there are a sufficient number of authorized but unissued and otherwise unreserved shares of Common Stock for the issuance of all of the shares then issuable pursuant to the conversion of this Debenture, (d) there is no existing Mandatory Redemption Event and no existing event which, with the passage of time or the giving of notice, would constitute an Mandatory Redemption Event, and (e) for each Trading Day in a period of 10 consecutive Trading Days prior to the applicable date in question, the average daily trading volume for the Common Stock on the principal Trading Market exceeds 200,000 shares per Trading Day.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of or consultants to the Company pursuant to any stock or option

plan adopted by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose; (b) securities upon the conversion of the Debentures and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date hereof; (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested members of the Board of Directors, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or as consideration for an asset, in either case, in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities; (d) securities authorized for issuance by a majority of the disinterested members of the Board of Directors, provided that the number of shares of Common Stock so authorized for issuance or issuable upon conversion, exercise or exchange of any security so authorized for issuance in such issuance, together with the number of shares of Common Stock issued or issuable upon conversion, exercise or exchange of any security previously issued by the Company pursuant to this clause (d), in the aggregate, does not exceed 0.5% of the Fully-Diluted Outstanding Common Stock as of the date of the securities are issued; and (e) shares of Common Stock issued pursuant to the anti-dilution provisions contained in the Debentures and restated warrants, in each case, as amended from time to time, issued, or to be issued, pursuant to the Purchase Agreement or in those certain (i) subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on June 30, 2009 and August 5, 3009, (ii) unit subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on March 10, 2009, March 26, 2009 and April 6, 2009, and (iii) convertible debentures, as amended from time to time, issued pursuant to the private placement offering that closed on September 26, 2007 and October 31, 2007.

"Fully-Diluted Outstanding Common Stock" means, as of a particular date, the sum of (a) the then issued and outstanding shares of Common Stock and (b) the shares of Common Stock then issuable pursuant to outstanding securities of the Company that entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock or securities that are themselves convertible into or exercisable or exchangeable for Common Stock.

"Mandatory Default Amount" means the sum of (a) 130% of the then outstanding principal amount of this Debenture and (b) 100% of accrued and unpaid interest hereon.

"Mandatory Redemption Event" means any of the following events: (a) the Company shall be a party to any Change of Control Transaction; (b) the Company's reporting requirements under the Exchange Act are suspended or terminated; (c) at any time during the period commencing from the six month anniversary of the Original Issuance Date hereof and ending at such time that all of the shares of Common Stock issuable upon conversion of this Debenture may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1)

and otherwise without restriction or limitation pursuant to Rule 144, if the Company shall fail for any reason to satisfy the current public information requirement under Rule 144(c); or (d) the Common Stock is not listed or quoted on a Trading Market.

"Original Issue Date" means the date of the first issuance of the Debentures, regardless of any transfers of any Debenture and regardless of the number of instruments which may be issued to evidence such Debentures.

"Permitted Indebtedness" means (a) lease obligations and purchase money indebtedness of up to $500,000, in the aggregate, incurred in connection with the acquisition of capital assets and lease obligations with respect to acquired or leased assets, (b) indebtedness to a bank or similar financial or lending institution under a credit facility or an extension, modification or renewal thereof in an aggregate amount of up to $500,000, (c) indebtedness that is subordinate to the Debentures and (d) indebtedness for borrowed money incurred after the date of the Purchase Agreement in an amount less than, in the aggregate, $100,000.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Purchase Agreement" means the Amended and Restated Securities Purchase Agreement, dated as of December ___, 2009 among the Company and the original Holders, as amended, modified or supplemented from time to time in accordance with its terms.

"Rule 144" means Rule 144 promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE Amex, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing); provided, however, if the Common Stock is not listed or quoted on any of the foregoing markets or exchanges as of the date in question, Trading Market shall mean the New York Stock Exchange.

Section 2. Interest.

a) Payment of Interest in Cash. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate of 8% per annum, payable in cash quarterly on January 1, April 1, July 1 and October 1,

beginning on January 1, 2010, on each Conversion Date (as to that principal amount then being converted) and on the Maturity Date.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30 calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding principal, together with all accrued and unpaid interest, liquidated damages and other amounts which may become due hereunder, has been made.

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full.

d) Prepayment. Except as otherwise set forth in this Debenture, the Company may not prepay any portion of the principal amount of this Debenture without the prior written consent of the Holder.

Section 3. Registration of Transfers and Exchanges.

a) Different Denominations. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b) Investment Representations. This Debenture has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

c) Reliance on Debenture Register. Prior to due presentment for transfer to the Company of this Debenture, the Company and any agent of the Company may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 4. Conversion.

a) Voluntary Conversion. At any time after the Original Issue Date until this Debenture is no longer outstanding, this Debenture shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Debenture to be converted and the date on which such conversion shall

be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Debenture in an amount equal to the applicable amount being converted. The Holder and the Company shall maintain records showing the principal amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within three Business Days of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Debenture, the unpaid and unconverted principal amount of this Debenture may be less than the amount stated on the face hereof.**

b) Conversion Price. The conversion price in effect on any Conversion Date shall be equal to **$0.20,** subject to adjustment herein (the "Conversion Price").

c) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Debenture to be converted by (y) the Conversion Price.

ii. Delivery of Certificate Upon Conversion. Not later than five Trading Days after each Conversion Date, the Company shall deliver, or cause to be delivered, to the Holder a certificate or certificates representing the number of Conversion Shares being acquired upon the conversion of this Debenture.

iii. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of this Debenture as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Debentures), not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Purchase Agreement) be issuable (taking into account the adjustments of Section 5) upon the conversion of the then outstanding principal amount of this Debenture. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

iv. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Debenture. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon

such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

v. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of this Debenture shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates; provided, however, that, the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 5. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Company, at any time while this Debenture is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 5(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b) Subsequent Equity Sales. Other than in respect of an Exempt Issuance, if, at any time while this Debenture is outstanding, the Company sells any shares of Common Stock or sells any option or right entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Conversion Price"), then the Conversion Price shall be reduced to equal the Base Conversion Price. Notwithstanding anything to the contrary in this Section 5(b), in no event shall the Conversion Price be reduced to less than $0.10 (subject to adjustment pursuant to Section 5(a)) as a result of any adjustment to the Conversion Price pursuant to this Section 5(b).

c) Calculations. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date

shall be the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

d) Notice to the Holder of Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 5, the Company shall promptly deliver to the Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

Section 6.

a) Optional Redemption at Election of Company. Subject to the provisions of this Section 6(a), at any time after Original Issue Date, the Company may deliver a notice to the Holder (an "Optional Redemption Notice" and the date such notice is deemed delivered hereunder, the "Optional Redemption Notice Date") of the Company's election to redeem all of the then outstanding principal amount of this Debenture for cash in an amount equal to the then outstanding principal amount of this Debenture plus accrued and unpaid interest hereon (the "Optional Redemption Amount") on the 10th Trading Day following the Optional Redemption Notice Date (such date, the "Optional Redemption Date", such 10 Trading Day period, the "Optional Redemption Period" and such redemption, the "Optional Redemption"). The Optional Redemption Amount shall be paid in full on the Optional Redemption Date. The Company may only effect an Optional Redemption if each of the Equity Conditions shall have been met (unless waived in writing by the Holder) on each Trading Day during the period commencing on the Optional Redemption Notice Date through the Optional Redemption Date. If any of the Equity Conditions shall cease to be satisfied at any time during the Optional Redemption Period, then the Holder may elect to nullify the Optional Redemption Notice by notice to the Company within one Trading Day after the first day on which any such Equity Condition has not been met in which case the Optional Redemption Notice shall be null and void, *ab initio*. The Company covenants and agrees that it will honor all Notices of Conversion tendered from the time of delivery of the Optional Redemption Notice through the date all amounts owing thereon are due and paid in full. The Company's determination to pay an Optional Redemption in cash shall be applied ratably to all of the holders of the then outstanding Debentures based on their (or their predecessor's) initial purchases of Debentures pursuant to the Purchase Agreement.

b) Redemption Procedure. If any portion of the payment pursuant to an Optional Redemption shall not be paid by the Company by the applicable due date, interest shall accrue thereon at an interest rate equal to the lesser of 12% per annum or the maximum rate permitted by applicable law until such amount is paid in full. The Holder may elect to convert the outstanding principal amount of this Debenture pursuant to Section 4 prior to actual payment in cash for any redemption under this Section 6 by the delivery of a Notice of Conversion to the Company.

Section 7. Negative Covenants. As long as any portion of this Debenture remains outstanding, unless the holders of at least a majority of the principal amount of the then outstanding Debentures shall have otherwise given prior written consent, on or after the Original Issue Date, the Company shall not (i) pay cash dividends or distributions on any equity securities

of the Company or (ii) other than Permitted Indebtedness, incur any indebtedness for borrowed money of any kind.

Section 8. Mandatory Redemption. If any Mandatory Redemption Event occurs and remains in effect for 10 consecutive Trading Days, at the Holder's election as evidenced by written notice to the Company, the Mandatory Default Amount shall be immediately due and payable in cash to the Holder. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Debenture to or as directed by the Company.

Section 9. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile to the facsimile number of the Company set forth on the signature page hereof, or sent by a nationally recognized overnight courier service addressed to the Company at the address set forth above, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 9(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (Pacific time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (Pacific time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Pari Passu. This Debenture ranks *pari passu* with all other Debentures now or hereafter issued under the terms set forth herein.

c) Lost or Mutilated Debenture. If this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture, or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated, lost, stolen or destroyed, but only upon receipt of an affidavit and indemnity agreement from the Holder and evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, in each case, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of San Diego in the State of California (the "California Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such California Courts, or such California Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto 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 Debenture or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Debenture, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Company or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the

Company from paying all or any portion of the principal of or interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Debenture and shall not be deemed to limit or affect any of the provisions hereof.

i) Amendments. This Debenture may be modified or amended or the provisions hereof waived with the prior written consent of the Company and Holders holding Debentures at least equal to a majority of the aggregate principal amount then outstanding under all Debentures.

