UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2013

MARATHON PATENT GROUP, INC.
(Exact Name of Registrant as Specified in Charter)

Nevada	000-54652	01-0949984
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2331 Mill Road, Suite 100 Alexandria, VA	22314
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (703) 232-1701

(Former name or former address, if changed since last report)

Copies to:
Harvey J. Kesner, Esq.
Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Telephone: (212) 930-9700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

The purpose of this Amendment on Form 8-K/A to Marathon Patent Group, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on April 26, 2013 (the "Original Form 8-K"), is solely to include Exhibit 99.3, Exhibit 99.4 and Exhibit 99.5 in Item 9.01.

No other changes have been made to the Original Form 8-K. This Amendment speaks as of the original filing date of the Original Form 8-K, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosures made in the Original Form 8-K.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

On April 22, 2013, Cyberfone Acquisition Corp. ("Acquisition Corp."), a Texas corporation and newly formed wholly owned subsidiary of Marathon Patent Group, Inc. (the "Company") entered into a merger agreement (the "Agreement") with Cyberfone Systems LLC, a Texas limited liability company ("Cyberfone Systems"), TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of Cyberfone Systems (collectively, the 'Cyberfone Sellers").

Cyberfone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IPNavigation Group LLC ("IP Nav"), a Company founded by Erich Spangenberg and associated with the Cyberfone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with Cyberfone Systems.

Pursuant to the terms of the Merger Agreement, Cyberfone Systems merged with and into Acquisition Corp with Cyberfone Systems surviving the merger as the wholly owned subsidiary of the Company (the "Merger"). The Company (i) issued 6,000,000 shares of common stock to the Cyberfone Sellers (the "Merger Shares"), (ii) paid the Cyberfone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev (the "Note"). The Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. The Company may prepay the Note at any time without premium or penalty.

In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which Cyberfone Systems recovers $4 million from licensing or enforcement activities related to the patents), Cyberfone Systems will be required to pay out a certain percentage of such recoveries.

In connection with the Merger and pursuant to a license agreement (the "License Agreement"), Cyberfone Systems granted the Cyberfone Sellers a non-exclusive license-back to the patents owned by Cyberfone Systems and the inventors retain commercialization rights previously granted by Cyberfone Systems or its predecessors.

The Company entered into a registration rights agreement (the "Registration Rights Agreement") pursuant to which the Company has agreed to file a "resale" registration statement with the Securities and Exchange Commission ("SEC") covering the resale of the Merger Shares within 90 days of the closing of the Merger (the "Filing Date"). The Company has agreed to maintain the effectiveness of the registration statement from the effective date until all securities have been sold or are otherwise able to be sold pursuant to Rule 144. The Company has agreed to use its reasonable best efforts to have the registration statement declared effective within 180 days of the earlier of the date that such registration statement is filed with the SEC and the Filing Date ("the Effectiveness Date"). The Company is obligated to pay 1% per month, up to a maximum of 6%, of the Cyberfone Sellers' investment value, payable in cash, for every thirty (30) day period (i) following the Filing Date that the registration statement has not been filed and (ii) following the Effectiveness Date that the registration statement has not been declared effective; provided, however, that the Company shall not be obligated to pay any such liquidated damages if the Company is unable to fulfill its registration obligations as a result of rules, regulations, positions or releases issued or actions taken by the SEC pursuant to its authority with respect to Rule 415, provided the Company registers at such time the maximum number of shares of common stock permissible upon consultation with the staff of the SEC.

The above description of the transactions and agreements discussed herein does not purport to be complete and is qualified in its entirety by the Merger Agreement, the Form of Promissory Note, the License Agreement and the Registration Rights Agreement, attached as Exhibits 10.1, 10.2, 10.3 and 10.4 respectively, to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) *Financial Statements of Businesses Acquired*. In accordance with Item 9.01(a), (i) audited financial statements for the prior two fiscal years and (ii) unaudited financial statements for the three-month interim period ended March 31, 2013 are filed as Exhibits 99.3 and 99.4 respectively to this Current Report.

(b) *Pro Forma Financial Information*. In accordance with Item 9.01(b), our pro forma financial statements are filed as Exhibit 99.5 to this Current Report.

(d) Exhibits.

The exhibit listed in the following Exhibit Index is filed as part of this Current Report on Form 8-K.

Exhibit No.	Description
10.1	Merger Agreement dated as of April 22, 2013*
10.2	Form of Promissory Note*
10.3	Form of Registration Rights Agreement*
10.4	License Agreement*
99.1	Press Release dated April 22, 2013*
99.2	Press Release dated April 24, 2013*
99.3	Audited Financial Statements of Cyberfone Systems LLC for the years ended December 31, 2012 and 2011
99.4	Financial Statements of Cyberfone Systems LLC for the three months ended March 31, 2013 and 2012
99.5	Pro Forma Financial Information

*Incorporated by Reference to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 26, 2013.

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.

Date: June 24, 2013

MARATHON PATENT GROUP, INC.

