QUIKBYTE SOFTWARE INC
Form DEF 14C
November 12, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14C INFORMATION

INFORMATION STATEMENT PURSUANT TO SECTION 14(c) OF THE

SECURITIES EXCHANGE ACT OF 1934

Check the appropriate box:

¨ Preliminary Information Statement

x Definitive Information Statement Only

¨ Confidential, for Use of the Commission (as permitted by Rule 14c-5(d)(2))

QUIKBYTE SOFTWARE, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14C-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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QUIKBYTE SOFTWARE, INC.

6042 Cornerstone Ct. West, Suite B

San Diego, CA 92121

(858) 210-3700

NOTICE OF SHAREHOLDER ACTION BY WRITTEN CONSENT

To All Shareholders of QuikByte Software, Inc.:

The purpose of this letter is to inform you that on October 22, 2009 the Board of Directors of QuikByte Software, Inc., a Colorado corporation (the Company), at a meeting of the Company s Board of Directors, and the holders of a majority of the Company s voting capital stock, by written consent in lieu of a meeting, approved (i) a Plan of Conversion, pursuant to which the Company will convert from a corporation incorporated under the laws of the State of Colorado to a corporation incorporated under the laws of the State of Delaware (the Reincorporation), and such approval includes the adoption of the Certificate of Incorporation (the Delaware Certificate) and the Bylaws (the Delaware Bylaws) for the Company under the laws of the State of Delaware, each to become effective concurrently with the effectiveness of the Reincorporation, (ii) the Company s 2009 Equity Incentive Plan, and award agreements for use thereunder (collectively, the 2009 Plan), and (iii) the form of indemnity agreement to be entered into by the Company and each of its current and future directors and officers (the Indemnity Agreement) following the Reincorporation. Additionally, the Board of Directors of the Company approved the (a) merger of the Company with its wholly-owned subsidiary, Sorrento Therapeutics, Inc., a Delaware corporation (STI), whereby STI would be merged with and into the Company, the separate corporate existence of STI would cease and the Company would continue as the surviving corporation (the Roll-Up) and (b) changing of the Company s name from QuikByte Software, Inc. to Sorrento Therapeutics, Inc. as part of the Roll-Up (the Name Change), each to become effective immediately after the Reincorporation. The Roll-Up and Name Change do not require the approval of our shareholders.

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

The accompanying Information Statement, which we urge you to read carefully, describes the Reincorporation, including the adoption of the Delaware Certificate and Delaware Bylaws, the Roll-Up and Name Change, the 2009 Plan, and the Indemnity Agreement (collectively, the Corporate Actions) in more detail, and is being furnished to our shareholders for informational purposes only, pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations prescribed thereunder. Pursuant to Rule 14c-2 under the Exchange Act, the Corporate Actions may not be effected until at least 20 calendar days after the mailing of the accompanying Information Statement to the Company s shareholders.

YOU HAVE THE RIGHT TO EXERCISE DISSENTERS RIGHTS UNDER ARTICLE 113 OF THE COLORADO BUSINESS CORPORATION ACT AND OBTAIN THE FAIR VALUE OF YOUR SHARES OF CAPITAL STOCK OF THE COMPANY, PROVIDED THAT YOU COMPLY WITH THE CONDITIONS ESTABLISHED UNDER APPLICABLE COLORADO LAW. FOR A DISCUSSION REGARDING YOUR DISSENTERS RIGHTS, SEE THE SECTION TITLED DISSENTERS RIGHTS IN THE ACCOMPANYING INFORMATION STATEMENT AND APPENDIX E ATTACHED THERETO, WHICH RECITES ALL APPLICABLE STATUTORY PROVISIONS.

November 12, 2009

By Order of the Board of Directors

Antonius P. Schuh, Ph.D.
Chairman of the Board and Chief Executive Officer

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FORWARD-LOOKING STATEMENTS

This Information Statement may contain certain forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in connection with the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements Such forward-looking statements include statements about our expectations, beliefs or intentions regarding actions contemplated by this Information Statement, our potential product offerings, business, financial condition, results of operations, strategies or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made and are often identified by the use of words such as anticipate, believe, continue, could, estimate, expect, intend, may, or will, and similar expressions or variations. Because forward-looking statements relate to matters t have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those described under the caption Risk Factors included in our other filings with the Securities and Exchange Commission (SEC), including the disclosures set forth in Item 1A of the Form 10 disclosures set forth in our Current Report on Form 8-K/A, filed with the SEC on September 22, 2009. Furthermore, such forward-looking statements speak only as of the date of this Information Statement. We undertake no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

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QUIKBYTE SOFTWARE, INC.

6042 Cornerstone Ct. West, Suite B

San Diego, CA 92121

(858) 210-3700

INFORMATION STATEMENT

November 12, 2009

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

General

This Information Statement is being furnished by QuickByte Software, Inc., a Colorado corporation (the Company , we , or us), to inform you that on October 22, 2009, the Company s Board of Directors (the Board), at a meeting of the Board, and a total of eight shareholders, holding a majority of the Company s voting capital stock (Required Shareholders), acting by written consent in lieu of a meeting, approved (i) a Plan of Conversion, in substantially the form attached to this Information Statement as Appendix A (the Plan of Conversion), pursuant to which the Company will convert from a corporation incorporated under the laws of the State of Colorado to a corporation incorporated under the laws of the State of Delaware (the Reincorporation), and such approval includes the adoption of the Certificate of Incorporation (the Delaware Certificate) and the Bylaws (the Delaware Bylaws) for the Company under the laws of the State of Delaware, each to become effective concurrently with the effectiveness of the Reincorporation, (ii) the Company s 2009 Equity Incentive Plan, and award agreements for use thereunder (collectively, the 2009 Plan), and (iii) the form of indemnity agreement to be entered into by the Company and each of its current and future directors and officers (the Indemnity Agreement) following the Reincorporation. Additionally, the Board approved the (a) merger of the Company with its wholly-owned subsidiary, Sorrento Therapeutics, Inc., a Delaware corporation (STI), whereby STI would be merged with and into the Company, the separate corporate existence of STI would cease and the Company would continue as the surviving corporation (the Roll-Up) and (b) changing of the Company s name from QuikByte Software, Inc. to Sorrento Therapeutics, Inc. (the Name Change), each to become effective immediately after the Reincorporation. The foregoing actions taken by the Required Shareholders and the Board are referred to collectively herein as the Corporate Actions.