****

(Signature Pages Follow)

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

LIFEVANTAGE CORPORATION

By: _____

Name: **Carrie E. Carlander**

Title: **Chief Financial Officer, Secretary & Treasurer**

Facsimile No. for delivery of Notices: (858) 430-5269

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 8% Convertible Debenture due November 18, 2011 of LifeVantage Corporation, a Colorado corporation (the "Company"), into shares of common stock (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

(*Complete each line below*)

(1) **Conversion Date:** _____

(2) **Principal Amount of Debenture to be Converted:** _____

(3) **Conversion Price:** $ _____

(4) **Number of Conversion Shares to be Issued:** _____

(5) **Principal Amount of Debenture After Conversion:** _____

(6) **Address for Delivery of Conversion Shares:** _____

Holder:

Signature: _____

Printed Name: _____

Title (if applicable): _____

Schedule 1

CONVERSION SCHEDULE

The 8% Convertible Debentures due on November 18, 2011 in the aggregate principal amount of $_____ are issued by LifeVantage Corporation, a Colorado corporation. This Conversion Schedule reflects conversions made under Section 4 of the above referenced Debenture.

Date of Conversion	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion	Company Attest

LIFEVANTAGE CORPORATION
RESTATED WARRANT

NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED WITH THE SEC UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION AFFORDED BY THE SECURITIES ACT AND/OR RULES PROMULGATED BY THE SEC PURSUANT THERETO. NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED OR QUALIFIED (AS THE CASE MAY BE) UNDER THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES (THE "BLUE SKY LAWS"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION (AS THE CASE MAY BE) AFFORDED UNDER SUCH SECURITIES LAWS. THIS WARRANT HAS BEEN ACQUIRED FOR THE HOLDER'S OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION.

NO: CDW-___

Warrant Shares: [_____] **Effective Date:** November 18, 2009

THIS CERTIFIES THAT, for value received, _____ ("**Holder**") is entitled, subject to the terms and conditions of this Warrant, to purchase from LifeVantage Corporation, a Colorado corporation ("**Company**"), up to _____ shares of Common Stock (such shares and all other shares issued or issuable pursuant to this Warrant referred to hereinafter as "**Warrant Shares**") at a purchase price of $0.50 per share (the "**Exercise Price**").

1. **Term**. This Warrant is exercisable at the option of the Holder, at any time or from time to time, in whole or in part (but not for a fraction of a share), at any time following the Effective Date and before 5:30 P.M. San Diego, California time on the earlier to occur of (a) the five year anniversary of the Effective Date or (b) (i) the closing of a merger or consolidation of the Company with or into another corporation where the Company is not the surviving corporation, or a reverse triangular merger in which the Company is the surviving entity but the shares of the Company's capital stock outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash, or otherwise, or (ii) the closing of the sale of all or substantially all of the properties and assets of Company, unless the Company's shareholders of record prior to such acquisition or sale shall hold at least fifty percent (50%) of the voting power of the acquiring or surviving entity immediately after the acquisition or sale (the earlier to occur of (a) or (b), the "**Expiration Date** "). At least ten (10) days prior to the occurrence of an event specified in (b) of this Section 1, the Company shall send to Holder notice of such event and that Holder's rights under this Warrant shall terminate upon the occurrence of such event; provided that if the Company sends such notice less than ten (10) days prior to the occurrence of such event, Holder's right to exercise this Warrant shall be extended for a period of five (5) days after the date of the notice, after which time Holder's rights under this Warrant shall terminate.

2. **Exercise**.

2.1 Payment. Subject to compliance with the terms and conditions of this Warrant and applicable securities laws, this Warrant may be exercised, in whole or in part at any time or from time to time, from and after the Effective Date and on or before the Expiration Date by delivery of:

(a) a Notice of Exercise duly executed by the Holder to the Company at its principal office,

(b) this Warrant to the Company at its principal office, and

(c) payment in cash, by check or by wire transfer of an amount equal to the product obtained by multiplying the number of shares of Warrant Shares being purchased upon such exercise by the then effective Exercise Price.

2.2 Cashless Exercise. In lieu of the payment methods set forth in Section 2.1(c), this Warrant may also be exercised, in whole or in part at any time or from time to time, from and after the one year anniversary of the Effective Date and on or before the Expiration Date, by means of a "cashless exercise" in which Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the Fair Market Value of one share of Common Stock on the Trading Day immediately preceding the Exercise Date

(B) = the Exercise Price of one share of Warrant Shares (as adjusted to the date of such calculation)

(X) = the number of Warrant Shares purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being canceled (at the date of such calculation)

If the Holder elects to exercise this Warrant as provided in this Section 2.2, the Holder shall tender this Warrant for the amount being exercised, along with a Notice of Exercise duly executed by the Holder, to the Company at its then principal office, and the Company shall issue to the Holder the number of Warrant Shares computed using the formula above. Notwithstanding anything to the contrary herein, this Warrant may not be exercised on a cashless exercise basis if a registration statement registering the resale of the Warrant Shares issuable upon such exercise is effective as of the Exercise Date.

2.3 Stock Certificates; Fractional Shares. As soon as practicable on or after any date of exercise of this Warrant pursuant to this Section 2, the Company shall issue and deliver to Holder a certificate or certificates for the number of whole shares of Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share equal to such fraction of the current Fair Market Value of one whole share of Warrant Shares as of the date of exercise of this Warrant. No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant.

2.4 Partial Exercise; Effective Date of Exercise. In case of any partial exercise of this Warrant, the Company shall cancel this Warrant upon surrender hereof and shall execute and deliver a new Warrant of like tenor and date for the balance of the shares of Warrant Shares purchasable hereunder. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above. Holder shall be treated for all purposes as the holder of record of the Warrant Shares to which it is entitled upon exercise of this Warrant as of the close of business on the date the Holder is deemed to have exercised this Warrant.

2.5 Exercise Price Adjustment. The Exercise Price in effect at any time and the number of Warrant Shares purchased upon the exercise of this Warrant shall be subject to adjustment from time to time only upon the happening of the following events:

(a) Stock Dividends and Stock Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions

payable in shares of Common Stock on shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 2.5(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) Subsequent Equity Sales. Other than in respect of an Exempt Issuance, if, at any time while this Warrant is outstanding, the Company sells any shares of Common Stock or sells any option or right entitling any Person to acquire shares of Common Stock at a price per share that is lower than $0.20 (as adjusted for any events described in Section 2.5(a)) (such lower price, the "Base Exercise Price"), then the Exercise Price shall be reduced to equal the product of (i) the then current Exercise Price multiplied by (ii) the quotient obtained by dividing the Base Exercise Price by 0.20 (as adjusted for any events described in Section 2.5(a)). Notwithstanding anything to the contrary in this Section 2.5(b), in no event shall the Exercise Price be reduced to less than $0.25 (as adjusted for any events described in Section 2.5(a)) as a result of any adjustment to the Exercise Price pursuant to this Section 2.5(b).

(c) Calculations. All calculations under this Section 2.5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 2.5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

(d) Notice to the Holder of Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 2.5, the Company shall promptly deliver to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

3. **Valid Issuance; Taxes**. All shares of Warrant Shares issued upon the exercise of this Warrant shall be validly issued, fully paid and non-assessable; provided that Holder shall pay all taxes and other governmental charges that may be imposed in respect of the issue or delivery thereof. The Company shall not be required to pay any tax or other charge imposed in connection with any transfer involved in the issuance of any certificate for shares of Warrant Shares in any name other than that of the Holder, and in such case the Company shall not be required to issue or deliver any stock certificate or security until such tax or other charge has been paid, or it has been established to the Company's satisfaction that no tax or other charge is due.

4. **Restrictions On Transfer**. This Warrant and the Warrant Shares are subject to transfer restrictions as set forth in the Purchase Agreement. The Holder, by acceptance hereof, agrees that, it shall not Transfer any or all of this Warrant or Warrant Shares, as the case may be, except in compliance with the provisions set forth in the Purchase Agreement.

5. **Definitions**: For the purposes hereof, (i) capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Amended and Restated Securities Purchase Agreement dated November 18, 2009 by and among the Company and the purchasers signatory thereto (the "**Purchase Agreement**") and (ii) in addition to the terms defined elsewhere in this Warrant, the following terms shall have the following meanings:

"**Effective Date**" means the date first set forth above.

"**Exempt Issuance**" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of or consultants to the Company pursuant to any stock or option plan adopted by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose; (b) securities upon the conversion of the Debentures and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date hereof; (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested members of the Board of Directors, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or as consideration for an asset, in either case, in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities; (d) securities authorized for issuance by a majority of the disinterested members of the Board of Directors, provided that the number of shares of Common Stock so authorized for issuance or issuable upon conversion, exercise or exchange of any security so authorized for issuance in such issuance, together with the number of shares of Common Stock issued or issuable upon conversion, exercise or exchange of any security previously issued by the Company pursuant to this clause (d), in the aggregate, does not exceed 0.5% of the Fully-Diluted Outstanding Common Stock as of the date of the securities are issued; and (e) shares of Common Stock issued pursuant to the anti-dilution provisions contained in the restated warrants and restated 8% convertible debentures, in each case, as amended from time to time, issued, or to be issued, pursuant to the Purchase Agreement or in those certain (i) subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on June 30, 2009 and August 5, 3009, (ii) unit subscription agreements, as amended from time to time, entered into pursuant to the series of financing transactions that closed on March 10, 2009, March 26, 2009 and April 6, 2009, and (iii) convertible debentures, as amended from time to time, issued pursuant to the private placement offering that closed on September 26, 2007 and October 31, 2007.

"**Exercise Date**" means, in the case of an exercise pursuant to Section 2.1, the date on which the aggregate Exercise Price is received by the Company, together with delivery of the Notice of Exercise and this Warrant, in accordance with Section 2.1, and, in the case of an exercise pursuant to Section 2.2, the date on which the Notice of Exercise and this Warrant are delivered to the Company in accordance with Section 2.2.

"**Fair Market Value**" of a share of Common Stock as of a particular date means:

(a) If the Common Stock is then listed or quoted on a Trading Market, the Fair Market Value shall be deemed to be the average of the closing price of the Common Stock on such Trading Market over the 10 Trading Days ending on the Trading Day immediately prior to the Exercise Date;

(b) If the Common Stock is not then quoted or listed on a Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink Sheets, LLC (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; and

(c) If the Common Stock is not then quoted or listed on a Trading Market and if prices for the Common Stock are not then reported in the "Pink Sheets," the Fair

Market Value shall be the value thereof, as agreed upon by the Company and the Holder; provided, however, that if the Company and the Holder cannot agree on such value, such value shall be determined by an independent valuation firm experienced in valuing businesses such as the Company and jointly selected in good faith by the Company and the Holder. Fees and expenses of the valuation firms shall be paid equally by the Company and the Holder.