By: /s/ Doug Croxall

Name: Doug Croxall

Title: Chief Executive Officer

CYBERFONE SYSTEMS, LLC

FINANCIAL STATEMENTS

CYBERFONE SYSTEMS, LLC
FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
CyberFone Systems, LLC

We have audited the accompanying balance sheets of CyberFone Systems, LLC (the "Company") as of December 31, 2012 and 2011 and the related statements of operations, changes in members’ equity, and cash flows for the year ended December 31, 2012 and for the period from inception (July 25, 2011) to December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CyberFone Systems, LLC as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the year ended December 31, 2012 and for the period from inception (July 25, 2011) to December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

/s/ KBL, LLP
New York, New York
June 24, 2013

CYBERFONE SYSTEMS, LLC
BALANCE SHEETS

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	$ 9,167	$ 835,000
Accounts receivable - current portion	527,480	-
Total current assets	536,647	835,000
Other assets:		
Accounts receivable - long term portion	180,000	-
Intangible assets, net	1,284,278	1,760,329
Total other assets	1,464,278	1,760,329
Total assets	$ 2,000,925	$ 2,595,329
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 135,316	$ 37,323
Patent purchase payable	-	143,465
Total liabilities	135,316	180,788
Members' equity	1,865,609	2,414,541
Total liabilities and Members' equity	$ 2,000,925	$ 2,595,329

See accompanying notes to financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF OPERATIONS

	FOR THE YEAR ENDED DECEMBER 31, 2012	FOR THE PERIOD FROM INCEPTION (JULY 25, 2011) TO DECEMBER 31, 2011
Net revenues	$ 8,184,950	$ 1,500,000
Operating expenses:		
Cost of revenues	5,006,426	525,087
General and administrative	13,786	86,736
Total operating expenses	5,020,212	611,823
Net income	$ 3,164,738	$ 888,177

See accompanying notes to financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD FROM INCEPTION (JULY 25, 2011) TO THE YEAR ENDED DECEMBER 31, 2012

	Members' Equity
Balance at July 25, 2011	$ -
Member Contributions	1,526,364
Net income for the period ended December 31, 2011	888,177
Balance at December 31, 2011	2,414,541
Member Distributions	(3,713,670)
Net income for the year ended December 31, 2012	3,164,738
Balance at December 31, 2012	$ 1,865,609

See accompanying notes to financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31, 2012	FOR THE PERIOD FROM INCEPTION (JULY 25, 2011) TO DECEMBER 31, 2011
Cash flows from operating activities:		
Net income	$ 3,164,738	$ 888,177
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	476,051	39,671
Changes in operating assets and liabilities:		
Accounts receivable - current portion	(527,480)	-
Accounts receivable - long term portion	(180,000)	-
Accounts payable and accrued expenses	97,993	37,323
Net cash provided by operating activities	3,031,302	965,171
Cash flows from investing activities:		
Acquisition of patents	(143,465)	(1,656,535)
Net cash used in investing activities	(143,465)	(1,656,535)
Cash flows from financing activities:		
Member distributions	(3,713,670)	-
Member contributions	-	1,526,364
Net cash provided by (used in) financing activities	(3,713,670)	1,526,364
Net (decrease) increase in cash	(825,833)	835,000
Cash at beginning of period	835,000	-
Cash at end of year	$ 9,167	$ 835,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Patent purchase payable in connection with the acquisition of patents	$ -	$ 143,465

See accompanying notes to financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

CyberFone Systems, LLC (the "Company") formerly TDH Venture 1, LLC was incorporated under the laws of the State of Texas on July 25, 2011. The Company is engaged in the innovation, licensing and protection of intellectual property worldwide. The intellectual property covers claims that provide the right to practice specific transactional data processing, telecommunications, networks and database inventions, including financials transactions. The Company actively pursues licensing revenues by providing a license to its intellectual property to those entities that wish to acquire a right to use the technology. The patents and patent applications have been acquired from a third party and include US issued patents and applications and foreign issued patents and applications.

On November 23, 2011, the Company entered into an Interest Sale Agreement (the "Interest Sale Agreement") with LVL Patent Group, LLC ("LVL") whereby LVL transferred and assigned all of the issued and outstanding membership interests of its subsidiary which holds certain intellectual property rights to the Company in exchange for $250,000 less certain assumed liabilities as defined in the Interest Sale Agreement. In addition, the Company assumed the obligation under a certain Asset Purchase Agreement dated August 2011 between LVL and a third party including the payment of $1,550,000 and the assumption of certain contracts and agreements as further set forth in the Interest Sale Agreement (see Note 3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America.

Use of Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, the useful life of intangible assets.

Fair Value of Financial Instruments

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures", for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1:	Observable inputs such as quoted market prices in active markets for identical assets or liabilities
Level 2:	Observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3:	Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The carrying amounts reported in the balance sheet for accounts receivable, accounts payable and accrued liabilities approximate their estimated fair market value based on the short-term maturity of this instrument.

In addition, FASB ASC 825-10-25 “Fair Value Option” was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company’s account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. In addition to the basic insurance deposit coverage, the FDIC was providing temporary unlimited coverage for non-interest bearing transaction accounts through December 31, 2012. At December 31, 2012 and 2011, the Company has not reached bank balances exceeding the FDIC insurance limit on interest bearing accounts. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Intangible assets

Intangible assets include patents purchased and recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 605, “Revenue Recognition”. Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed, (iii) amounts are fixed or determinable and (iv) collectability of amounts is reasonably assured.

The Company considers its licensing and enforcement activities as one unit of accounting under ASC 605-25, “Multiple-Element Arrangements” as the delivered items do not have value to customers on a standalone basis, there are no undelivered elements and there is no general right of return relative to the license. Under ASC 605-25, the appropriate recognition of revenue is determined for the combined deliverables as a single unit of accounting and revenue is recognized upon delivery of the final elements, including the license for past and future use and the release. Also due to the fact that the settlement element and license element for past and future use are the major central business, the Company does not present these two elements as different revenue streams in its statement of operations. The Company does not expect to provide licenses that do not provide some form of settlement or release. Revenues from patent enforcement activities accounted for 100% of revenues for the year ended December 31, 2012 and for the period from inception (July 25, 2011) to December 31, 2011.