This Information Statement is being furnished to you for informational purposes only, pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations promulgated thereunder. No action is requested or required on your part. This Information Statement constitutes notice, pursuant to Section 7-107-104 of the Colorado Business Corporation Act (CBCA), of the taking of corporate action without a meeting by less than unanimous consent of the Company s shareholders.

This Information Statement is being mailed on or about November 12, 2009 to the Company s shareholders of record as of October 22, 2009. We expect that the Corporate Actions will be effective on or before December 4, 2009, the date that is at least 20 calendar days after this Information

Statement is first sent to our shareholders.

The expenses of mailing this Information Statement will be borne by the Company, including expenses in connection with the preparation and mailing of this Information Statement and all documents that now accompany or may in the future supplement it. The Company contemplates that brokerage houses, custodians, nominees, and fiduciaries will forward this Information Statement to the beneficial owners of the Company s capital stock held of record by these persons and the Company will reimburse them for their reasonable expenses incurred in this process.

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Vote Required

We are not seeking consent, authorizations or proxies from you. The CBCA permits the holders of a majority of all of the issued and outstanding shares of voting capital stock of a corporation to approve and authorize corporate actions by written consent as if such actions were undertaken at a duly called and held meeting of shareholders, provided that such action is expressly provided for in the corporation s articles of incorporation. The Company s articles of incorporation expressly provide for action by written consent of the shareholders.

On October 22, 2009, there were 225,084,127 shares of the Company s common stock, par value $0.0001 per share (the QuikByte Common Stock), issued and outstanding, of which approximately 82.2%, or 185,055,129 shares, was held by the Required Shareholders. Each share of QuikByte Common Stock is entitled to one vote. No other classes of stock of the Company are issued and outstanding.

The Required Shareholders written consent satisfies the shareholder approval requirement for the Corporate Actions. Accordingly, no other Board or shareholder approval is required in order to effect the Corporate Actions.

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ACTIONS TAKEN BY WRITTEN CONSENT OF SHAREHOLDERS

The following actions were approved by written consent of the Required Shareholders based upon the unanimous recommendation of the Board:

ACTION 1

REINCORPORATION IN DELAWARE

QUESTIONS AND ANSWERS REGARDING THE REINCORPORATION

The following questions and answers are intended to respond to frequently asked questions concerning the reincorporation of the Company in the State of Delaware. These questions do not, and are not intended to, address all the questions that may be important to you. You should carefully read the entire Information Statement, as well as its appendices and the documents incorporated by reference.

Q: Why is the Company reincorporating in the State of Delaware?

A: Delaware is a favorable legal and regulatory environment in which to operate and where a substantial number of public companies are incorporated today. We believe that the Reincorporation will provide a greater measure of predictability and flexibility in corporate transactions and reduce the costs of doing business. We also believe Delaware provides a recognized body of corporate law that will enhance our ability to attract and retain directors and access capital.

Q: Why is the Company not holding a shareholders meeting to approve the Reincorporation?

A: The Board has already approved the Reincorporation and has received the written consent of the Required Shareholders representing at least a majority of the Company s voting capital stock. Under the CBCA, the Reincorporation may be approved by the written consent of the holders of a majority of the shares entitled to vote. As the Company has already received such written consent from the Required Shareholders, a meeting is not necessary and represents a substantial cost savings to the Company.

Q: What are the principal results of the Reincorporation?

At the effective time of the Reincorporation, as provided in part by the Plan of Conversion, and as a result of the Roll-Up and Name Change:

the Company will cease to exist under Colorado law and exist solely as a Delaware corporation;

the Company will merge with STI, its wholly-owned subsidiary, whereby the separate corporate existence of STI would cease and the Company would continue as the surviving corporation;

the Company s name will be changed from QuikByte Software, Inc. to Sorrento Therapeutics, Inc. (Sorrento);

each issued and outstanding share of QuikByte Common Stock will automatically become one validly issued, fully paid and nonassessable share of common stock, par value $0.0001 per share, of Sorrento (the Sorrento Common Stock), provided that fractional shares of QuikByte Common Stock will be rounded up to the nearest whole share of Sorrento Common Stock;

each option, warrant or other right to acquire one share of QuikByte Common Stock will be converted into and become an equivalent option, warrant or other right to acquire one share of Sorrento Common Stock at the same exercise price in effect as of immediately prior to the Reincorporation and otherwise on the same terms and conditions applicable to such security;

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the Delaware Certificate and Delaware Bylaws will become the Certificate of Incorporation and Bylaws of Sorrento; and

all of the rights, privileges, powers, property and debts of the Company shall become the property of Sorrento.

Q: What are the differences between Delaware and Colorado law?

A: There are certain differences between the corporate laws of the State of Colorado and the corporate laws of the State of Delaware that impact your rights as a shareholder. For information regarding such differences, please see the section titled Comparison of Shareholder Rights Before and After the Reincorporation below.

Q: How will the Reincorporation affect my ownership?

A: Your proportionate ownership interest will not be affected by the Reincorporation.

Q: How will the Reincorporation affect the Company s officers, directors and employees?

A: The Reincorporation will not affect the Company s officers, directors and employees, who will each become the officers, directors and employees of Sorrento.

Q: How will the Reincorporation affect the Company s business?

A: The Company will continue its business through Sorrento at the same location and with the same assets.

Q: What do I do with my stock certificates?