"**Fully-Diluted Outstanding Common Stock**" means, as of a particular date, the sum of (a) the then issued and outstanding shares of Common Stock and (b) the shares of Common Stock then issuable pursuant to outstanding securities of the Company that entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock or securities that are themselves convertible into or exercisable or exchangeable for Common Stock.

"**Notice of Exercise**" means the form of notice of exercise attached hereto as Exhibit A.

"**Trading Day**" means a day on which the principal Trading Market is open for trading.

"**Trading Market**" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE AMEX, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

"**Transfer**" means any sale, assignment, transfer, conveyance, pledge, hypothecation or other disposition, voluntarily or involuntarily, by operation of law, with or without consideration, or otherwise (including by way of intestacy, will, gift, bankruptcy, receivership, levy, execution, charging order or other similar sale or seizure by legal process).

"**Warrant**" means this Restated Warrant and any warrant delivered in substitution or exchange therefor as provided herein.

6. **Miscellaneous**.

6.1 Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder shall be in writing and delivered personally, by facsimile to the facsimile number of the Company set forth on the signature page hereof, or sent by a nationally recognized overnight courier service addressed to the Company at the address set forth above, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 6.1. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to the Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of the Holder as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (Pacific time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (Pacific time) on any Trading Day, (iii)

the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

6.2 Lost or Mutilated Warrant. If this Warrant shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Warrant, or in lieu of or in substitution for a lost, stolen or destroyed Warrant, a new Warrant of like tenor as the lost, stolen, destroyed or mutilated Warrant, but only upon receipt of an affidavit and indemnity agreement from the Holder and evidence of such loss, theft or destruction of this Warrant, and of the ownership hereof, in each case, reasonably satisfactory to the Company.

6.3 Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Warrant shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Warrant. The failure of the Company or the Holder to insist upon strict adherence to any term of this Warrant on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Warrant on any other occasion. Any waiver by the Company or the Holder must be in writing.

6.4 Severability. If any provision of this Warrant is invalid, illegal or unenforceable, the balance of this Warrant shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

6.5 Headings. The headings contained herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

6.6 Amendments. This Warrant may be modified or amended or the provisions hereof waived with the prior written consent of the Company and Holders holding Warrants issued pursuant to the Purchase Agreement representing at least a majority of the shares of Common Stock then issuable upon exercise of all such Warrants then outstanding.

6.7 Saturdays, Sundays and Holidays. If the Expiration Date falls on any day that is not a Trading Day, the Expiration Date shall automatically be extended until 5:30 P.M. the next Trading Day.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned duly authorized representative of the Company has executed this Warrant as of the day and date first written above.

LifeVantage Corporation

By: _____

Carrie E. Carlander
Chief Financial Officer, Secretary & Treasurer

Agreed and Accepted:

Holder:

_____

EXHIBIT A

NOTICE OF EXERCISE

(To be executed upon exercise of Warrant)

TO: LIFEVANTAGE CORPORATION

1. The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any. If said number of Warrant Shares shall not be all the Warrant Shares purchasable under the attached Warrant, a new Warrant is to be issued in the name of the undersigned for the balance remaining of the shares purchasable thereunder rounded up to the next higher whole number of shares.

2. Payment shall take the form of (check applicable box):

   o in lawful money of the United States; or

   o the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in Section 2.2, to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in Section 2.2.

Date: _____

Holder

By: _____
Its:

SCIENTIFIC ADVISORY BOARD AGREEMENT

This Scientific Advisory Board Agreement ("Agreement") is by and between Joe McCord, M.D., ("Consultant") and LifeVantage Corporation (the "Company"), effective as of October 1, 2009, the ("Effective Date"). Company and Consultant may be referred to herein individually as a "Party" and together as the "Parties."

Recitals

A. The Company markets and sells various products in the dietary supplement industry.

B. The Company wishes to retain Consultant as a member of the Company's Scientific Advisory Board, ("SAB") and for various research and development services related to the Company's products.

Agreement

In consideration of the foregoing recitals and the following terms and conditions, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Term. This Agreement shall become effective on the Effective Date and continue until June 30, 2010, (the "Term") unless sooner terminated in accordance with this Agreement.

2. Obligations of Consultant. Consultant will provide such services as a member of the SAB, as are reasonably and customarily required by the Company, including, but not limited to, participating in meetings of the SAB; representing the Company in media interviews; appearing at Company conventions and distributor meetings from time-to-time; providing scientific advice and information to Company in matters involving Consultant's areas of expertise; and collaborating on research and development projects. Consultant shall allow the Company to disclose Consultant's participation on the SAB, and to utilize his name, likeness and statements on the Company's website and in marketing materials; provided, however, that Consultant shall approve all such announcements and usage of his likeness or statements prior to publication. Consultant agrees that to the best of its ability and experience, Consultant's conduct will be in a manner that will further the interest of Company and will at all times loyally and conscientiously perform all of the duties and obligations required either expressly or implicitly by the terms of this Agreement. Consultant agrees not to make any statements or perform any acts that could be injurious to Company, monetarily or otherwise.

3. Compensation to Consultant. Company agrees to pay Consultant the following compensation for services rendered under this Agreement:

(a) Monthly Compensation. Consultant shall receive a monthly fee for services in the amount of Ten Thousand Dollars ($10,000.00) per month, during the Term of this Agreement.

(b) Commission. Beginning October 1, 2009, and continuing during the Term of this Agreement, Consultant shall receive Fifty Cents ($0.50) per bottle of Protandim®

sold by the Company. The product shall be considered "sold" when Company receives payment for the sale of such product and such sale shall be adjusted by any returns allowed. Commissions shall be payable on a quarterly basis within 45 days following the end of each calendar quarter.

4. Travel Expenses. During the Term, Company agrees to reimburse Consultant for reasonable and pre-approved expenses incurred by Consultant in the course of performing the obligations pursuant to this Agreement. For any expenses approved in writing by the Company, the Company shall reimburse Consultant within thirty (30) days of Company's receipt of an expense report and the receipts and other documentation of such expenses to support the reimbursement.

5. Representations, Warranties and Covenants of Consultant. Consultant represents and warrants that (a) Consultant is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, (b) Consultant's execution and performance of this Agreement is not a violation or breach of any other agreement to which Consultant is a party, (c) Consultant has all licenses and certifications necessary to render the Services, and (d) Consultant shall pay his/her own federal and state payroll taxes, including FICA, FUTA and income taxes relating to the compensation paid to Consultant hereunder.

6. Termination.

6.1 This Agreement may be terminated by either party upon thirty (30) days written notice.

6.2 Upon the termination of this Agreement, either at the expiration of the Term or otherwise: (a) Consultant can no longer hold itself out to be a consultant to or of Company; (b) Company will not have an obligation to pay Consultant for any future expenses incurred or compensation to Consultant; and (c) Consultant will no longer have access to Confidential Information of Company, and all Confidential Information in Consultant's possession must be returned to Company immediately, pursuant to the terms of this Agreement.

7. Confidentiality. In connection with the performance of services hereunder, Consultant may become familiar with trade secrets and confidential information of Company which derive independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use ("Confidential Information"). Consultant agrees that, during the term of this Agreement and thereafter, Consultant will not disclose or utilize any of the Confidential Information (including without limitation policies, procedures, memoranda, records, reports, formulas, patterns, compilations, programs, devices, computer programs or parts thereof, Company information about plans, methods, techniques or processes) about which Consultant has learned during his/her association with Company. Upon the termination of this Agreement, Consultant shall deliver to Company all equipment, notes, documents, memoranda, reports, files, books, correspondence, lists or other written or graphic records and the like relating to Company's business which are or have been in Consultant's possession or control.

In the event of any violation of this Section, Company shall have a right to seek an injunction against Consultant preventing the disclosure of any Confidential Information covered by the operation of this Agreement, as well as to seek damages against Consultant for any loss suffered by Company as a result of the violation of this Agreement, or to seek any other remedy by way of law or equity against Consultant resulting from the violation of this Agreement.

8. Intellectual Property. Intellectual property invented, created, written, developed, or produced as a result of Consultant's consulting services to Company pursuant to this Agreement, is and shall be the sole property of the Company. "Intellectual Property" includes any inventions, patents, methods, processes, trademarks, copyrights, software programs or developments or enhancements, ideas, creations, articles and any similar property. Consultant shall promptly provide the Company, whether during or after the term of this Agreement, with those documents and signatures reasonably required by the Company to vest ownership of the Intellectual Property in the Company, and Consultant agrees to take any and all action reasonably necessary to vest such ownership in the Company. The Company alone has the right to use, sell, patent or license its Intellectual Property.

9. Indemnity. Company agrees to indemnify, defend (with counsel chosen by Company) and hold harmless Consultant against all damages, claims, liabilities, losses and other expenses, including without limitation reasonable attorney's fees and costs, whether or not a lawsuit or other proceeding is filed, resulting from the obligations of Consultant under this Agreement, except for claims arising out of the negligence, misstatements, omissions or other unauthorized actions of Consultant or his employees, agents or representatives.

10. Notices. Each notice which is permitted or required pursuant to this Agreement may be delivered to the other party in person, or by telephone, email, U.S. mail or any other reasonable method.

11. Compliance with Laws. Each party shall perform this Agreement in compliance with all applicable federal, national, state, and local laws, rules, and regulations and shall indemnify the other party for loss or damage sustained because of such party's noncompliance with any such law, rule, or regulation.

12. Independent Contractors. The relationship between Consultant and Company under this Agreement is that of independent contractors. Nothing in this Agreement shall be constructed to create any other relationship between the parties hereto. Neither party shall have any right, power, or authority to assume, create, or incur any expense, liability, or obligation, express or implied, on behalf of the other, except as otherwise provided in this Agreement.

13. Assignment. This Agreement and all rights and obligations under it may be assigned by either party and assumed by any corporation or other entity which succeeds to all or substantially all of the business of that business through merger, consolidations, corporation reorganization or by acquisition of all or substantially all of the stock or assets of that business. However, with respect to Consultant, an assignment will be valid only if approved in writing by the Company in advance of such assignment.