Cost of revenue

Cost of revenues mainly includes expenses incurred in connection with the Company’s patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses, as well as, the amortization of acquired patents. Cost of revenue does not include expenses related to product development, integration or support, as these are included in general and administrative expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. At December 31, 2012 and 2011, there was no allowance for bad debt. Accounts receivable- current portion at December 31, 2012 and 2011, amounted to $527,480 and $0, respectively. Accounts receivable – long term portion at December 31, 2012 and 2011, amounting to $180,000 and $0 and represents amounts that will be collected after 1 year.

Concentration of revenue and geographic area

Patent license revenue from enforcement activities is considered United States revenue as payments are for licenses for United States operations irrespective of the location of the licensee's or licensee's parent home domicile.

As of December 31, 2012, three customers accounted for 100% of total accounts receivable. Revenues from five customers accounted for approximately 40% of revenues for the year ended December 31, 2012. As of December 31, 2011, there was no accounts receivable. Revenues from five customers accounted for 100% of revenues for the period from inception (July 25, 2011) to December 31, 2011.

Income Taxes

The Company is treated as a disregarded entity for federal and state income tax reporting purpose and, thus no federal or state income tax expense has been recorded in the financial statements. Taxable income of the Company is passed through to its members and reported on their individual tax return. The federal and state income tax returns of the individual are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Impairment of Long-lived Assets

The Company accounts for the impairment or disposal of long-lived assets, such as property and equipment and purchased intangible assets subject to amortization, are reviewed for impairment. The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The Company did not consider it necessary to record any impairment charges during the year ended December 31, 2012 and for the period from inception (July 25, 2011) to December 31, 2011.

Recent Accounting Pronouncements

In July 2012, the FASB issued Accounting Standards Update ("ASU") 2012-02, Balance Sheet (Topic 350) "Intangibles-Goodwill and Other", which allows an organization to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test for indefinite-lived intangible assets. An organization that elects to perform a qualitative assessment is required to perform the quantitative impairment test for an indefinite-lived intangible asset if it is more likely than not that the asset is impaired. This is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The Company does not expect the adoption of ASU 2012-02 to have a material impact on its financial position, results of operations nor cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In April 2013, the FASB ASU 2013-07, "Presentation of Financial Statements: Topic Liquidation Basis of Accounting". ASU 2013-07 requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is considered imminent when the likelihood is remote that the organization will return from liquidation and either: (a) a plan for liquidation is approved by the person or persons with the authority to make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties; or (b) a plan for liquidation is being imposed by other forces. ASU 2013-07 will be effective for the Company beginning on January 1, 2014. The Company does not expect the adoption of ASU 2013-07 to have a material impact on its financial position, results of operations nor cash flows.

Commitments and Contingencies

Liabilities for loss contingencies arising from assessments, estimates or other sources are to be recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs expected to be incurred in connection with a loss contingency are expensed as incurred.

NOTE 3 – INTANGIBLE ASSETS

Intangible assets were acquired upon the closing of the Interest Sale Agreement (see Note 1) and consisted of the following:

	As of December 31,		Weighted average amortization period
	2012	2011	(years)
Patents	1,800,000	1,800,000	3.92
Less: accumulated amortization	(515,722)	(39,671)	
	1,284,278	1,760,329	

Intangible assets are comprised of patents with estimated useful lives between approximately 3 to 6 years (20-year life of underlying patent, less the approximate 14 to 17 years elapsed since original patent application). Once placed in service, the Company will amortize the costs of intangible assets over their estimated useful lives on a straight-line basis. Costs incurred to acquire patents, including legal costs, are also capitalized as long-lived assets and amortized on a straight-line basis with the associated patent. The Company assesses fair market value for any impairment to the carrying values. As of December 31, 2012 and 2011 management concluded that there was no impairment to the acquired assets.

Amortization expense for the year ended December 31, 2012 and for the period from inception (July 25, 2011) to December 31, 2011 was $476,051 and $39,671, respectively. Future amortization of intangible assets, net is as follows:

2013	476,051
2014	476,051
2015 and thereafter	332,176
Total	$ 1,284,278

During the period from inception (July 25, 2011) to December 31, 2011, the Company paid in cash a total of $1,656,535 in connection with the acquisition of the patents and recorded a patent purchase payable of $143,465 at December 31, 2011 for a total purchase price of $1,800,000. The Company paid such patent purchase payable in January 2012.

NOTE 4 – RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

During the period from inception (July 25, 2011) to December 31, 2011, the Company paid consulting fees to a member of the Company amounting to $75,000 which has been included in general and administrative expenses as reflected in the accompanying statements of operations.

In December 2011, on behalf of the Company, TechDev Holdings, LLC, a member of the Company, entered into an Advisory Services Agreement with IP Navigation Group, LLC ("IPNav"), a company founded and associated with a member of the Company. IPNav provides strategic advisory services relating to licensing, patent monetization, enforcement, settlement and support services with respect to the intellectual property rights owned by the Company. The Company shall pay 20% of the gross consideration collected in connection with licensing fees, litigation settlement fee, payment of damages or any other consideration generated from the monetization of its intellectual property rights effective January 2012. Pursuant to this agreement, during the year ended December 31, 2012, the Company paid a total of $1,636,990 to IPNav in connection with the litigation settlement fees generated from the monetization of the Company's intellectual property rights. In January 2013, the Company directly entered into an Advisory Service Agreement with IPNav (see note 6).