A: You do not need to undertake any action with respect to your stock certificates. If you transfer your stock and deliver your stock certificates in connection with such transfer prior to the Reincorporation, such delivery will constitute good delivery of shares. New certificates representing shares of Sorrento will be issued to the party acquiring shares in such a transfer. New certificates will also be issued upon the request of any shareholder, subject to normal requirements as to proper endorsement, signature guarantee, if required, and payment of applicable taxes.

IT WILL NOT BE NECESSARY FOR THE COMPANY S SHAREHOLDERS TO EXCHANGE THEIR EXISTING STOCK CERTIFICATES FOR CERTIFICATES OF SORRENTO. OUTSTANDING STOCK CERTIFICATES OF THE CURRENT COMPANY SHOULD NOT BE DESTROYED OR SENT TO THE COMPANY.

Q: What if I have lost my stock certificate?

A: If you have lost your stock certificate, you can contact the Company s transfer agent to have a new certificate issued. You may be required to post a bond or other security to reimburse the Company for any damages or costs if the certificate is later delivered for sale of transfer. The Company s transfer agent may be reached at:

Shareholder Services

Computershare Trust Company, N.A.

250 Royall Street

Canton, MA 02021

Tel: (800) 962-4284

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Q: Can I require the Company to purchase my stock?

A: Yes. Under Colorado law you are entitled to appraisal and purchase of your capital stock of the Company as a result of the Reincorporation. For a detailed discussion of such rights, see the section entitled Dissenters Rights below.

Q: Who will pay the costs of Reincorporation?

A: The Company will pay all of the costs of the Reincorporation, including the expenses of preparing and mailing this Information Statement and all documents that now accompany or may in the future supplement it. The Company contemplates that brokerage houses, custodians, nominees, and fiduciaries will forward this Information Statement to the beneficial owners of the Company s capital stock held of record by these persons and the Company will reimburse them for their reasonable expenses incurred in this process. The Company does not anticipate contracting for other services in connection with the Reincorporation.

Q: Will I have to pay taxes on the new certificates?

A: The Company believes that the Reincorporation is not a taxable event and that you will be entitled to the same basis in the shares of Sorrento that you had in the Company s capital stock. However, shareholders should consult their own tax advisors as to the effect of the Reincorporation under federal, state, local or foreign income tax laws. For more information, see the section entitled Federal Income Tax Consequences of the Reincorporation below.

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BACKGROUND AND PURPOSE OF REINCORPORATION

The following discussion summarizes certain aspects of the Reincorporation, which the Company anticipates will be effective on or before December 4, 2009. This summary does not purport to be complete and is qualified in its entirety by reference to the Plan of Conversion, the Delaware Certificate, and the Delaware Bylaws, each in substantially the form attached to this Information Statement as Appendix A, Appendix B, and Appendix C, respectively.

Overview

On October 22, 2009, the Board unanimously approved and, by written consent, the Required Shareholders approved, the Plan of Conversion, pursuant to which the Company will effect the Reincorporation, in compliance with the Delaware General Corporation Law (the DGCL) and the CBCA.

Reasons for the Reincorporation Under Delaware Law

The Board believes that the Reincorporation in Delaware will give the Company a greater measure of flexibility in corporate governance than is currently available under Colorado law, and will help the Company attract and retain its directors and officers as well as enhance access to the capital markets. The Board also believes Delaware s corporate laws are generally more modern, flexible, highly developed and more predictable than Colorado s corporate laws, and better suited than Colorado law to protect shareholders interests in the event of an unsolicited takeover attempt. Delaware corporate laws are also periodically revised to be responsive to the changing legal and business needs of corporations. In addition, the specialization and experience of the Delaware Chancery Court with corporate legal matters enables it to issue decisions more promptly and with more predictable results than courts of other states, which facilitates effective corporate decision-making. For these reasons, each of which is described more fully below, many public corporations have initially incorporated in Delaware or have changed their corporate domiciles to Delaware in a manner similar to that proposed by the Company.

Predictability, Flexibility and Responsiveness of Delaware Law. The DGCL is generally acknowledged to be the most advanced and flexible corporate law in the country. The Delaware General Assembly annually considers and adopts statutory amendments that the Corporation Law Section of the Delaware State Bar Association proposes in an effort to ensure that the corporate law continues to be responsive to the changing needs of businesses. Delaware s well-established body of case law construing Delaware law has evolved over the last century and provides businesses with a greater predictability than most, if not all, other jurisdictions provide.

In addition, Delaware has established a special court, the Court of Chancery, that has exclusive jurisdiction over matters relating to the DGCL. The Chancery Court has no jurisdiction over criminal and tort cases, and corporate cases are heard by judges, without juries, who have many years of experience with corporate issues. Traditionally, this has meant that the Delaware courts are able in most cases to process corporate litigation relatively quickly and effectively, with a relatively high level of experience, sophistication and understanding. Appeals from the Court of Chancery are heard directly by the Delaware Supreme Court. By comparison, many states, including Colorado, do not have a specialized judiciary over matters relating to corporate issues.

The Delaware courts have developed considerable expertise in dealing with corporate legal issues and produced a substantial body of case law construing Delaware corporate laws, with multiple cases concerning areas of law that no Colorado court has yet considered. Because the U.S. judicial system is based largely on legal precedents, the abundance of Delaware case law serves to enhance the relative clarity and predictability of many areas of corporate law, which the Board believes will offer added advantages to the Company by allowing the Board and management to make corporate decisions and take corporate actions with greater assurance as to the validity and consequences of those decisions and actions.

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Enhanced Ability to Attract and Retain Directors. The Board believes that reincorporation in Delaware will enhance the Company s ability to attract and retain directors. The majority of public corporations are domiciled in Delaware. Many board candidates already are familiar with Delaware corporate law, including provisions relating to director indemnification, from their past business experience. Not only is Delaware law most familiar to directors, Delaware law provides, as noted above, greater flexibility, predictability, and responsiveness to corporate needs and more certainty regarding indemnification and limitation of liability of directors, all of which will enable the directors to act in the best interest of the Company. As a result, the Board believes that the more favorable corporate environment afforded by Delaware will enable the Company to compete more effectively with other public companies, most of whom are already incorporated in Delaware, to retain the Company s current directors and attract and retain new directors.