14. Governing Law; Dispute Resolution. This Agreement shall be interpreted and governed in accordance with the laws of the State of California without reference to its conflict

of laws provisions. The parties agree that in the event of any dispute between the parties, that such dispute shall be submitted to arbitration for resolution to the American Arbitration Association in San Diego, California and no other place unless the parties expressly agree on another place. The prevailing party in any arbitration or litigation arising hereunder shall be entitled to be reimbursed for all reasonable attorney's fees and out-of-pocket expenses including, but not limited to, the fees of experts and lawsuit or arbitration filing and similar fees.

15. Modification and Waiver. This Agreement may not be altered, amended or modified in any way except by a writing signed by both parties. The failure of a party to enforce any provision of this Agreement shall not be construed to be a waiver of the right of such party to thereafter enforce that provision or any other provision or right.

16. Severability. If any provision of this Agreement shall be found by a court to be void, invalid, or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

17. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties as to the subject matter of this Agreement, and supersedes all prior discussions, agreements, and writings in respect hereto including, but not limited to the Consulting Agreement entered into by the Parties effective January 1, 2008, and any amendments thereto.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

19. Rules of Construction. As used in this Agreement, all terms defined in the singular shall include the plural, and vice versa, as the context may require. The words "hereof," "herein," and "hereunder" and other words of similar import refer to this Agreement as a whole. The headings of several sections of this Agreement are intended for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. This Agreement shall be fairly interpreted in accordance with its terms and without any rules of construction relating to which party drafted the Agreement being applied in favor or against either party.

Consultant and Company have executed this Agreement this _____ day of _____, 2009.

LifeVantage Corporation	Consultant
By: _____	_____
Name: David W. Brown	Joe McCord, M.D.
Title: CEO	

AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

This Amended and Restated Securities Purchase Agreement (this "**Agreement**") dated as of December 11, 2009 is entered into by and among LifeVantage Corporation, a Colorado corporation (the "**Company**"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "**Purchaser**" and collectively the "**Purchasers**").

RECITALS

Subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings set forth in this Section 1.1:

"**Accredited Investor Questionnaire**" means the accredited investor questionnaire, substantially in the form attached hereto as Exhibit A, delivered by the Purchasers to the Company hereunder.

"**Affiliate**" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such term is used in and construed under Rule 405 promulgated under the Securities Act. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.

"**Business Day**" means Monday through Friday, excluding any day of the year on which banks are required or authorized to close in the State of California.

"**Closing**" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"**Closing Date**" means the Business Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto pursuant to Sections 2.2(a) and 2.2(b), and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the Company's obligations to deliver the Securities, in each case, have been satisfied or waived.

"**Common Stock**" means the common stock of the Company, par value $0.001 per share.

"**Debentures**" means the Restated 8% Convertible Debentures, substantially in the form attached hereto as Exhibit B, issued by the Company to the Purchasers hereunder.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and

regulations promulgated thereunder.

"**Governmental Entity**" means any foreign, federal, state, municipal or local government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any United States court, tribunal, or judicial or arbitral body of any nature; or any United States body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"**Person**" means an individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Entity.

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities**" means the Debentures, the Warrants and the Underlying Shares.

"**Short Sales**" include (i) all "short sales" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sale contracts, options, puts, calls, short sales, swaps, "put equivalent positions" (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and (ii) sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

"**Subscription Amount**" means, as to each Purchaser, the aggregate amount to be paid for Debentures and Warrants purchased at the Closing and as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars in immediately available funds.

"**Transaction Documents**" means this Agreement, the Debentures, the Warrants, all exhibits and schedules hereto and thereto and any other agreements executed in connection with the transactions contemplated hereunder.

"**Underlying Shares**" means the shares of Common Stock issued and issuable upon conversion or redemption of the Debentures and upon exercise of the Warrants.

"**Warrant**s" shall mean the restated common stock purchase warrants, substantially in the form attached hereto as Exhibit C, delivered to the Purchasers at the Closing in accordance with Section 2.2(b)(3)(C).

"**Warrant Purchase Price**" means the dollar amount equal to the quotient obtained by dividing (i) a Purchaser's Subscription Amount by (ii) $1,000.

ARTICLE II

PURCHASE AND SALE

2.1 The Debentures and Warrants; Closings.

(a) Issuance of Debentures. Subject to all of the terms and conditions hereof, the Company agrees to sell to each Purchaser, and each Purchaser, severally and not jointly, agrees to purchase from the Company, a Debenture in the principal amount equal to the difference between (i) the amount of such Purchaser's Subscription Amount and (ii) the amount of such Purchaser's Warrant Purchase Price as the same shall be set forth on Schedule I attached hereto.

(b) Issuance of Warrants. Concurrently with the issuance of a Debentures to a Purchaser, the Company will issue to such Purchaser a Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to 50% of the quotient obtained by dividing such Purchaser's Subscription Amount by $0.20. In consideration for the issuance of the Warrants to the Purchasers, at the applicable Closing, such Purchaser shall pay to the Company such Purchaser's Warrant Purchase Price as the same shall be set forth on Schedule I attached hereto.

(c) Closing. Each purchase and sale of the Debentures and Warrants shall take place at a Closing to be held at such time and location as the Company and the Purchasers participating in such Closing shall mutually agree and upon satisfaction of the covenants and conditions set forth in Section 2.2. At each Closing, each Purchaser participating in such Closing shall deliver to the Company via wire transfer or a certified check of immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to such Purchaser its respective Debenture and Warrant as determined pursuant to Sections 2.1(a) and 2.1(b) above and as shall be set forth on Schedule I attached hereto. In addition, at each Closing, the Company and each Purchaser shall deliver the items set forth in Section 2.2 deliverable at a Closing. At each Closing, the Company shall update the Schedule of Purchasers attached as Schedule I hereto to identify the relevant Closing Date and list the name and address for each Purchaser participating in such Closing, together with such Purchaser's Subscription Amount and the allocation thereof, which update shall not require any formal amendment hereunder pursuant to Section 5.5.

2.2 Closing Conditions.

(a) The obligations of the Company to a Purchaser hereunder in connection with a Closing are subject to the following conditions being met, to the extent not waived by the Company in writing:

(1) the accuracy in all respects when made and on such Closing Date of the representations and warranties of such Purchaser contained herein;

(2) all obligations, covenants and agreements of such Purchaser required to be performed at or prior to such Closing Date shall have been performed; and

(3) the Company shall have received:

(A) this Agreement duly executed by such Purchaser;

(B) the full amount of such Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company; and

(C) the Accredited Investor Questionnaire completed and duly executed by such Purchaser.

(b) The respective obligations of the Purchasers hereunder in connection with a Closing are subject to the following conditions being met to the extent not waived by such Purchaser:

(1) the accuracy in all material respects (except to the extent that such representations and warranties are qualified by materiality, material adverse effect, or words of like effect, in which case such representations and warranties shall be true in all respects) when made and on such Closing Date of the representations and warranties of the Company contained herein;

(2) all obligations, covenants and agreements of the Company required to be performed at or prior to such Closing Date shall have been performed; and

(3) such Purchaser shall have received:

(A) this Agreement duly executed by the Company;

(B) a Debenture in principal amount calculated as set forth in Section 2.1(a) and as shall be set forth on Schedule I attached hereto, registered in the name of such Purchaser;

(C) a Warrant registered in the name of such Purchaser to purchase the number of shares of Common Stock as set forth in such Warrant; and

(D) a certificate signed by the Company's Chief Executive Officer or Chief Financial Officer, in such Person's capacity as an officer of the Company, to the effect that the representations and warranties of the Company in Section 3.1 are true and correct in all material respects (except to the extent that such representations and warranties are qualified by materiality, material adverse effect, or words of like effect, in which case such representations and warranties shall be true in all respects) as of, and as if made on, the date of this Agreement and as of such Closing Date and that the Company has satisfied in all material respects all of the conditions set forth in this Section 2.2(b); provided, however, that the foregoing certificate shall not be required if such Closing Date occurs on the date of this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants as of the date hereof and as of the applicable Closing Date to each Purchaser as follows:

(a) Organization and Qualification. The Company is an entity duly organized, validly existing and in good standing under the laws of the State of Colorado and has all requisite corporate power and authority to perform its obligations under this Agreement. The Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not result in (i) a material adverse effect on the business of the Company taken as a whole, or (ii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

(b) Authorization. The execution, delivery and performance by the Company of this

Agreement and each other Transaction Document to which it is a party and each of the transactions contemplated hereby or thereby have been duly and validly authorized by the Company, and no other corporate act or proceeding on the part of the Company, its board of directors or its stockholders is necessary to authorize the execution, delivery or performance by the Company of this Agreement or any Transaction Document to which it is a party or the consummation of any of the transactions contemplated hereby or thereby. This Agreement has been duly executed and delivered by the Company and this Agreement constitutes, and the other Transaction Documents upon execution and delivery by the Company will each constitute, a valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) No Conflict. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party and the consummation of each of the transactions contemplated hereby or thereby will not (i) violate or conflict with the certificate of incorporation or bylaws of the Company, (ii) violate, conflict with, result in any material breach of, constitute a default under, result in the termination of, result in the acceleration of any obligations under, result in a material change in terms of, create in any party the right to accelerate, terminate, modify or cancel, or require any consent or notice under, or create an event that, with the giving of notice or the lapse of time, or both, would be a default under or material breach of, any judgment, order, writ, injunction, decree or demand of any Governmental Entity that materially affects the ability of the Company to perform its obligations under this Agreement; (iii) result in the creation or imposition of any Lien upon any assets or any of the equity of the Company, or which affects the ability to conduct its business as conducted prior to the date of this Agreement or perform its obligations under this Agreement; (iv) require any declaration, filing or registration with, or authorization, consent or approval of, exemption or other action by or notice to, any Governmental Entity or other Person under the provisions of any law or any agreement to which the Company is subject other than the filing of a Form D with the SEC and such filings as are required to be made under applicable state securities laws.