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Royalty fee

In connection with the execution of the Interest Sale Agreement (see Note 1), the Company assumed obligations under a certain Asset Purchase Agreement dated August 2011, whereby the Company was required to pay 6% of recoveries from litigation settlement fees to the inventor who sold the intellectual property rights which were assigned to the Company. In July 2012, such Asset Purchase Agreement was amended to increase the fee from 6% to 8.5% of gross recoveries. During the period from inception (July 25, 2011) to December 31, 2011 and for the year ended December 31, 2012, the Company recorded $90,000 and $600,396, respectively, in royalty fees which have been included in cost of revenues as reflected in the accompanying statements of operations.

Contingency fees

In connection with the execution of the Interest Sale Agreement (see Note 1), the Company assumed a certain agreement for patent enforcement related services under the Asset Purchase Agreement dated August 2011, whereby the Company is required to pay a total of 20% of the gross recoveries from litigation settlement fees to certain lawyers. During the period from inception (July 25, 2011) to December 31, 2011 and for the year ended December 31, 2012, the Company recorded $1,636,985 and $300,000, respectively, in contingency fees which have been included in cost of revenues as reflected in the accompanying statements of operations.

Litigations

In the ordinary course of business, the Company actively pursues legal remedies to enforce its intellectual property rights and to stop unauthorized use of its technology. Other than ordinary routine litigation incidental to the business, the Company knows of no material, active or pending legal proceedings against the Company, nor is the Company involved as a plaintiff in any material proceedings or pending litigation.

NOTE 6 - SUBSEQUENT EVENTS

In January 2013, the Company directly entered into an Advisory Services Agreement with IPNav (see note 4). IPNav provides strategic advisory services relating to licensing, patent monetization, enforcement, settlement and support services with respect to the intellectual property rights owned by the Company. The Company shall pay 20% of the gross consideration collected by the Company in connection with licensing fees, litigation settlement fee, payment of damages or any other consideration generated from the monetization of the Company's intellectual property rights.

On April 22, 2013, the Company and the members of the Company (the "Seller") entered into a Merger Agreement (the "Merger Agreement") with CyberFone Acquisition Corp. ("Acquisition Corp."), a Texas corporation and a wholly owned subsidiary of the Marathon Patent Group, Inc. ("Marathon"). Pursuant to the terms of the Merger Agreement, the Company merged with and into Acquisition Corp with the Company surviving the merger as the wholly owned subsidiary of Marathon (the "Merger"). In connection with the Merger, Marathon (i) issued 6,000,000 shares of its common stock to the Seller (the "Merger Shares"), (ii) paid the Seller $500,000 cash and (iii) issued a $500,000 promissory note to a member of the Company (the "Note"). The Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. Marathon may prepay the Note at any time without premium or penalty. On June 21, 2013, Marathon paid $500,000 in satisfaction of the Note. The transaction resulted in a business combination and caused the Company to become a wholly-owned subsidiary of Marathon. Mr. Doug Croxall is the Chief Executive Officer of both Marathon and LVL (see note 1).

In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which the Company recovers $4 million from licensing or enforcement activities related to the patents), the Company will be required to pay out 7.5% of such recoveries to the Seller.

In connection with the Merger and pursuant to a license agreement (the "License Agreement"), the Company granted the Seller a non-exclusive license-back to the patents owned by the Company and the inventors retain commercialization rights previously granted by the Company or its predecessors.

CYBERFONE SYSTEMS, LLC

FINANCIAL STATEMENTS

MARCH 31, 2013

CYBERFONE SYSTEMS, LLC
FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

To the Members
CyberFone Systems, LLC

We have reviewed the accompanying balance sheets of CyberFone Systems, LLC (the "Company") as of March 31, 2013, and the related statements of operations, changes in members' equity, and cash flows for the three months ended March 31, 2013 and 2012. These interim financial statements are the responsibility of the Company's management.

We conducted the reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements for them to be in conformity with U.S. generally accepted accounting principles.

/s/KBL, LLP
New York, NY
June 24, 2013

CYBERFONE SYSTEMS, LLC
BALANCE SHEETS

	March 31, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash	$ 2,390,207	$ 9,167
Accounts receivable - current portion	690,000	527,480
Total current assets	3,080,207	536,647
Other assets:		
Accounts receivable - long term portion	180,000	180,000
Intangible assets, net	1,165,265	1,284,278
Total other assets	1,345,265	1,464,278
Total assets	$ 4,425,472	$ 2,000,925
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 319,774	$ 135,316
Total liabilities	319,774	135,316
Members' equity	4,105,698	1,865,609
Total liabilities and Members' equity	$ 4,425,472	$ 2,000,925

See accompanying notes to unaudited financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED MARCH 31, 2013 (Unaudited)	FOR THE THREE MONTHS ENDED MARCH 31, 2012 (Unaudited)
Net revenues	$ 5,900,000	$ 1,395,000
Operating expenses:		
Cost of revenues	3,032,680	851,470
General and administrative	1,627	11,072
Total operating expenses	3,034,307	862,542
Net income	$ 2,865,693	$ 532,458

See accompanying notes to unaudited financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE PERIOD FROM INCEPTION (JULY 25, 2011) TO THE PERIOD ENDED MARCH 31, 2013

	Members' Equity
Balance at July 25, 2011	$ -
Member Contributions	1,526,364
Net income for the period ended December 31, 2011	888,177
Balance at December 31, 2011	2,414,541
Member Distributions	(3,713,670)
Net income for the year ended December 31, 2012	3,164,738
Balance at December 31, 2012	1,865,609
Member Distributions	(625,604)
Net income for the three months ended March 31, 2013	2,865,693
Balance at March 31, 2013	$ 4,105,698

See accompanying notes to unaudited financial statements.