Enhanced Anti-Takeover Protection. While the Company is currently unaware of any hostile attempts to acquire control of the Company, it believes that Delaware law is better suited than Colorado law to protect shareholders interests in the event of an unsolicited takeover attempt. Delaware law permits a corporation to adopt a number of measures, through amendment of the corporate certificate of incorporation or bylaws or otherwise, designed to reduce a corporation s vulnerability to unsolicited takeover attempts. There is substantial judicial precedent in the Delaware courts as to the legal principles applicable to such defensive measures with respect to the conduct of the Board under the business judgment rule, and the related enhanced scrutiny standard of judicial review, with respect to unsolicited takeover attempts. See the sections titled Comparison of Shareholder Rights before and after the Reincorporation and Anti-Takeover Implications below.

Enhanced Access to Capital. In the opinion of the Board, underwriters and other securities professionals may be more willing and better able to assist in capital raising programs for corporations having the greater flexibility afforded by the DGCL. Securities professionals are also more willing to assist Delaware corporations in capital raising programs due, in part, to the fact that such professionals are more familiar and comfortable with Delaware corporations than corporations governed by the laws of other jurisdictions, even when the corporate laws of such jurisdictions are comparable to those of Delaware. Similarly, investors, particularly those outside of the United States, will recognize Delaware law as a standard domicile for the corporation, and may therefore be more likely to invest in the Company s securities. Corporations domiciled in Delaware also tend to enjoy a greater following among institutional holders for this same reason.

The Plan of Conversion

The Company intends to effect the Reincorporation pursuant to the Plan of Conversion. The Plan of Conversion provides that the Company will convert into a Delaware corporation, with all of the rights, privileges and powers of the Company, and all property, real, personal and mixed, and all debts due to the Company, as well as all other things and causes of action belonging to the Company, shall remain vested in Sorrento and shall be the property of Sorrento.

Pursuant to the Plan of Conversion, the Company will effect the Reincorporation by filing a Certificate of Conversion (the Certificate of Conversion) and the Delaware Certificate with the Delaware Secretary of State and by filing a Statement of Conversion (the Statement of Conversion) with the Colorado Secretary of State. The Company expects to file these documents with the Delaware Secretary of State and the Colorado Secretary of State, as applicable, on or before December 4, 2009.

Adoption of Delaware Certificate of Incorporation and Bylaws

Pursuant to the Plan of Conversion and in connection with the Reincorporation, the Board and the Required Shareholders adopted the Delaware Certificate, in substantially the form attached to this Information Statement as Appendix B, and the Delaware Bylaws, in substantially the form attached to this Information Statement as Appendix C, each to become effective concurrently with the effectiveness of the Reincorporation. At the time they become effective, the Delaware Certificate will supersede the Company s current Amended and Restated Articles of Incorporation (Colorado Articles), and the Delaware Bylaws will supersede the Company s current

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Amended and Restated Bylaws (Colorado Bylaws). The Delaware Certificate and the Delaware Bylaws were adopted in order to reflect the reincorporation of the Company in the State of Delaware and to implement provisions deemed by the Board to be in the best interests of the Company and its shareholders.

Roll-up Merger and Name Change

On October 22, 2009, in connection with the approval of the Plan of Conversion and the Reincorporation, the Board approved the merger of the Company with STI, its wholly-owned subsidiary, whereby STI would be merged with and into the Company, the separate corporate existence of STI would cease and the Company would continue as the surviving corporation. The Roll-Up was also approved by the Board of Directors of STI and by the Company, as the sole stockholder of STI, on October 22, 2009. The Roll-Up will become effective once the Certificate of Ownership and Merger (the Certificate of Merger) between the Company and STI is filed with, and accepted by, the Delaware Secretary of State. The Company expects to file the Certificate of Merger with the Delaware Secretary of State on or before December 4, 2009, immediately following and contingent upon the effectiveness of the Reincorporation. Pursuant to the Certificate of Merger, at the time of the Roll-Up, the Company s name would be changed from QuikByte Software, Inc. to Sorrento Therapeutics, Inc.

Principal Features of the Reincorporation

At the effective time of the Reincorporation, as provided in part by the Plan of Conversion, and as a result of the Roll-Up and Name Change:

- the Company will cease to exist under Colorado law and exist solely as a Delaware corporation;
- the Company will merge with STI, its wholly-owned subsidiary, whereby the separate corporate existence of STI would cease and the Company would continue as the surviving corporation;
- the Company s name will be changed from QuikByte Software, Inc. to Sorrento Therapeutics, Inc. ;
- each issued and outstanding share of QuikByte Common Stock will automatically become one validly issued, fully paid and nonassessable share of Sorrento Common Stock, provided that fractional shares of QuikByte Common Stock will be rounded up to the nearest whole share of Sorrento Common Stock;
- each option, warrant or other right to acquire one share of QuikByte Common Stock will be converted into and become an equivalent option, warrant or other right to acquire one share of Sorrento Common Stock at the same exercise price in effect as of immediately prior to the Reincorporation and otherwise on the same terms and conditions applicable to such security;
- the Delaware Certificate and Delaware Bylaws will become the Certificate of Incorporation and Bylaws of Sorrento; and
- all of the rights, privileges, powers, property and debts of the Company shall become the property of Sorrento.

The Reincorporation will not alter any percentage ownership interest in, or number of shares of common stock of, the Company by any securityholder of the Company, except that pursuant to the provisions of the Plan of Conversion, the Company will not issue fractional shares with respect to the Reincorporation and any fractional shares of QuikByte Common Stock that would otherwise be issuable as a result of the Reincorporation will be rounded up to the nearest whole share.