(d) Legal Proceedings. There is no action, claim, suit or proceeding pending by or against the Company that challenges or may have the effect of preventing, delaying, making illegal or otherwise interfering with the execution and delivery by the Company of this Agreement or any of the Transaction Documents to which it is a party or the performance of the Company hereunder or thereunder or which would, if such action, claim, suit or proceeding were adversely determined, result in (i) a material adverse effect on the business of the Company taken as a whole, or (ii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

(e) Issuance of Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(f) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, since January 1, 2009 (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**") on a timely basis or has received a valid extension of such time

of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports (i) were complete and accurate in all material respects and (ii) complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

(g) Preemptive and Other Rights. Other than the rights afforded to the purchasers of the Company's securities offered pursuant to a unit subscription agreement and an amendment to the unit subscription agreement dated March 30, 3009, no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents.

(h) Financial Statements. The audited consolidated financial statements of the Company (including the notes thereto) included in the Annual Report on Form 10-K filed by the Company with the SEC on September 28, 2009, fairly present, in all material respects, the assets, liabilities and consolidated financial position of the Company as of the dates indicated and the results of operations for the periods then ended.

(i) Private Placement. Assuming the accuracy of each Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the applicable Closing Date to the Company as follows:

(a) Organization; Authority. Such Purchaser, if not a natural person, is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with full right, corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder, and the execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser (i) understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law (ii) is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities (within the meaning of Section 2(11) of the Securities Act) or any part thereof in violation of the Securities Act or any applicable state securities law, (iii) has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and (iv) has no direct or indirect arrangement or understandings with any other Persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities in compliance with applicable federal and state securities laws).

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and at the date hereof it is, an "accredited investor" as defined in Rule 501(a) under the Securities Act.

Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.

(d) Residency. Such Purchaser's principal executive offices (or residence, in the case of a Purchaser that is an individual) are in the jurisdiction set forth in the Accredited Investor Questionnaire.

(e) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives (who are unaffiliated with and who are not compensated by the Company or any Affiliate of the Company and who are not selling agents of the Company), has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(f) No Representations. Such Purchaser confirms that neither the Company nor any of its authorized agents has made any representation or warranty to such Purchaser about the Company or the Securities other than those set forth in this Agreement, and that such Purchaser has not relied upon any other representation or warranty, express or implied, in connection with the transactions contemplated by this Agreement.

(g) Investment Risks. Such Purchaser acknowledges and is aware that: (i) there are substantial restrictions on the transferability of the Securities, (ii) the Securities will not be, and such Purchaser does not have the right to require that the Securities be, registered under the Securities Act; and (iii) the certificates representing the Securities shall bear a legend similar to the legend set out in Section 4.1.

(h) Opportunity to Ask Questions. During the course of the transaction contemplated by this Agreement, and before acquiring the Securities, such Purchaser has had the opportunity (i) to be provided with financial and other written information about the Company, and (ii) to ask questions and receive answers concerning the business of the Company and its finances. Such Purchaser has, to the extent it has availed itself of this opportunity, received satisfactory information and answers.

(i) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting or, to its knowledge, in any other form of general solicitation or general advertisement.

(j) Investor Questionnaire. The Accredited Investor Questionnaire completed by such Purchaser is accurate, true and complete in all respects.

(k) No Governmental Review. Such Purchaser understands that no Governmental Entity has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(l) Regulation M. Such Purchaser is aware that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of Common Stock and other activities with respect to the Common Stock by the Purchasers.

(m) Brokers and Finders. No Person will have, as a result of the transactions

contemplated by this Agreement, any valid right, interest or claim against or upon the Company or such Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Purchaser.

(n) Certain Trading Activities. Other than with respect to the transactions contemplated herein, since the time that such Purchaser was first contacted regarding the transactions contemplated hereby until the date hereof, neither such Purchaser nor any Affiliate of such Purchaser that (i) had knowledge of the transactions contemplated hereby, (ii) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Securities, and (iii) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, "**Trading Affiliates**") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser or Trading Affiliate, effected or agreed to effect any transactions in the securities of the Company (including any Short Sales involving the Company's securities).

(o) Reliance by the Company. Such Purchaser understands that the foregoing representations and warranties are to be relied upon by the Company as a basis for exemption of the sale of the Securities under the Securities Act and under the securities laws of all applicable states and for other purposes.

ARTICLE IV

OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or in compliance with Rule 144 or to the Company, the Company may require the transferor thereof to provide to the Company, at the transferor's sole expense, an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act and such transfer is in compliance with applicable state securities laws. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any certificate representing any of the Securities in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION AFFORDED BY THE SECURITIES ACT AND/OR RULES PROMULGATED BY THE COMMISSION PURSUANT THERETO. THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE ALSO NOT BEEN REGISTERED OR QUALIFIED (AS THE CASE MAY BE) UNDER THE SECURITIES LAWS OF ANY STATE OR TERRITORY OF THE UNITED STATES (THE "BLUE SKY LAWS"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM REGISTRATION OR QUALIFICATION (AS THE CASE MAY BE)

AFFORDED UNDER SUCH SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR THE HOLDER'S OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION.

4.2 Securities Laws Disclosure; Publicity. The Company shall have sole control over any press release, public announcement, statement or acknowledgment with respect to this Agreement and the consummation of the transactions contemplated herein.

4.3 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary to obtain an exemption for or to qualify the Securities for sale to the Purchasers at the Closing under applicable securities or "Blue Sky" laws of the states of the United States.

ARTICLE V

MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by either the Company or any Purchaser (as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers), by written notice to the other parties, if a Closing hereunder has not been consummated on or before November 30, 2009; provided, however, that such termination will not affect the right of any party to sue for any breach by the other party (or parties) and provided that this ARTICLE V shall survive the termination of this Agreement and shall remain in full force and effect.

5.2 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. This Agreement and the other Transaction Documents contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. All notices or other communications which are required or permitted hereunder shall be in writing and shall be sufficiently given if (a) delivered personally or (b) sent by registered or certified mail, postage prepaid, or (c) sent by overnight courier with a nationally recognized courier, or (d) sent via facsimile confirmed in writing in any of the foregoing manners, as set forth on the signature pages attached hereto if delivered to Purchasers, or as follows if delivered to the Company:

LifeVantage Corporation
11545 West Bernardo Court, Suite 301
San Diego CA 92127
Attention: Carrie E. Carlander
Fax: (858) 430-5269

With a copy to: Sheppard Mullin Richter & Hampton, LLP
12275 El Camino Real, Suite 200
San Diego, CA 92130-2006
Attention: Kirt Shuldberg
Fax: 858.523.6712

If sent by mail, notice shall be considered delivered five Business Days after the date of mailing, and if sent by any other means set forth above, notice shall be considered delivered upon receipt thereof. Any party may by notice to the other parties change the address or facsimile number to which notice or other communications to it are to be delivered or mailed.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers holding Debentures representing a majority of the aggregate principal amount then outstanding of the Debentures then held by Purchasers or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns (including by merger, share exchange or other similar corporate reorganization or similar transaction).

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of San Diego in the State of California (the "California Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such California Courts, or such California Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained

herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto 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 any other Transaction Document or the transactions contemplated hereby or thereby.

5.10 Survival. The representations and warranties of the Company and each Purchaser shall survive the Closing and the delivery of the Securities for the applicable statute of limitations.

5.11 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Facsimile and PDF signatures shall be treated as if they were originals.

5.12 Severability. If any term or provision of this Agreement or the application thereof to any circumstance shall, in any jurisdiction, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable such term or provision in any other jurisdiction, the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or enforceable.

5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under this Agreement. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agrees to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.14 Independent Nature of Purchasers' Obligations and Rights; Separate Counsel. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under this Agreement or any other related agreement. Nothing contained herein, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement or out of any related agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser acknowledges and agrees that such Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Agreement.

5.15 Attorney's Fees. In any proceeding arising out of this Agreement, including with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and actual attorneys' fees. As used in this Agreement, "actual attorneys' fees" shall mean the full and actual cost of any legal services actually performed in connection with the matters involved, calculated on the basis of the usual hourly fees charged by the attorneys performing such services.

5.16 Construction. This Agreement has been negotiated by the parties and is to be interpreted according to its fair meaning as if the parties had prepared it together and not strictly for or against any party. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be

deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Currency amounts referenced herein, unless otherwise specified, are in U.S. dollars. Unless the context otherwise requires, references herein: (i) to the masculine, feminine or neuter gender includes others (ii) to articles, sections, schedules and exhibits are to articles, sections, schedules and exhibits of or to this Agreement; (iii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iv) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LifeVantage Corporation,
a Colorado corporation

By: _____
Name: **Carrie E. Carlander**
Title: **Chief Financial Officer, Secretary & Treasurer**

[Signature Pages For Purchasers Follow]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser:	
Signature of Authorized Signatory of Purchaser:	
Name of Authorized Signatory:	
Title of Authorized Signatory:	
Facsimile Number of Purchaser:	
Address for Notice of Purchaser:	
Address for Delivery of Securities for Purchaser (if not same as address for notice):	
Subscription Amount:	
Warrants:	
EIN Number:	

[Signature Page to Amended and Restated Securities Purchase Agreement]

SCHEDULE I

SCHEDULE OF INVESTORS

November 18, 2009

Investor Name and Address	Warrant Purchase Price	Principal Amount of Debenture	Subscription Amount
SCOTT R. DOUGLASS 2709 Westminster Ave., Dallas, TX 75205	**$ 100.00**	**$ 99,900.00**	**$ 100,000.00**
MELVIN E. HORTON, JR. 2821 Milton Ave., Dallas, TX 75205	**$ 20.00**	**$ 19,980.00**	**$ 20,000.00**
MARK E. KANE 2479 Country Club Blvd., Orange Park, FL 32073	**$ 50.00**	**$ 49,950.00**	**$ 50,000.00**
JOHN N. CASSALA 1731 Shoreline Place, Orange Park, FL 32073	**$ 10.00**	**$ 9,990.00**	**$ 10,000.00**
TOBIN HANSEN 4160 Suisun Valley Rd., Suite E-410, Fairfield, CA 94534	**$ 57.14**	**$ 57,085.86**	**$ 57,143.00**
MARK R. OSTEEN 2479 Country Club Blvd., Orange Park, FL 32073	**$ 10.00**	**$ 9,990.00**	**$ 10,000.00**
TOTAL	**$ 247.14**	**$ 246,895.86**	**$ 247,143**

FIRST AMENDMENT TO
CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT

This First Amendment to the Chief Executive Employment Agreement ("**Amendment**") is entered into on December 15, 2009 with effect as of December 1, 2009 by and between LifeVantage Corporation, a Colorado corporation (the "**Company**"), and DAVID W. BROWN ("**Employee**"), with respect to the following facts:

A. The Company and Employee are parties to that certain Chief Executive Employment Agreement dated as of January 10, 2008 (the "**Agreement**").