CYBERFONE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS

	FOR THE THREE MONTHS ENDED MARCH 31, 2013 (Unaudited)	FOR THE THREE MONTHS ENDED MARCH 31, 2012 (Unaudited)
Cash flows from operating activities:		
Net income	$ 2,865,693	$ 532,458
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	119,013	119,013
Changes in operating assets and liabilities:		
Accounts receivable - current portion	(162,520)	(520,000)
Accounts receivable - long term portion	-	(180,000)
Accounts payable and accrued expenses	184,458	324,286
Net cash provided by operating activities	3,006,644	275,757
Cash flows from investing activities:		
Acquisition of patents	-	(143,465)
Net cash used in investing activities	-	(143,465)
Cash flows from financing activities:		
Member distributions	(625,604)	(469,634)
Net cash used in financing activities	(625,604)	(469,634)
Net increase (decrease) in cash	2,381,040	(337,342)
Cash at beginning of period	9,167	835,000
Cash at end of period	$ 2,390,207	$ 497,658
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

See accompanying notes to unaudited financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

CyberFone Systems, LLC (the "Company") formerly TDH Venture 1, LLC was incorporated under the laws of the State of Texas on July 25, 2011. The Company is engaged in the innovation, licensing and protection of intellectual property worldwide. The intellectual property covers claims that provide the right to practice specific transactional data processing, telecommunications, networks and database inventions, including financials transactions. The Company actively pursues licensing revenues by providing a license to its intellectual property to those entities that wish to acquire a right to use the technology. The patents and patent applications have been acquired from a third party and include US issued patents and applications and foreign issued patents and applications.

On November 23, 2011, the Company entered into an Interest Sale Agreement (the "Interest Sale Agreement") with LVL Patent Group, LLC ("LVL") whereby LVL transferred and assigned all of the issued and outstanding membership interests of its subsidiary which holds certain intellectual property rights to the Company in exchange for $250,000 less certain assumed liabilities as defined in the Interest Sale Agreement. In addition, the Company assumed the obligation under a certain Asset Purchase Agreement dated August 2011 between LVL and a third party including the payment of $1,550,000 and the assumption of certain contracts and agreements as further set forth in the Interest Sale Agreement (see Note 3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of March 31, 2013, and the results of operations and cash flows for the three months ended March 31, 2013 have been included.

Use of Estimates and Assumptions

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, the useful life of intangible assets.

Fair Value of Financial Instruments

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures", for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

These inputs are prioritized below:

Level 1:	Observable inputs such as quoted market prices in active markets for identical assets or liabilities
Level 2:	Observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3:	Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The carrying amounts reported in the balance sheet for accounts receivable, accounts payable and accrued liabilities approximate their estimated fair market value based on the short-term maturity of this instrument.

In addition, FASB ASC 825-10-25 "Fair Value Option" was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At March 31, 2013, the Company has reached bank balances exceeding the FDIC insurance limit on interest bearing accounts. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Intangible assets

Intangible assets include patents purchased and recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 605, "Revenue Recognition". Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed, (iii) amounts are fixed or determinable and (iv) collectability of amounts is reasonably assured.

The Company considers its licensing and enforcement activities as one unit of accounting under ASC 605-25, "Multiple-Element Arrangements" as the delivered items do not have value to customers on a standalone basis, there are no undelivered elements and there is no general right of return relative to the license. Under ASC 605-25, the appropriate recognition of revenue is determined for the combined deliverables as a single unit of accounting and revenue is recognized upon delivery of the final elements, including the license for past and future use and the release. Also due to the fact that the settlement element and license element for past and future use are the major central business, the Company does not present these two elements as different revenue streams in its statement of operations. The Company does not expect to provide licenses that do not provide some form of settlement or release. Revenues from patent enforcement activities accounted for 100% of revenues for the three months ended March 31, 2013 and 2012.

Cost of revenue

Cost of revenues mainly includes expenses incurred in connection with the Company's patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses, as well as, the amortization of acquired patents. Cost of revenue does not include expenses related to product development, integration or support, as these are included in general and administrative expenses.

Accounts Receivable

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. At March 31, 2013 and 2012, there was no allowance for bad debt. Accounts receivable- current portion at March 31, 2013 and December 31, 2012, amounted to $690,000 and $527,480, respectively. Accounts receivable – long term portion at March 31, 2013 and December 31, 2012, amounted to $180,000 and represents amounts that will be collected after 1 year.

Concentration of revenue and geographic area

Patent license revenue from enforcement activities is considered United States revenue as payments are for licenses for United States operations irrespective of the location of the licensee's or licensee's parent home domicile.

As of March 31, 2013, three customers accounted for 100% of total accounts receivable. Revenues from four customers accounted for approximately 100% of revenues for the three months ended March 31, 2013. As of March 31, 2012, two customers accounted for 100% of total accounts receivable. Revenues from four customers accounted for 100% of revenues for the three months ended March 31, 2012.

Income Taxes

The Company is treated as a disregarded entity for federal and state income tax reporting purpose and, thus no federal or state income tax expense has been recorded in the financial statements. Taxable income of the Company is passed through to its members and reported on their individual tax return. The federal and state income tax returns of the individual are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Impairment of Long-lived Assets

The Company accounts for the impairment or disposal of long-lived assets, such as property and equipment and purchased intangible assets subject to amortization, are reviewed for impairment. The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The Company did not consider it necessary to record any impairment charges during the three months ended March 31, 2013 and 2012.

Recent Accounting Pronouncements

In July 2012, the FASB issued Accounting Standards Update (“ASU”) 2012-02, Balance Sheet (Topic 350) “Intangibles-Goodwill and Other”, which allows an organization to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test for indefinite-lived intangible assets. An organization that elects to perform a qualitative assessment is required to perform the quantitative impairment test for an indefinite-lived intangible asset if it is more likely than not that the asset is impaired. This is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted. The

Company does not expect the adoption of ASU 2012-02 to have a material impact on its financial position, results of operations nor cash flows.