Effective Time of the Reincorporation

The Plan of Conversion and the Reincorporation are expected to become effective on or before December 4, 2009, upon filing of the Certificate of Conversion, Delaware Certificate and Statement of Conversion (the Effective Time). At the Effective Time, the Company will be deemed for

all purposes of the laws of the State of Delaware and the laws of the State of Colorado to be the same entity as of immediately prior to the Reincorporation, and will be governed by the Delaware Certificate, the Delaware Bylaws and the DGCL.

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Comparison of Shareholder Rights Before and After the Reincorporation

As a result of differences between (i) the CBCA, which will continue to govern the Company until the Reincorporation, and the DGCL, which will govern Sorrento upon the Reincorporation, (ii) the Colorado Articles and the Delaware Certificate, and (iii) the Colorado Bylaws and the Delaware Bylaws, the Reincorporation will effect a number of changes in the rights of the Company s shareholders. Appendix D of this Information Statement sets forth a detailed comparison of the material differences between the rights of the shareholders of the Company as of immediately prior to the Reincorporation and the rights of the stockholders of Sorrento as of immediately following the Reincorporation.

Appendix D is not intended to be relied upon as an exhaustive list of all differences between the rights of the shareholders of the Company as of immediately prior to the Reincorporation and the rights of the stockholders of Sorrento as of immediately following the Reincorporation and is qualified in its entirety by reference to the CBCA, the Colorado Articles, the Colorado Bylaws, the DGCL, the Delaware Certificate and the Delaware Bylaws. Additionally, the descriptions of the Delaware Certificate and the Delaware Bylaws set forth in Appendix D do not purport to be complete and are qualified in their entirety by reference to the Delaware Certificate and the Delaware Bylaws, copies of which are attached to this Information Statement as Appendix B and Appendix C, respectively.

Anti-Takeover Implications

The DGCL, Delaware Certificate and Delaware Bylaws contain provisions that may have the effect of deterring hostile takeover attempts. A hostile takeover attempt may have a positive or a negative effect on the Company and its shareholders, depending on the circumstances surrounding a particular takeover attempt. Takeover attempts that have not been negotiated or approved by the board of directors of a corporation can be opportunistically timed and unfairly priced to take advantage of an artificially depressed stock price, such as in the current economic environment. Takeover attempts can also be coercively structured, can seriously disrupt the business and management of a corporation and generally may present to the shareholder the risk of terms that may be less than favorable to all of the shareholders than would be available in a board-approved transaction. Board-approved transactions may be carefully planned and undertaken at an opportune time in order to obtain maximum value for the corporation and all of its shareholders by determining and pursuing the best strategic alternative, obtaining negotiating leverage to achieve the best terms available, and giving due consideration to matters such as tax planning, the management and business of the acquiring corporation and the most effective deployment of corporate assets.

The Board recognizes that hostile takeover attempts do not always have the unfavorable consequences or effects described above and may be beneficial to the shareholders, providing all of the shareholders with considerable value for their shares. However, the Board believes that the potential disadvantages of unapproved takeover attempts are sufficiently great that prudent measures are needed to give the Board the time and flexibility to determine and pursue potentially superior strategic alternatives and take other appropriate action in an effort to maximize shareholder value. Accordingly, the Delaware Certificate and Delaware Bylaws include certain provisions that are intended to accomplish these objectives, but which may have the effect of discouraging or deterring hostile takeover attempts.

The Company s current Colorado Articles and Colorado Bylaws already include some provisions that may deter hostile takeover attempts, such as elimination of cumulative voting, and a requirement that any vacancy on the Board, including a vacancy resulting from an increase in number of directors, be filled by the majority vote of the remaining directors in office. Such provisions will also be included in the Delaware Certificate and Delaware Bylaws following the Reincorporation. The Colorado Bylaws also include a provision that allows shareholders holding not less than the minimum number of votes that would be necessary to authorize such action at a shareholder meeting to act only by written consent. The Delaware Certificate will include a provision denying the right to shareholders to act by written consent. In addition, the Delaware Bylaws will provide that special meetings of shareholders may be called only by the board of directors. Under Colorado law, special meetings

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may be called by the board of directors or the holders of at least 10% of outstanding shares entitled to be voted at the meeting. The Delaware Bylaws will also include expanded advance notice requirements for director nominations and shareholder proposals, require a majority of directors to approve a change in the number of directors and provide for supermajority requirements for the amendment of the Delaware Bylaws, as further described in Appendix D of this Information Statement. The Delaware Certificate authorizes the issuance of 100,000,000 shares of blank check preferred stock, which can be used for, among other things, protecting against a hostile takeover.

In addition, the DGCL also contains provisions that may have anti-takeover implications that are not present in the CBCA. Section 203 of the DGCL, from which the Company will not opt out, restricts certain business combinations with interested shareholders for three years following the date that a person or entity becomes an interested shareholder, unless the Board approves the business combination or other requirements are met. However, neither the CBCA nor the Colorado Articles contain provisions similar to Section 203 of the DGCL. See Summary Comparison of Shareholder Rights Before and After the Reincorporation, attached to this Information Statement as Appendix D.

The DGCL also prevents shareholders from submitting amendments to a corporation s certificate of incorporation directly to shareholders, without the approval from the board of directors. The Board believes that requiring it to adopt proposed amendments to the Delaware Certificate is an appropriate balancing of the rights of individual shareholders and the risks to the Company and shareholders as a whole from hostile bidders. Hostile bidders can use proposed amendments to the Delaware Certificate to strip away takeover defenses and increase the pressure on the Board to relent before it can establish a competitive bidding process or carefully consider strategic alternatives. Relying on the fact that a certain percentage of outstanding shares must approve any matter proposed does not fully protect the Company and its shareholders as a whole. In the event of a hostile bid, a significant percentage of outstanding shares may to be acquired by arbitrageurs who will vote in favor of any proposal that will allow them to reap a short-term profit, notwithstanding whether the proposal is in the best long-term interests of all of the shareholders.

