



*HBGary Federal, LLC
3604 Fair Oaks Blvd. Bldg B, Suite 250, Sacramento, CA. 95864
Phone: (916) 459-4727 ext 118 Fax: (916) 481-1460*

CONFIDENTIAL

October 27, 2010

Jeff McCartney
Colorado Springs, CO

Re: Contingent Offer of Employment

Dear Jeff:

On behalf of HBGary Federal, LLC. (the "Company"), we are pleased to offer you employment with the Company as follows:

Position offered: Senior Software Engineer (Exempt)

Date of Hire: 12/1/2010

Compensation: \$95,000 per year paid every two weeks.

Benefits: You will be entitled to the benefits that the Company makes available to all employees, including without limitation: paid time off, medical and dental insurance, life, long term and short term disability insurance.

HBGary Federal, LLC conditions this offer upon your providing appropriate documentation of United States citizenship or authorization to work in the United States and the ability to maintain a US Government Top Secret Security Clearance. This offer is contingent upon the award of the DARPA CINDER subcontract to HBGary Federal. The actual date of hire and start date may be adjusted based upon the terms of subcontract award.

You must disregard any statements or representations made to you that would subtract from, add to, or in any way change the terms of this letter. This letter cancels, supersedes, and takes precedence over all other statements and representations regarding the terms of your employment with the Company.

If you accept this offer, your employment with the Company will be "at-will." This means that your employment with the Company will not last for any specific period of time and either you or the Company can terminate your employment without notice and for any reason (good or bad) or for no reason at all. This letter will reflect the final, total and complete agreement between

you and the Company regarding how your employment may be terminated. No other agreements exist regarding the subject of termination.

Even though your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time during your tenure with the Company, neither you nor the Company can change the "at-will" nature of your employment, unless the board of HBGary Federal, LLC. signs a written contract which explicitly changes your status as an "at-will" employee. Please understand that any positive performance evaluations, compliments, promotions, stock grants or pay increases you may happen to receive at HBGary Federal, LLC. do not indicate a change in your "at-will" status. Also, an employee's "at-will" status does not change based upon length of service with HBGary Federal, LLC.

We wish to impress upon you that you must not bring to HBGary Federal , LLC. any confidential or proprietary information or material of any former employer, disclose or use such information or material in the course of your employment with HBGary Federal, LLC., or violate any other obligation to your former employers. It will be a condition to your employment that you execute an Employee Invention Assignment and Confidentiality Agreement.

In order to accept this offer, you must sign this letter and we must receive it back on 10/27/2010. We hope that you will accept our offer and look forward to having you join us. If you have any questions or do not understand any part of this letter, please contact us before signing below.

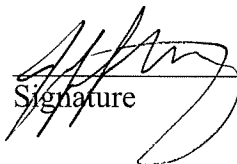
Sincerely,

Ted H. Vera
President | COO
HBGary Federal, LLC.

ACKNOWLEDGED AND AGREED:

I, Jeff McCartney, have read this letter and understand its terms. By signing below, I accept the offer of employment this letter makes.

10 . 27, 2010
Date


Signature