In April 2013, the FASB ASU 2013-07, "Presentation of Financial Statements: Topic Liquidation Basis of Accounting". ASU 2013-07 requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is considered imminent when the likelihood is remote that the organization will return from liquidation and either: (a) a plan for liquidation is approved by the person or persons with the authority to make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties; or (b) a plan for liquidation is being imposed by other forces. ASU 2013-07 will be effective for the Company beginning on January 1, 2014. The Company does not expect the adoption of ASU 2013-07 to have a material impact on its financial position, results of operations nor cash flows.

Commitments and Contingencies

Liabilities for loss contingencies arising from assessments, estimates or other sources are to be recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs expected to be incurred in connection with a loss contingency are expensed as incurred.

NOTE 3 – INTANGIBLE ASSETS

Intangible assets were acquired upon the closing of the Interest Sale Agreement (see Note 1) and consisted of the following:

	March 31, 2013 (unaudited)	December 31, 2012	Weighted average amortization period (years)
Patents	1,800,000	1,800,000	3.92
Less: accumulated amortization	(634,735)	(515,722)	
	1,165,265	1,284,278	

Intangible assets are comprised of patents with estimated useful lives between approximately 3 to 6 years (20-year life of underlying patent, less the approximate 14 to 17 years elapsed since original patent application). Once placed in service, the Company will amortize the costs of intangible assets over their estimated useful lives on a straight-line basis. Costs incurred to acquire patents, including legal costs, are also capitalized as long-lived assets and amortized on a straight-line basis with the associated patent. The Company assesses fair market value for any impairment to the carrying values. As of March 31, 2013 and December 31, 2012 management concluded that there was no impairment to the acquired assets.

Amortization expense for the three months ended March 31, 2013 and 2012 was $119,013 and $119,013, respectively. Future amortization of intangible assets, net is as follows:

2013	357,038
2014	476,051
2015 and thereafter	332,176
Total	$ 1,165,265

During the period from inception (July 25, 2011) to December 31, 2011, the Company paid in cash a total of $1,656,535 in connection with the acquisition of the patents and recorded a patent purchase payable of $143,465 at December 31, 2011 for a total purchase price of $1,800,000. The Company paid such patent purchase payable in January 2012.

NOTE 4 – RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

In December 2011, on behalf of the Company, TechDev Holdings, LLC, a member of the Company, entered into an Advisory Services Agreement with IP Navigation Group, LLC ("IPNav"), a company founded and associated with a member of the Company. IPNav provides strategic advisory services relating to licensing, patent monetization, enforcement, settlement and support services with respect to the intellectual property rights owned by the Company. The Company shall pay 20% of the gross consideration collected in connection with licensing fees, litigation settlement fee, payment of damages or any other consideration generated from the monetization of its intellectual property rights effective January 2012. Pursuant to this agreement, during the three months ended March 31, 2012, the Company paid a total of $279,000 to IPNav in connection with the litigation settlement fees generated from the monetization of the Company's intellectual property rights.

In January 2013, the Company directly entered into an Advisory Services Agreement with IPNav. The Company shall pay 20% of the gross consideration collected by the Company in connection with licensing fees, litigation settlement fee, payment of damages or any other consideration generated from the monetization of the Company's intellectual property rights. Pursuant to this agreement, during the three months ended March 31, 2013, the Company paid a total of $1,180,000 to IPNav in connection with the litigation settlement fees generated from the monetization of the Company's intellectual property rights.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Royalty fee

In connection with the execution of the Interest Sale Agreement (see Note 1), the Company assumed obligations under a certain Asset Purchase Agreement dated August 2011, whereby the Company was required to pay 6% of recoveries from litigation settlement fees to the inventor who sold the intellectual property rights which were assigned to the Company. In July 2012, such Asset Purchase Agreement was amended to increase the fee from 6% to 8.5% of gross recoveries. During the three months ended March 31, 2013 and 2012, the Company recorded $501,500 and $83,700 respectively, in royalty fees which have been included in cost of revenues as reflected in the accompanying statements of operations.

Contingency fees

In connection with the execution of the Interest Sale Agreement (see Note 1), the Company assumed a certain agreement for patent enforcement related services under the Asset Purchase Agreement dated August 2011, whereby the Company is required to pay a total of 20% of the gross recoveries from litigation settlement fees to certain lawyers. During the three months ended March 31, 2013 and 2012, the Company recorded $1,180,000 and $279,000 respectively, in contingency fees which have been included in cost of revenues as reflected in the accompanying statements of operations.

Litigations

In the ordinary course of business, the Company actively pursues legal remedies to enforce its intellectual property rights and to stop unauthorized use of its technology. Other than ordinary routine litigation incidental to the business, the Company knows of no material, active or pending legal proceedings against the Company, nor is the Company involved as a plaintiff in any material proceedings or pending litigation.

NOTE 6 - SUBSEQUENT EVENTS

On April 22, 2013, the Company and the members of the Company (the “Seller”) entered into a Merger Agreement (the “Merger Agreement”) with CyberFone Acquisition Corp. (“Acquisition Corp.”), a Texas corporation and a wholly owned subsidiary of Marathon Patent Group, Inc. (“Marathon”). Pursuant to the terms of the Merger Agreement, the Company merged with and into Acquisition Corp with the Company surviving the merger as the wholly owned subsidiary of Marathon (the “Merger”). In connection with the Merger, Marathon (i) issued 6,000,000 shares of its common stock to the Seller (the “Merger Shares”), (ii) paid the Seller $500,000 cash and (iii) issued a $500,000 promissory note to a member of the Company (the “Note”). The Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. Marathon may prepay the Note at any time without premium or penalty. On June 21, 2013, the Company paid $500,000 in satisfaction of the Note. The transaction resulted in a business combination and caused the Company to become a wholly-owned subsidiary of Marathon. Mr. Doug Croxall is the Chief Executive Officer of both Marathon and LVL (see note 1).