Provisions in the DGCL, Delaware Certificate and Delaware Bylaws could make a proxy contest a less effective means of removing or replacing existing directors or could make it more difficult to make a change in control of the Company that is opposed by the Board. Because these provisions may have the effect of continuing the tenure of the current board of directors, the Board has recognized that the individual director has a personal interest in these provisions that may differ from those of the shareholders. However, the Board believes that the primary purpose of these provisions is to ensure that the Board will have sufficient time to consider fully any proposed takeover attempt in light of its short and long-term benefits and other strategic opportunities available to the Company and, to the extent the Board determines to proceed with the takeover, to negotiate effectively terms that would maximize the benefits to the Company and its shareholders.

The Board believes that the benefits associated with attracting and retaining skilled and experienced outside directors and enabling the Board to fully consider and negotiate proposed takeover attempts, as well as the greater sophistication, flexibility and predictability of Delaware law and Delaware courts, make the Reincorporation beneficial to the Company, its management and its shareholders.

The inclusion of these anti-takeover provisions in the Delaware Certificate and Delaware Bylaws does not reflect knowledge on the part of the Board or management of any proposed takeover or other attempt to acquire control of the Company. Management may in the future propose other measures designed to address hostile takeovers apart from those proposed in this Information Statement, if warranted from time to time in the judgment of the Board.

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No Change in Business, Management or Board Members

Neither the Reincorporation nor the Roll-up will (i) result in any change in the Company s business, management, employees, fiscal year, assets, liabilities or federal tax identification number, (ii) cause the principal executive offices or other facilities of the Company to be moved or (iii) result in any relocation of management or other employees. The mailing address of the principal offices and the telephone number of Sorrento will be the same as the Company s current address and telephone number, 6042 Cornerstone Ct. West, Suite B, San Diego, California 92121, (858) 210-3700.

The individuals serving as directors of the Company as of immediately prior to the Reincorporation will be the directors of Sorrento as of immediately following the Reincorporation, and will continue to serve for the term of their respective elections. The individuals serving as executive officers of the Company as of immediately prior to the Reincorporation will continue to serve as executive officers of Sorrento as of immediately following the Reincorporation, without a change in their title or responsibilities. In addition, the Reincorporation will not affect any of the Company s contracts with third parties and the Roll-Up will not affect any of Sorrento s or STI s contracts with third parties. However, Sorrento will be deemed STI s successor with respect to STI s current contracts and agreements and will succeed to all of STI s rights and obligations under these contracts and agreements.

Immediately following the Reincorporation, the Sorrento Common Stock will be quoted on the Over-the-Counter Bulletin Board (OTCBB) under the ticker QBSW. However, the Company expects that the OTCBB will assign a new ticker for the Sorrento Common Stock promptly following the Reincorporation and the Company s name change, as discussed below.

No Exchange of Stock Certificates

From and after the Effective Time, all of the outstanding certificates that prior to that time represented shares of QuikByte Common Stock shall be deemed for all purposes to evidence ownership of and to represent the shares of Sorrento Common Stock into which the shares represented by such certificates have been converted as provided in the Plan of Conversion and as described in this Information Statement. The registered owner on the books and records of Sorrento or its transfer agent of any such outstanding stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to Sorrento or its transfer agent, have and be entitled to exercise any voting and other rights with respect to and to receive any dividend and other distributions upon the shares of Sorrento evidenced by such outstanding certificate as provided above. IT WILL NOT BE NECESSARY FOR THE COMPANY S SHAREHOLDERS TO EXCHANGE THEIR EXISTING STOCK CERTIFICATES FOR CERTIFICATES OF SORRENTO. OUTSTANDING STOCK CERTIFICATES OF THE COMPANY SHOULD NOT BE DESTROYED OR SENT TO THE COMPANY.

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FEDERAL INCOME TAX CONSEQUENCES OF THE REINCORPORATION

The Reincorporation will constitute a reorganization under Section 368 of the Internal Revenue Code of 1986, as amended, and no gain or loss will be recognized to holders of securities of the Company as a result of the Reincorporation. Each shareholder of the Company will retain the same tax basis in such shareholder s capital stock of Sorrento as such shareholder had in the corresponding shares of the Company s capital stock held by such shareholder immediately prior to the Effective Time, and such shareholder s holding period for stock of Sorrento will include the period during which such shareholder held the corresponding stock of the Company, provided that such corresponding stock was held by such shareholder as a capital asset at the Effective Time.

Shareholders should consult their own tax advisors as to the effect of the Reincorporation under federal, state, local or foreign income tax laws.

The Company will not recognize gain, loss or income for federal income tax purposes as a result of the Reincorporation.

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DISSENTERS RIGHTS

Shareholders of a Colorado corporation have the right, in limited circumstances, to dissent from certain corporate actions, including the consummation of the conversion of such corporation to a corporation existing under the laws of another jurisdiction, and obtain a payment in the amount of the fair value of their shares. Pursuant to Section 7-113-102 of the CBCA, shareholders of the Company who did not execute a written consent approving the Reincorporation and who give the required notice are entitled to dissent and obtain payment of the fair value of their shares of QuikByte Common Stock upon the effectiveness of the Reincorporation. The material requirements for a shareholder to properly exercise his, her or its rights are summarized below.

FAILURE TO FOLLOW THE STEPS REQUIRED BY ARTICLE 113 OF THE CBCA (ARTICLE 113) FOR PERFECTING DISSENTERS RIGHTS MAY RESULT IN THE LOSS OF SUCH RIGHTS. IN VIEW OF THE COMPLEXITY OF ARTICLE 113 OF THE CBCA, YOU SHOULD CONSULT YOUR LEGAL ADVISOR PRIOR TO EXERCISING YOUR DISSENTERS RIGHTS THEREUNDER.

Under Section 7-113-203 of the CBCA, no later than 10 days after the effective date of the corporate action creating dissenters rights, the Company is required to give a written dissenters notice, setting forth the information in the following paragraph and a copy of Article 113, to all shareholders entitled to demand payment for their shares under Article 113. This Information Statement, which includes a copy of Article 113, attached hereto as Appendix E, constitutes the mailing of such notice.