B. The Company and Employee now desire to amend the Agreement on the terms and conditions contained in this Amendment as permitted by Section 9(b) of the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained in this Amendment, and intending to be legally bound, the Company and Employee agree as follows:

1. **Amendments**.

1.1 Term. Section 1(a) of the Agreement is amended by replacing "December 31, 2010" with "December 31, 2011". Section 1(b) of the Agreement is deleted in its entirety.

1.2 Compensation. Section 3(a) of the Agreement is deleted in its entirety and replaced with the following:

(a) Base Salary. Commencing December 1, 2009 through December 31, 2010, the Company shall pay Employee a monthly base salary equal to the greater of (i) 1.5% of the Company's Total Net Sales (as defined below) earned by the Company for the prior calendar month or (ii) any minimum salary amount required by applicable state law (currently, such monthly minimum for California is $2,773.34). "Total Net Sales" means total net sales earned by the Company from its operations for a calendar month as determined by the Company in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") consistently applied. For calendar year 2011, the Company and Employee shall agree, by no later than December 15, 2010, to a monthly base salary that will be no less than $20,000 per month provided however that if the parties do not timely agree then the monthly base salary shall be $20,000 per month commencing as of January 1, 2011 which shall be paid in accordance with the Company's standard payroll practices. For purposes of Section 6 below with respect to any severance amounts, Employee's then-current base salary or base salary shall be deemed to be $20,000 per month for any Termination Dates that occur between December 1, 2009 through December 31, 2010.

1.3 Annual Bonus. Section 3(b) of the Agreement is deleted in its entirety.

1.4 Long Term Incentive. Section 3(c) of the Agreement is amended by adding a new subsection (v) to read in its entirety as follows:

"(v) All outstanding equity compensation awards (including without limitation the Options and Special Option) held by Employee as of the effective date of the First Amendment to this Agreement will cease vesting until such time as the Company achieves the "Cash Flow Milestone" (as defined below) (the "New Vesting Date" as defined below) and provided that Employee is still employed by the Company as of the New Vesting Date. Upon the New Vesting Date, the vesting of all of Employee's outstanding equity compensation awards shall resume vesting in accordance with their original vesting schedules and any portion of such awards which did not vest because of this subsection (v) shall become vested and exercisable as of the New Vesting Date. The Employee understands and agrees that as a result of this subsection (v), some portion of his stock options which may have been incentive stock options ("ISOs") within the meaning of Internal Revenue Code Section 422 may cease to be ISOs as of such New Vesting Date under applicable ISO tax regulations. The Company and Employee agree that the vesting schedule and terms of any equity compensation award agreement between the Company and Employee are hereby amended to comply with the terms of this Section 3(c)(v) of this Agreement. The "Cash Flow Milestone" shall mean that the Company has achieved positive Net Cash provided by Operating Activities for each of three consecutive calendar months as determined by the Company in accordance with GAAP consistently applied. The New Vesting Date shall be the date that is thirty days after the initial occurrence (if any) of the Company achieving the Cash Flow Milestone after the effective date of the First Amendment to this Agreement. The provisions of this Section 3(c)(v) shall survive termination or expiration of this Agreement but shall not survive termination of Employee's employment for any reason."

1.5 Expenses and Benefits. Due to their being entirely satisfied, Sections 4(f) and 4(g) of the Agreement are each deleted in their entirety and replaced with the following: "[Reserved]."

1.6 Taxes. Section 5 of the Agreement is amended by replacing "Sections 4(f) and 9(c)" with "Section 9(c)".

1.7 Termination. Section 6(a)(iii) of the Agreement is amended by appending the following new sentence to the end of such subsection. "Employee must resign his employment for Good Reason within 90 days after the expiration of the Company's 30 day cure period in which the Company failed to cure or remedy the Good Reason event(s) or else Employee will have waived his ability to resign for Good Reason with respect to such events."

Section 6(a)(iv)(C)(1) of the Agreement is deleted in its entirety and replaced with the following: "[Reserved]."

Section 6(a)(iv)(C)(2)(x) of the Agreement is amended by inserting “an aggregate total equal to one year of” before “Employee’s”.

Section 6(c)(ii)(C)(x) of the Agreement is amended by inserting “an aggregate total equal to six months of” before “Employee’s”.

Section 6(d) of the Agreement is deleted in its entirety and replaced with the following: “[Reserved].”

Section 6(h) of the Agreement is amended by appending the following new sentence to the end of such subsection. “Such release must be executed by Employee and delivered to the Company (and not revoked by Employee) within fifty (50) days following his Termination Date (but not before his Termination Date) or else no severance benefits of any kind will be provided to Employee under this Agreement. Since no severance benefits can be provided until after the effective date of the release then, notwithstanding anything to the contrary and subject to Section 6(i), any initial cash severance installment payment will not be made until the 60th day after the Termination Date.”

Section 6(i) of the Agreement is deleted in its entirety and replaced with the following. “If upon Employee’s “separation from service” within the meaning of Internal Revenue Code Section 409A (“409A”), he is then a “specified employee” (as defined in 409A), then solely to the extent necessary to comply with 409A and avoid the imposition of taxes under 409A, the Company shall defer payment of “nonqualified deferred compensation” subject to 409A payable as a result of and within six (6) months following such separation from service until the earlier of (i) the first business day of the seventh month following the Employee’s separation from service, or (ii) ten (10) days after the Company receives written notification of the Employee’s death. Any such delayed payments shall be made without interest. In addition, to the extent required by 409A, any expense reimbursement payments to Employee must be made by no later than the end of Employee’s taxable year following the taxable year in which the expense is incurred. Such reimbursement or in-kind benefit rights may not be subject to liquidation or exchange for another benefit.”

1.8 Rights Upon A Change in Control. Section 8(a) of the Agreement is amended by appending the following new sentences to the end of such subsection. “For purposes of this Section 8, Employee’s employment shall be terminated as of the Termination Event. In the event that it is determined that any payment or distribution of any type to or for Employee’s benefit made by the Company, by any of its affiliates, by any person who acquires ownership or effective control or ownership of a substantial portion of the Company’s assets (within the meaning of Section 280G of the Internal Revenue Code or by any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the “Total Payments”), would be subject to the excise tax imposed by Internal Revenue Code Section 4999 or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the “Excise Tax”), then such payments or distributions or benefits shall be payable either: (i) in full; or (ii) as to such lesser amount which would result in no portion of such payments or distributions or benefits being subject to the Excise Tax. Employee shall receive the greater, on an after-tax basis, of (i) or (ii) above. Unless Employee and the Company agree otherwise in writing, any

determination required under this Section 8 shall be made in writing by a qualified independent accountant selected by the Company (the "Accountant") whose determination shall be conclusive and binding. Employee and the Company shall furnish the Accountant such documentation and documents as the Accountant may reasonably request in order to make a determination."

2. **Effect on Agreement**. Except as expressly modified by this Amendment, all terms, conditions and provisions of the Agreement shall continue in full force and effect (and all section numbering in the Agreement shall remain unchanged except as expressly provided in this Amendment). In the event of a conflict between the terms and conditions of the Agreement and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail.

3. **Entire Agreement**. The Agreement, as amended by this Amendment, constitutes the complete and exclusive statement of the agreement between the parties, and supersedes all prior proposals and understandings, oral and written, relating to the subject matter contained herein. This Amendment shall not be modified or rescinded except in a writing signed by the parties.

4. **Counterparts**. This Amendment may be executed in multiple counterparts and may be delivered by facsimile transmission or by electronic mail in portable document format ("**PDF**") or other means intended to preserve the original graphic content of the signature. Each such facsimile or PDF counterpart shall constitute an original, and all of which, taken together, shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered as of the date first written above.

LifeVantage Corporation

By: _____
Name: Jack R. Thompson
Title: Chairman of the Board

_____
David W. Brown

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into and is effective as of December ___, 2009 by and between (1) Zrii, LLC, a Delaware limited liability company, and (2) William F. Farley, an individual, on the one hand, and (3) Lifevantage Corporation, a Colorado corporation, (4) Wellness Acquisition Group, a Delaware corporation, (5) Former Zrii Executives (as that term is defined herein), and (6) Former Zrii Independent Executives (as that term is defined herein), on the other hand (hereinafter, Zrii, LLC, William F. Farley, Lifevantage Corporation, Wellness Acquisition Group, the Former Zrii Executives, and the Former Zrii Independent Executives are sometimes referred to collectively as the "Parties," and individually as a "Party.")

RECITALS

WHEREAS, the Parties have been involved in various litigations against each other (as described herein); and

WHEREAS, the Parties desire to fully and finally resolve those litigations and their disputes on the basis set forth herein,

NOW, THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1 Definitions**.** Unless expressly stated to the contrary herein, the following definitions of terms shall apply to, and govern the interpretation and enforcement of this Agreement:

1.1 The term "Zrii" shall mean and refer to Zrii, LLC, a Delaware limited liability company, which is a multilevel marketing company with headquarters in Draper, Utah, and its Affiliates.

1.2 The term "Farley" shall mean and refer to William F. Farley, an individual, who is the managing member and principal owner of Zrii.

1.3 The term "Lifevantage" shall mean and refer to Lifevantage Corporation, a Colorado corporation, which is a multilevel marketing company that sells dietary supplements, with headquarters in San Diego County, California.

1.4 The term "WAG" shall mean and refer to Wellness Acquisition Group, a Delaware limited liability company.

1.5 The term "Former Zrii Executives" shall mean and refer to those individuals whose names appear on Exhibit "A".

1.6 The term “Former Zrii IEs” shall mean and refer to those individuals and entities whose names appear on Exhibit “B”, including their respective Affiliates and any affiliated service entity.

1.7 The term “Former Zrii Employees” shall mean and refer to those individuals whose names appear on Exhibit “C.” To the extent any individual falls within the definition of “Former Zrii Executives” and “Former Zrii Employees,” such person shall be deemed to be subject to the obligations of both groups.