In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which the Company recovers $4 million from licensing or enforcement activities related to the patents), the Company will be required to pay out 7.5% of such recoveries to the Seller.

In connection with the Merger and pursuant to a license agreement (the “License Agreement”), the Company granted the Seller a non-exclusive license-back to the patents owned by the Company and the inventors retain commercialization rights previously granted by the Company or its predecessors.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES

PRO FORMA COMBINED FINANCIAL INFORMATION

(UNAUDITED)

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES

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MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED BALANCE SHEET

	Marathon Patent Group, Inc. and Subsidiaries March 31, 2013 Historical (Unaudited)	CyberFone Systems, LLC March 31, 2013 Historical (Unaudited)		Pro Forma Adjustments Dr		Pro Forma Adjustments Cr.	Pro Forma Balances (Unaudited)
ASSETS							
CURRENT ASSETS:							
Cash	$ 2,916,476	$ 2,390,207		$ -	(1)	$ 2,890,207	$ 2,416,476
Accounts receivable - current portion	-	690,000		-	(1)	690,000	-
Marketable securities - available for sale securities	6,250	-		-		-	6,250
Prepaid expenses	30,666	-		-		-	30,666
Assets of discontinued operations - current portion	53,395	-		-		-	53,395
Total Current Assets	3,006,787	3,080,207		-		3,580,207	2,506,787
Goodwill	-	-	(1)	2,114,735		-	2,114,735
Accounts receivable - long term portion	-	180,000		-	(1)	180,000	-
Property and equipment, net	9,722	-		-		-	9,722
Intangible assets, net	474,605	1,165,265		-		-	1,639,870
Assets of discontinued operations - long term portion	230,088	-		-		-	230,088
Total Assets	$ 3,721,202	$ 4,425,472		$ 2,114,735		$ 3,760,207	$ 6,501,202
LIABILITIES AND STOCKHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	$ 153,169	$ 319,774	(1)	$ 319,774		$ -	$ 153,169
Liabilities of discontinued operations	30,664	-		-		-	30,664
Note payable	-	-		-	(1)	500,000	500,000
Total Liabilities	183,833	319,774		319,774		500,000	683,833
Commitments and Contingencies							
STOCKHOLDERS' EQUITY:							
Preferred stock, $.0001 par value, 50,000,000 shares authorized: none issued and outstanding	-	-		-		-	-
Common stock, ($.0001 par value; 200,000,000 shares authorized; 45,546,345 shares issued and							

outstanding prior to acquisition; 51,546,345 shares issued and outstanding after the acquisition)	4,555	-		-	(1)	600	5,155
Additional paid-in capital	11,192,230	-		-	(1)	2,279,400	13,471,630
Accumulated other comprehensive income - marketable securities available for sale	(6,250)	-		-		-	(6,250)
Retained earnings (accumulated deficit)	(7,642,670)	4,105,698	(1)	4,105,698		-	(7,642,670)
Total Marathon Patent Group, Inc. equity	3,547,865	4,105,698		4,105,698		2,280,000	5,827,865
Non-Controlling Interest in Subsidiary	(10,496)	-		-		-	(10,496)
Total Stockholders' Equity	3,537,369	4,105,698		4,105,698		2,280,000	5,817,369
Total Liabilities and Stockholders' Equity	$ 3,721,202	$ 4,425,472		$ 4,425,472		$ 2,780,000	$ 6,501,202

See accompanying notes to unaudited pro forma combined financial information.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

	Marathon Patent Group, Inc. and Subsidiaries	CyberFone Systems, LLC	Pro Forma Adjustments		Pro Forma Balances
	For the Three Months Ended March 31, 2013	For the Three Months Ended March 31, 2013	Dr	Cr.	
	(Unaudited)	(Unaudited)			(Unaudited)
Net revenues	$ -	$ 5,900,000	$ -	$ -	$ 5,900,000
Operating Expenses:					
Cost of revenues	-	3,032,681	-	-	3,032,681
Compensation and related taxes	426,675	-	-	-	426,675
Consulting fees	45,224	-	-	-	45,224
Professional fees	158,472	-	-	-	158,472
General and administrative expenses	84,006	1,626	-	-	85,632
Total Operating Expenses	714,377	3,034,307	-	-	3,748,684
Loss from Operations	(714,377)	2,865,693	-	-	2,151,316
Other Income (Expense)					
Interest income	291	-	-	-	291
Interest expense	(230)	-	-	-	(230)
Total Other (Expense) - net	61	-	-	-	61
Loss from continuing operations before provision for income taxes	(714,316)	2,865,693	-	-	2,151,377
Provision for income taxes	-	-	-	-	-
Loss from continuing operations	(714,316)	2,865,693	-	-	2,151,377
Discontinued operations:					
Gain (loss) from discontinued operations, net of tax	108,780	-	-	-	108,780
Net loss	(605,536)	2,865,693	-	-	2,260,157
Less: Net loss attributable to non-controlling interest	-	-	-	-	-
Net loss attributable to Marathon Patent Group, Inc.	$ (605,536)	$ 2,865,693	$ -	$ -	$ 2,260,157
Loss per common share, basic and diluted:					
Loss from continuing operations	$ (0.02)				$ 0.05
Loss from discontinued operations	0.00				0.00
	$ (0.02)				$ 0.05
Weighted average shares outstanding:					
Basic and Diluted	45,546,345				45,546,345