The Reincorporation was approved by the Board and the Required Shareholders on October 22, 2009. The Reincorporation is expected to become effective on or before December 4, 2009. A shareholder who wishes to obtain payment for such shareholder s shares of QuikByte Common Stock (such shareholder, a Dissenting Shareholder) must demand payment by (i) submitting the payment demand form attached to this Information Statement as Appendix F (the Payment Demand Form), or by stating such demand in another writing (each of the foregoing, a Payment Demand), and (ii) depositing such shareholder s certificate(s) for certificated shares with the Company at the address set forth on Appendix F. A record holder can assert its right to dissent as to fewer than all of the shares held of record only if the record holder dissents with respect to all shares beneficially owned by any one person and the notice of intent to demand payment from the record owner includes the specified information about the beneficial owner. If you own your shares through a broker, you will have to follow the alternative procedure (set forth in Section 7-113-103 of the CBCA) for asserting your right to dissent. **The Company must receive Payment Demands and certificates for certificated shares no later than December 16, 2009. A shareholder who does not provide a Payment Demand in accordance with Section 7-113-204 of the CBCA (Section 7-113-204) by such date will not be entitled to payment for such shareholder s shares of QuikByte Common Stock as provided in the CBCA. If you are a Required Shareholder that consented to the Reincorporation you are not entitled to dissenters rights and may not submit a Payment Demand.** Upon receipt of a demand for payment from a Dissenting Shareholder holding uncertificated shares, and in lieu of the deposit of certificates representing such Dissenting Shareholder s shares, of QuikByte Common Stock, such Dissenting Shareholder will be prohibited from transferring any such shares for which such Dissenting Shareholder is demanding payment. A Dissenting Shareholder demanding payment in accordance with Section 7-113-204 shall retain all rights of a shareholder, except the right to transfer shares, until the effective date of the Reincorporation.

Pursuant to Sections 7-113-206 and 7-113-207 of the CBCA, upon the effective date of the Reincorporation or upon receipt of a payment demand, whichever is later, we must pay each Dissenting Shareholder who complied with Section 7-113-204 the amount that we estimate to be the fair market value of the shares, plus accrued interest. The payment must be accompanied by (i) certain financial information regarding us; (ii) a statement of our estimate of the fair value of the shares; (iii) an explanation of how the interest was calculated; (iv) a statement of the Dissenting Shareholder s right to demand payment under Section 7-113-209 of the CBCA (Section 7-113-209); and (v) a copy of Article 113.

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Section 7-113-208 of the CBCA (Section 7-113-208) permits us to require each Dissenting Shareholder to certify in writing, or in the Dissenting Shareholder s payment demand, whether or not the Dissenting Shareholder acquired beneficial ownership of such shareholder s shares of QuikByte Common Stock before the date of the first announcement to the news media or to the shareholders. The Payment Demand Form provides for such certification and any Dissenting Shareholder who chooses not to use the Payment Demand Form shall certify in such shareholders Payment Demand whether such shareholder acquired beneficial ownership of such shareholder s shares of QuikByte Common Stock before October 23, 2009, the date of the first announcement to the news media or to the Company s shareholders of the terms of the Reincorporation. If any Dissenting Shareholder does not so certify in writing, we may offer to make a payment, in lieu of payment under Section 7-113-206 of the CBCA (Section 7-113-206), if the Dissenting Shareholder agrees to accept such payment in full satisfaction of the demand for payment.

A Dissenting Shareholder may give written notice to us, within 30 days after we make or offer payment for the Dissenting Shareholder s shares of QuikByte Common Stock, of the Dissenting Shareholder s estimate of the fair value of such shares and of the amount of interest due and may demand payment of such estimate, or reject our offer under Section 7-113-208 and demand payment of the fair value of the shares and interest due if: (i) the Dissenting Shareholder believes that the amount paid pursuant to Section 7-113-206 or offered pursuant to Section 7-113-208 is less than the full value of such dissenting shareholder s shares of QuikByte Common Stock or that the interest due was incorrectly calculated; (ii) we fail to make a payment as required under Section 7-113-206 within the time specified above; or (iii) we do not return the deposited certificates as required by Section 7-113-207 of the CBCA.

Shareholders who do not give the required notice waive the right to demand payment under Section 7-113-209. If a demand for payment under Section 7-113-209 remains unresolved, we may, within 60 days after receiving the payment demand, petition the court to determine the fair value of the shares of QuikByte Common Stock and accrued interest. All Dissenting Shareholders whose demands remain unsettled would be made a party to such a proceeding. Each Dissenting Shareholder is entitled to judgment for the amount the court finds to be the fair value of the shares of QuikByte Common Stock, plus interest, less any amount paid by us. The costs associated with this proceeding shall be assessed against us, unless the court finds that all or some of the Dissenting Shareholders acted arbitrarily, vexatiously, or not in good faith in demanding payment under Section 7-113-209, in which case the court may assess the costs in the amount the court finds equitable against some or all of the Dissenting Shareholders. The court may also assess the fees and expenses of counsel and experts for the respective parties in amounts the court finds equitable, against us or the Dissenting Shareholders. If we do not commence a proceeding within the 60-day period, we must pay each Dissenting Shareholder whose demand remains unsettled the amount demanded.

The foregoing summary of the provisions of Article 113 is not intended to be a complete statement of the law pertaining to dissenters rights under Article 113, which is attached to this Information Statement as Appendix E.

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ACTION 2

ADOPTION OF THE 2009 STOCK INCENTIVE PLAN

On October 22, 2009, the Board adopted and, by written consent, the Required Shareholders approved, the 2009 Plan. We anticipate that the 2009 Plan will be effective upon the Reincorporation, which is expected to occur on or before December 4, 2009.

The following is a summary of the material features of the 2009 Plan. This summary does not purport to be complete and is qualified in its entirety by reference to the 2009 Plan, a copy of which is attached hereto as Appendix G.