1.8 The term “Defendants” shall mean and refer to Lifevantage, WAG, the Former Zrii Executives, and the Former Zrii IEs.

1.9 The term “the Delaware Litigation” shall mean and refer to that certain litigation pending in the Chancery Court of Delaware, Civil Action No. 4374-VCP.

1.10 The term “the California Litigation” shall mean and refer to that certain litigation pending in the United States District Court for the Southern District of California, Case No. 09-CV 0405 L RBB.

1.11 The term “the Utah Litigation” shall mean and refer to that certain litigation pending in the Third District Court of Salt Lake County, Utah, Case No. 090903383.

1.12 The term “the Preliminary Injunction” shall mean and refer to that Preliminary Injunction Order issued in the Delaware Litigation, along with the related Memorandum Opinion.

1.13 The term “Claims” shall mean and refer to any claims, cross-claims, counterclaims, causes of action, liabilities, demands, obligations, rights, damages, costs, or expenses of any nature, kind, or character that have or could have been brought, asserted, alleged, or proposed in any lawsuit, action, arbitration, or proceeding of any kind, nature, or description, whether arising under or sounding in common law, contract, tort, statute, regulation, or rule for any reason, with respect to any dispute, controversy, or injury and for any amount or any form of relief.

1.14 The term “Former Zrii Executive Claims” shall mean and refer to any and all Claims, asserted, unasserted, known or unknown, which the Former Zrii Executives have or claim to have against Farley or Zrii.

1.15 The term “Former Zrii IE Claims” shall mean and refer to any and all Claims, asserted, unasserted, known or unknown, which the Former Zrii IEs have or claim to have against Farley or Zrii.

1.16 The term “Former Zrii Employee Claims” shall mean and refer to any and all Claims, asserted or unasserted, known or unknown, which the Former Zrii Employees have or claim to have against Farley or Zrii.

1.17 The term “the Administrative Proceedings” shall mean and refer to administrative proceedings brought by some or all of the Former Zrii Executives or Former Zrii Employees against Zrii and/or Farley.

1.18 The term “Zrii Confidential Information” shall mean and refer to any and all “trade secret” information as that term is defined at U.C.A. § 13-24-2 (4) and related case law.

2 Consideration

2.1 In consideration of the covenants and agreements of Zrii and Farley herein, Lifevantage agrees to pay Zrii the total lump sum of Four Hundred Thousand and 00/100 Dollars ($400,000.00). Said payment shall be made on or before December 21, 2009, and shall be made by wire transfer, with instructions for such wire transfer to be provided by Zrii.

2.2 The consideration referenced in Section 2.1 will serve as consideration for the dismissal and release of Zrii’s and Farley’s Claims against Lifevantage. This release by Farley and Zrii of their claims shall be effective upon execution of this Agreement by Lifevantage and Lifevantage’s payment as identified in 2.1.

2.3 Defendants acknowledge that they are aware of the Preliminary Injunction. Each Defendant agrees that if his, her or its conduct violates the Preliminary Injunction, Zrii may seek further remedies in the Delaware Litigation based on such conduct.

2.4 Lifevantage agrees that in any and all recruiting meetings that it conducts between the effective date of this Agreement and the expiration of the Preliminary Injunction, it will ensure that a Lifevantage representative affirmatively states that Lifevantage will not accept applications at any time prior to the expiration of the Preliminary Injunction from persons or entities who were Zrii Independent Executives or their Affiliates prior to February 1, 2009. Lifevantage agrees to inform its independent contractors that they must inform potential recruits at any and all recruiting meetings that Lifevantage will not accept applications at any time prior to the expiration of the Preliminary Injunction from persons or entities who were Zrii Independent Executives or their Affiliates prior to February 1, 2009. Lifevantage further agrees it will use its best efforts, in good faith, to not, until after the expiration of the Preliminary Injunction, accept any applications from persons or entities who were Zrii Independent Executives prior to February 1, 2009 or from their Affiliates.

3 Relinquishment of Claims to Ownership or Other Interests in Zrii

3.1 Defendants each hereby expressly waive and renounce any option to acquire, or right or claim of ownership of, membership in, or any other interest in Zrii or any of its Affiliates of any nature, kind, or description (collectively, “Ownership Interest”).

3.2 To the extent any of the Defendants had, have, or may ever have any Ownership Interest in Zrii or any of its Affiliates, each of the Defendants hereby conveys such past,

present, or future interest to Farley and fully and unconditionally relinquishes that Ownership Interest to Farley.

4 Destruction, Deletion and Non-Use of Zrii Confidential Information

4.1 Defendants, individually and collectively, agree that they will destroy any and all hard copies of Zrii Confidential Information, and will permanently destroy and delete all such information from any computers or electronic media in their possession, custody, or control. Defendants further agree that they will not make use of any Zrii Confidential Information. The parties hereto agree and acknowledge that the retention of a forensic copy of Curtis Call's home computer hard drive by Kirby Zenger's counsel, John C. Rooker, is not and shall not be deemed to be a violation of this Paragraph 4.1 by any Party to this Agreement, provided that such Party does not have access to or use any information from that hard drive.

5 Disposition of the Delaware and California Litigations

5.1 Not later than thirty (30) days after the receipt by Zrii of the $400,000.00 payment from Lifevantage and receipt of releases of Zrii and Farley from all Claims by adverse Parties in the Delaware and California Actions, the Parties to those litigations shall file and serve a stipulation or other necessary paper with the objective of getting all Claims dismissed with prejudice. If the stipulation or other paper in the Delaware Litigation is submitted prior to the expiration of the Preliminary Injunction, it shall provide that the Preliminary Injunction shall remain intact until the date of its expiration. Zrii agrees that it will not attempt to extend the existing term of the Preliminary Injunction, providing no violations of the Preliminary Injunction occur between the date of the payment described in 2.1 and the expiration of that injunction on December 21, 2009.

5.2 The stipulation to dismiss the Delaware Litigation shall be in the form attached hereto as Exhibit D. The stipulation to dismiss the California Litigation shall be in the form attached hereto as Exhibit E.

5.3 Lifevantage agrees to acquire from (i) each Defendant in the California and Delaware actions and (ii) each of the Former Zrii Executives and Former Zrii IEs an executed copy of this Agreement on or before December 21, 2009.

6 Disposition of the Utah Litigation and the Administrative Proceedings

6.1 Lifevantage agrees to use its best efforts to acquire from each of the Former Zrii Employees an executed Release and Dismissal document in the form attached hereto as Exhibit F before December 21, 2009, and to execute, or have their counsel execute, a stipulation to dismiss the Utah Litigation pursuant to the terms of Exhibit F, but not later than December 31, 2009.

6.2 Lifevantage further agrees to use its best efforts to cause the Former Zrii Employees to cause any administrative or other proceeding they may have initiated against Zrii or

Farley regarding unpaid wages, bonuses, commissions or penalties to be dismissed or withdrawn with prejudice, said dismissal and withdrawal to occur on or before December 21, 2009, but not later than December 31, 2009. The dismissal shall be in the form attached hereto as Exhibit G.

6.3 If Lifevantage is unable to acquire all of the desired Release and Dismissal documents before December 21, Lifevantage agrees to (A) provide to Zrii and Farley a list of those persons from whom a Release and Dismissal document has not yet been acquired by that date and (B) use its best efforts to acquire the remaining ones by December 31, 2009.

6.4 Lifevantage agrees that it will notify each of the Former Zrii Employees that he or she is not released from any claim of Zrii and Farley until that party executes the Release and Dismissal document and submits the necessary papers to cause any administrative claim filed by such Former Zrii Employees to be dismissed or withdrawn.

6.5 Zrii and Farley agree that within thirty (30) days after they receive the Release and Dismissal documents, executed by the Former Zrii Employees, they will sign the Release and Dismissal documents and file a stipulation or other documents necessary to dismiss the Claims in the Utah Litigation with prejudice, as against those Former Zrii Employees who have dismissed and released their Former Zrii Employee Claims against Farley and Zrii.

6.6 The Former Zrii Executives and the Former IEs agree to cause any administrative or other proceeding in which they have asserted Claims against Zrii or Farley regarding unpaid wages, bonuses, commissions or penalties to be dismissed or withdrawn with prejudice. They agree to execute all of the documents needed to accomplish those dismissals or withdrawals before December 21, 2009.

6.7 The dismissals referenced in this Agreement shall be with prejudice and will provide that each Party shall bear its respective attorneys' fees and costs. All dismissals shall further provide that the Parties to the Delaware and California Litigations submit to the personal and subject matter jurisdiction of the court in which the litigation or proceeding was commenced, and that despite the dismissal of the litigation or proceeding, the affected court or administrative body shall retain jurisdiction to enforce the provisions of this Agreement.

7 Releases

7.1 Subject to the limitations and qualifications set forth herein, Zrii and Farley hereby fully and irrevocably release and forever discharge Defendants and their respective agents, employees, officers, directors, heirs, and assigns ("Related Persons") of and from any and all Claims (including, but not limited to, those claims asserted in the Delaware, Utah, and California Litigations or that otherwise could have been brought or asserted in such litigations), whether known or unknown, existing or potential, or

suspected or unsuspected, which Zrii and Farley had or asserted or could have asserted, have or assert or could assert, or may hereafter have or assert against the Defendants, that are based on conduct that occurred prior to the date of this Agreement. **IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT NO RELEASE GRANTED HEREIN BY ZRII and FARLEY IS EFFECTIVE UNLESS AND UNTIL THE PARTY ASSERTING THE RELEASE HAS RELEASED ALL CLAIMS AGAINST ZRII AND FARLEY. IT IS THE INTENT OF THE PARTIES THAT THIS RELEASE SHALL NOT OPERATE TO RELEASE ANYONE NOT A PARTY TO THIS AGREEMENT OR WHO HAS NOT SIGNED THIS AGREEMENT.**

7.2 Subject to the limitations and qualifications set forth herein, each of the Defendants hereby fully and irrevocably releases and forever discharges Zrii and Farley and their respective agents, employees, officers, directors, heirs, and assigns ("Related Parties") of and from any and all Claims (including, but not limited to, those claims asserted in the Delaware, Utah and California Litigations, the Former Zrii Executive Claims, and the Former Zrii IE Claims and any claims that otherwise could have been brought or asserted in the Delaware, Utah, and California Actions or any administrative proceeding), whether known or unknown, existing or potential, or suspected or unsuspected, which Defendants had or asserted or could have asserted, have or assert or could assert, or may hereafter have or assert against Zrii or Farley, and their agents, employees, officers, directors, heirs, and assigns that are based on conduct that occurred prior to the date of this Agreement. **IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT NO RELEASE GRANTED HEREIN BY A DEFENDANT IS EFFECTIVE UNLESS AND UNTIL THE PARTY ASSERTING THE RELEASE HAS RELEASED ALL CLAIMS AGAINST THAT DEFENDANT. IT IS THE INTENT OF THE PARTIES THAT THIS RELEASE SHALL NOT OPERATE TO RELEASE ANYONE NOT A PARTY TO THIS AGREEMENT OR WHO HAS NOT SIGNED THIS AGREEMENT.**

7.3 The Parties acknowledge and represent that they are familiar with the provisions of Section 1542 of the California Civil Code, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

THE PARTIES FURTHER ACKNOWLEDGE THAT EACH OF THEM KNOWINGLY, VOLUNTARILY, AND EXPRESSLY WAIVES ANY RIGHTS AND BENEFITS ARISING UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE AND/OR ANY OTHER STATUTE OR PRINCIPLE OF ANY OTHER STATE OF SIMILAR EFFECT.