See accompanying notes to unaudited pro forma combined financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

	Marathon Patent Group, Inc. and Subsidiaries	CyberFone Systems, LLC	Pro Forma Adjustments		Pro Forma Balances
	For the Year Ended December 31, 2012	For the Year Ended December 31, 2012	Dr	Cr.	
	(Unaudited)	(Unaudited)			(Unaudited)
Net revenues	$ -	$ 8,184,950	$ -	$ -	$ 8,184,950
Operating Expenses:					
Cost of revenues	-	5,006,426	-	-	5,006,426
Compensation and related taxes	2,676,462	-	-	-	2,676,462
Consulting fees	2,042,144	-	-	-	2,042,144
Professional fees	510,112	-	-	-	510,112
General and administrative expenses	312,244	13,786	-	-	326,030
Total Operating Expenses	5,540,962	5,020,212	-	-	10,561,174
Loss from Operations	(5,540,962)	3,164,738	-	-	(2,376,224)
Other Income (Expense)					
Other income	125,000	-			125,000
Realized loss other than temporary decline - available for sale	(112,500)	-			(112,500)
Interest income	978	-	-	-	978
Interest expense	(153)	-	-	-	(153)
Total Other (Expense) - net	13,325	-	-	-	13,325
Loss from continuing operations before provision for income taxes	(5,527,637)	3,164,738	-	-	(2,362,899)
Provision for income taxes	-	-	-	-	-
Loss from continuing operations	(5,527,637)	3,164,738	-	-	(2,362,899)
Discontinued operations:					
Gain (loss) from discontinued operations, net of tax	(1,410,671)	-	-	-	(1,410,671)
Net loss	(6,938,308)	3,164,738	-	-	(3,773,570)
Less: Net loss attributable to non-controlling interest	10,496	-	-	-	10,496
Net loss attributable to Marathon Patent Group, Inc.	$ (6,927,812)	$ 3,164,738	$ -	$ -	$ (3,763,074)
Loss per common share, basic and diluted:					
Loss from continuing operations	$ (0.15)				$ (0.07)
Loss from discontinued operations	(0.04)				(0.04)
	$ (0.19)				$ (0.11)
Weighted average shares outstanding:					
Basic and Diluted	36,238,712				36,238,712

See accompanying notes to unaudited pro forma combined financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
Notes to Unaudited Pro Forma Combined Financial Information

The following unaudited pro forma combined financial information is presented to illustrate the estimated effects of our acquisition of CyberFone Systems, LLC ("CyberFone Systems"). On April 22, 2013, CyberFone Acquisition Corp. ("Acquisition Corp."), a Texas corporation and newly formed wholly owned subsidiary of the Company entered into a merger agreement (the "Agreement") with CyberFone Systems, TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems (collectively, the "CyberFone Sellers").

Pursuant to the terms of the Merger Agreement, CyberFone Systems merged with and into Acquisition Corp with CyberFone Systems surviving the merger as the wholly owned subsidiary of the Company (the "Merger"). In connection with the merger, the Company (i) issued 6,000,000 shares of common stock to the CyberFone Sellers (the "Merger Shares"), (ii) paid the CyberFone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev (the "Note"). The Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. The Company may prepay the Note at any time without premium or penalty. On June 21, 2013, we paid $500,000 to TechDev in satisfaction of the note. The transaction resulted in a business combination and caused CyberFone Systems to become a wholly-owned subsidiary of the Company. Pursuant to ASC 805 "Business Combinations", the Company shall apply push–down accounting and adjust to fair value all of the assets and liabilities directly on the financial statements of the wholly-owned subsidiary, CyberFone Systems.

The Unaudited Pro Forma Combined Financial Information has been prepared using the purchase method of accounting for the CyberFone Systems acquisition. We have derived our historical financial data for the three months ended March 31, 2013 from our unaudited financial statements and our historical financial data for the year ended December 31, 2012. The unaudited pro forma combined balance sheet is prepared as though the transactions occurred at the close of business on March 31, 2013. The pro forma combined statement of operations gives effect to the transactions as though they occurred on January 1, 2012.

The information presented in the unaudited pro forma combined financial information does not purport to represent what our financial position would have been had the transaction occurred as of the dates indicated, nor is it indicative of our future financial position for any period. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been consolidated or the future results that the consolidated company will experience after the transaction.

The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma combined financial information should be read in conjunction with the historical financial statements and related notes of the Company.

Unaudited pro forma adjustments reflect the following transaction:

1)

Goodwill	2,114,735	
Accounts payable and accrued expenses - CyberFone Systems	319,774	
Retained earnings – CyberFone Systems	4,105,698	
Cash		500,000
Note payable		500,000
Common stock, at par		600
Additional paid-in capital		2,279,400
Cash – CyberFone Systems		2,390,207
Accounts receivable – current portion- CyberFone Systems		690,000
Accounts receivable – long term portion- CyberFone Systems		180,000

This adjustment reflects the effect of applying purchase accounting to the acquisition of CyberFone Systems. In connection with the merger, the Company (i) issued 6,000,000 shares of common stock to the CyberFone Sellers, (ii) paid the CyberFone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev. The Company valued these common shares at the fair market value on the date of grant at $0.38 per share or $2,280,000. In addition, the adjustment reflects the elimination of CyberFone System's certain assets and liabilities as of March 31, 2013 not assumed by the Company on the date of acquisition on April 22, 2013.