Awards. The 2009 Plan provides for the grant of the following awards:

Incentive Stock Options (ISO), which may be granted solely to Sorrento s employees, including Sorrento s executive officers; and

Non-Incentive Stock Options (NSO), stock appreciation rights, restricted stock awards, unrestricted stock awards, restricted stock unit awards and performance awards, which may be granted to Sorrento s directors, consultants or employees, including Sorrento s executive officers.

Purpose. The purpose of the 2009 Plan is to encourage and enable Sorrento s directors, consultants and employees, including Sorrento s executive officers, to acquire or increase their holdings of common stock and other interests in Sorrento in order to promote a closer identification of their interests with those of Sorrento and the Company s shareholders, thereby further stimulating their efforts to enhance Sorrento s efficiency, soundness, profitability, growth and shareholder value.

Administration. The 2009 Plan will be administered by the Board or the Compensation Committee of the Board, provided that the Board may act in lieu of the Compensation Committee on any matter. In this Action 2 of the Information Statement, the Board and the Compensation Committee are collectively referred to as the Administrator. Subject to the terms and conditions of the 2009 Plan, the Administrator is authorized to select participants, determine the type and number of awards to be granted and the number of shares to which awards will relate or the amount of a performance award, specify dates at which awards will be exercisable or settled, including performance conditions that may be required as a condition thereof, set other terms and conditions of such awards, prescribe forms of award agreements, interpret and specify rules and regulations relating to the 2009 Plan, and make all other determinations that may be necessary or advisable for the administration of the 2009 Plan. Acceptable forms of consideration for the purchase of Sorrento Common Stock issued under the 2009 Plan will be determined by the Administrator and may include cash, common stock previously owned by the participant, payment through a broker-assisted exercise or any combination of the foregoing. In addition, the Administrator may delegate its authority under the 2009 Plan to the extent permitted by the Delaware General Corporation Law, except delegation is limited where necessary to meet requirements under Rule 16b-3 under the Securities Exchange Act of 1934 or Section 162(m) of the Internal Revenue Code of 1986 (the Code). Neither Sorrento nor the Administrator may reprice any stock option or stock appreciation right granted under the 2009 Plan without first obtaining the approval of Sorrento stockholders.

Share Reserve. The 2009 Plan authorizes an aggregate of 12,000,000 shares of Sorrento Common Stock. In addition, this amount will be automatically increased annually on the first day of each fiscal year, beginning in 2011, by the lesser of (i) 1% of the aggregate number of shares of Sorrento Common Stock outstanding on the last day of the immediately preceding fiscal year, (ii) 1,200,000 shares, or (iii) an amount approved by the Administrator. Shares of Sorrento Common Stock subject to options and other stock awards that have expired or otherwise terminate under the 2009 Plan without having been exercised in full will again become available for grant under the 2009 Plan. Shares of Sorrento Common Stock issued under the 2009 Plan may include previously unissued shares or reacquired shares bought on the market or otherwise. If any shares of Sorrento Common Stock subject to a stock award are not delivered to a participant because such shares are withheld for the payment of taxes or the stock award is exercised through a net exercise, then the number of shares that are not delivered to participants shall again become available for grant under the 2009 Plan. In addition, if the exercise of any stock

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award is satisfied by tendering shares of Sorrento Common Stock held by the participant, then the number of shares tendered shall become available for grant under the 2009 Plan. No single participant may receive in any calendar year stock options and stock appreciation rights covering more than 2,400,000 shares of Sorrento Common Stock under the 2009 Plan.

Stock Options. Stock options will be granted pursuant to stock option agreements. The exercise price for stock options cannot be less than 100% of the fair market value of the Sorrento Common Stock on the date of grant. Options granted under the 2009 Plan will vest at the rate specified in the option agreement. A stock option agreement may provide for early exercise of NSOs prior to vesting. Unvested shares of Sorrento Common Stock issued in connection with an early exercise may be repurchased by Sorrento upon termination of the participant s service. In general, the term of stock options granted under the 2009 Plan may not exceed ten years. Unless the terms of a participant s stock option agreement provide for earlier or later termination, if a participant s service relationship with Sorrento, or any of its affiliates, ceases for any reason other than for cause, disability or death, the participant may exercise any vested options for up to 90 days after the date the service relationship ends, unless the terms of the stock option agreement provide for a longer or shorter period to exercise the option. If a participant s service relationship with Sorrento, or any of its affiliates, ceases due to disability, the participant may exercise any vested options for up to one year after the date the service relationship ends. If a participant s service relationship with Sorrento, or any of its affiliates, ceases due to death, or the participant dies within 30 days following the date the service relationship ends other than for cause, the participant s beneficiary may exercise any vested options for up to one year following the date of death. If a participant s relationship with Sorrento, or any of its affiliates, ceases due to termination for cause, the option will terminate at the time the participant s relationship with Sorrento, or any of its affiliates, terminates. In no event may an option be exercised after its expiration date.

Incentive stock options may be granted only to Sorrento s employees, including executive officers. The aggregate fair market value, determined at the time of grant, of shares of Sorrento Common Stock with respect to ISOs that are exercisable for the first time by a participant during any calendar year under all of Sorrento s equity plans may not exceed $100,000. The options or portions of options that exceed this limit are automatically treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock representing more than 10% of the total combined voting power of Sorrento or any of its affiliates unless the following conditions are satisfied:

- the option exercise price is at least 110% of the fair market value of Sorrento Common Stock on the date of grant; and
- the term of the ISO does not exceed five years from the date of grant.

Stock Appreciation Rights. Stock appreciation rights will be granted through a stock appreciation rights agreement. Each stock appreciation right is denominated in common stock equivalents. The exercise price of each stock appreciation right will be determined by the Administrator at the time of grant and will not be less than 100% of the fair market value of the Sorrento Common Stock underlying the right. In general, the term of a stock appreciation right may not exceed ten years. Upon exercise of a stock appreciation right, Sorrento will pay the participant an amount equal to the excess of (i) the aggregate fair market value of the S