7.3.1. Nothing contained in the foregoing releases shall be deemed to be a release of claim by one party against another for a breach of this Agreement. If any party believes another party has breached any covenant, obligation or promise that is set out in this Agreement, it shall provide written notice to the party alleged to not to be in compliance.

7.3.2. The written notice shall specify each breach by (1) referring to the provision(s) in this Agreement that is alleged to have been breached; and (2) reciting, with a reasonable amount of detail, the facts that constitute such alleged breach. The recipient of the notice shall have ten days to satisfy the other that no breach occurred or that each breach has been resolved. If the party which gave the notice remains unsatisfied, that party can then commence whatever legal action it deems appropriate.

7.4 Nothing in this Agreement shall release any former employee of Lifevantage from any of the terms and conditions of his or her Lifevantage employment or severance agreement.

8 Warranties and Representations

8.1 Each Defendant acknowledges, warrants, and represents that none of the claims released herein has been transferred, assigned, or otherwise alienated prior to the date of this Agreement.

8.2 Each Defendant acknowledges, warrants, and represents that the execution of this Agreement and the covenants herein are within his/her/its authority and that this Agreement is executed pursuant to necessary and customary authorizations.

8.3 Zrii acknowledges, warrants, and represents that it has not transferred, assigned, or otherwise alienated any of the claims released by them herein.

8.4 Zrii acknowledges, warrants, and represents that the execution of this Agreement and the covenants herein are within its authority and that this Agreement is executed pursuant to necessary and customary authorizations.

9 Non-Disparagement

9.1 Each Party agrees not to make any disparaging statement to a third party about another Party. “Disparaging statement” means any false, deceptive, or misleading statement, as well as any statement intended to ridicule or demean a Party. This obligation includes, but is not limited to, a Party’s character, reputation, products, business operations, or employees.

10 Miscellaneous

10.1 Understanding of Agreement Each of the Parties understands this Agreement, and the terms and conditions contained herein, and has relied upon its own judgment, belief, knowledge, understanding and expertise after careful consultation with its own legal counsel concerning the legal effect of this Agreement and all of the terms and conditions of this Agreement.

10.2 Final Integrated Agreement This Agreement, and any documents referred to herein, constitute the entire, final and binding understanding between the parties with respect to the subject matter hereof. No other statement or representation, written or oral, express or implied, has been relied upon in executing this Agreement, and all prior discussions, statements, and negotiations made or that have occurred prior to the date of the Agreement are deemed merged into this Agreement, and shall not be used for any purpose whatsoever.

10.3 Binding Effect This Agreement shall bind and inure to the benefit of the Parties and to their respective successors and permitted assigns in interest. This section shall be subject to the specific prohibitions on assignment set forth above.

10.4 Severability If any provision of the Agreement is held void or for any reason unenforceable, the remaining portions of this Agreement will remain in full force and effect.

10.5 Amendment This Agreement may not be amended, altered, modified, or otherwise changed in any respect except by a writing duly executed by the Parties, or their authorized representatives.

10.6 Joint Negotiation This Agreement has been negotiated and reviewed by each of the Parties, and no provision of the Agreement shall be construed against any Party on the ground that such Party was the drafter of that provision of the Agreement or for any other reason.

10.7 Counterparts This Agreement may be executed by the Parties in counterparts, each of which may be deemed an original and all of which together shall constitute a single instrument

10.8 Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without regard to its choice of law and conflicts of laws rules.

10.9 Additional Necessary Documents The Parties, and each of them, agree to do all things necessary, including, but not limited to, execution of additional documents, as may be reasonably required, in order to carry out the purposes and intent of this Agreement and to fulfill their obligations under this Agreement.

Signature pages to follow.

ZRII, LCC, a Delaware a Limited Liability company

Signed: December _____, 2009

By: _____
William F. Farley
CEO and President

Signed: December _____, 2009

_____
William F. Farley
Individually

Signed: December _____, 2009

LIFEVANTAGE CORPORATION, a Colorado corporation

By: _____
David W. Brown
CEO and President

WELLNESS ACQUISITION GROUP

Signed: December _____, 2009

By: _____
Keith Fitzgerald

Former Zrii Executives

Signed: December _____, 2009

_____
Tracy Harward

Signed: December _____, 2009

_____
Ryan Thompson

Signed: December _____, 2009

_____
Gene Tipps

Signed: December _____, 2009

_____
Kirby Zenger

Signed: December _____, 2009

_____
Bart Graser

Former Zrii IEs:

Signed: December _____, 2009

_____
Eric Albrechtsen

Signed: December _____, 2009

_____
Tyler Daniels, Individually

Signed: December _____, 2009

RETIREMENT OPTIONS, INC.

By: _____
Tyler Daniels
Authorized Representative

Signed: December _____, 2009

_____
Jason Domingo, Individually

Signed: December _____, 2009

OVATION MARKETING GROUP, INC.

By: _____
Jason Domingo
Authorized Representative

Signed: December _____, 2009

_____
Seth Mulder, Individually

Signed: December _____, 2009

GLOBAL LEGACY GROUP

By: _____
Seth Mulder
Authorized Representative

Signed: December _____, 2009

SETH MULDER ENTERPRISES

By: _____
Seth Mulder
Authorized Representative

Signed: December _____, 2009

_____
Marcell Niederhauser, Individually

Signed: December _____, 2009

CONVERGENCE MARKETING

By: _____
Marcell Niederhauser
Authorized Representative

Signed: December _____, 2009

_____
Mark Rogers, Individually

Signed: December _____, 2009

_____
Marc Shinsato, Individually

Signed: December _____, 2009

SUNCREST ENTERPRISES

By: _____
Marc Shinsato
Authorized Representative

Signed: December _____, 2009

GLOBAL LEGACY GROUP

By: _____
Marc Shinsato
Authorized Representative

Signed: December _____, 2009

_____
Colt Elam, Individually

Signed: December _____, 2009

_____
Nathan B. Elam, Individually

Signed: December _____, 2009

_____

Keith Fitzgerald, Individually

AMENDMENT TO AND ACKNOWLEDGEMENT
OF CANCELLATION OF PROMISSORY NOTE AGREEMENT

This Amendment to and Acknowledgement of Cancellation of Promissory Note Agreement (this "**Agreement**") is dated as of February 4, 2010 and entered into by and between Lifevantage Corporation, a Colorado corporation (the "**Company**"), and C. Mike Lu ("**Holder**").

WHEREAS, the Company issued to Holder a promissory note dated September 24, 2009 in the original principal amount of $500,000 (the "**Note**"); and

WHEREAS, the Company and Holder desire to amend the Note to provide that the Holder may, and in accordance with this Agreement does, apply all or any portion of the amounts payable by the Company to Holder under the Note towards Holder's subscription amount owed by Holder pursuant to the amended and restated securities purchase agreement of even date herewith (the "**SPA**") entered into among the Company and certain accredited investors, one of which is Holder.

ACCORDINGLY, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Amendment. The Note is hereby amended to include a new section 2.3 which reads in its entirety as follows:

"2.3 Application of Amounts Due. All or any portion of the Principal Amount, interest or any other amounts due and payable under this Note may be applied toward the subscription amount payable by Holder under any securities purchase agreement entered into between or among Holder and the Company. To the extent that any amount due and payable under this Note is so applied, such amount shall be deemed immediately paid to Holder by the Company and the Principal Amount and any other amounts due and payable under this Note shall be immediately reduced by such amount."

2. Election to Apply. Holder hereby irrevocably elects to apply the principal amount of the Note, which the parties agree is $500,000, toward, and such amount shall be deemed to be, the Subscription Amount (as such term is defined in the SPA) payable by Holder pursuant to the SPA.

3. Payment of Interest. Concurrent with the execution of this Agreement, the Company shall pay to Holder an aggregate amount equal to $64,607.14, which represents the aggregate amount of interest and other payments due and payable under the Note to Holder through the date hereof.

4. Termination of Note. Holder and the Company acknowledge and agree that each and every obligation and right of the Company and Holder under the Note shall, without further action of any party, automatically terminate and be extinguished upon the execution of this Agreement by Holder and the Company and that the Note Cancellation Date (as such term is defined in the Note) shall be deemed to be the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement, which may be executed in any number of original or facsimile counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement, to be signed as of the date first above written.

THE COMPANY:	**HOLDER:**
LIFEVANTAGE CORPORATION	
Carrie Carlander, Chief Financial Officer	C. Mike Lu

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, David W. Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lifevantage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2010

/s/ *David W. Brown*
David W. Brown
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Carrie E. Carlander, certify that:

1. I have reviewed this quarterly report on Form 10-Q (this "report") of Lifevantage Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2010

/s/ *Carrie E. Carlander*
Carrie E. Carlander
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of Lifevantage Corporation (the "Company") for the period ended September 30, 2009, with the Securities and Exchange Commission on the date hereof (the "report"), I, David W. Brown, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

Date: February 16, 2010

/s/ *David W. Brown*
David W. Brown
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of Lifevantage Corporation (the "Company") for the period ended September 30, 2009, with the Securities and Exchange Commission on the date hereof (the "report"), I, Carrie E. Carlander, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

Date: February 16, 2010

/s/ *Carrie E. Carlander*
Carrie E. Carlander
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.