
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 21, 2011

INVIVO THERAPEUTICS HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

000-52089
(Commission
File No.)

36-4528166
(IRS Employer
Identification No.)

**One Broadway, 14th Floor
Cambridge, Massachusetts**
(Address of principal executive offices)

02142
(Zip Code)

(617) 475-1520
(Registrant's telephone number, including area code)

Design Source, Inc., 100 Europa Drive, Suite 455, Chapel Hill, NC 27517
(Former name or former address, if changed since last report)

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))
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Item 1.01 Entry into a Material Definitive Agreement.

On December 21, 2011, InVivo Therapeutics Holdings Corp., a Nevada corporation (the “Company”), entered into a Securities Purchase Agreement (the “Purchase Agreement”) with INGENIERIA E INVERSIONES LTDA (the “Investor”) pursuant to which the Company completed a private placement of equity securities to the Investor. At the closing of the transaction, the Company issued and sold 980,382 shares of Common Stock of the Company, \$0.00001 par value per share (the “Common Stock”), at a purchase price per share of \$2.04, plus issued and sold a Common Stock Purchase Warrant (the “Warrant”) to the Investor for the purchase of 343,137 shares of Common Stock. The Warrant is exercisable by the Investor for a period of five years at an exercise price of \$3.06 per share of Common Stock. The Warrant may only be exercised by cash payment of the exercise price to the Company.

The Company intends to use the proceeds of approximately \$2.0 million from the transaction for working capital and general corporate purposes.

The offer, sale and issuance to the investors of the shares of the Common Stock, the Warrant and the shares of Common Stock issuable upon the exercise of the Warrant were made in reliance on the statutory exemption from registration in Section 4(2) of the Securities Act of 1933 (the “1933 Act”) and Regulation S promulgated thereunder, have not been registered under the 1933 Act, and, unless so registered, may not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

This Current Report on Form 8-K is neither an offer to sell nor a solicitation of an offer to buy any of the securities described herein. This Current Report on Form 8-K is being filed pursuant to and in accordance with Rule 135c of the 1933 Act.

The foregoing descriptions of the Purchase Agreement and the Warrant and the transactions contemplated therein and thereby do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, instruments and documents, which are filed herewith and each of which is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The information disclosed under Item 1.01 above is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

The exhibits listed in the Exhibit Index below are filed with this report.

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 hereunto duly authorized.

InVivo Therapeutics Holdings Corp.

Date: December 22, 2011

By: /s/ Frank M. Reynolds

Frank M. Reynolds
Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Securities Purchase Agreement dated December 21, 2011 by and between the Company and INGENIERIA E INVERSIONES LTDA.
10.2	Common Stock Purchase Warrant dated December 21, 2011 and issued by the Company to INGENIERIA E INVERSIONES LTDA.

THE SECURITIES OFFERED HEREBY ARE BEING OFFERED PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT")

THE SECURITIES OFFERED HEREBY MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S) UNLESS SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE 1933 ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT IS AVAILABLE.

**INVIVO THERAPEUTICS HOLDINGS CORP.
SECURITIES PURCHASE AGREEMENT**

THIS SECURITIES PURCHASE AGREEMENT (the "**Agreement**") is made and entered into on December 21, 2011, by and between InVivo Therapeutics Holdings Corp., a Nevada corporation (the "**Company**"), and INGENIERIA E INVERSIONES LTDA (the "**Purchaser**").

RECITALS

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) of the 1933 Act and Regulation S promulgated thereunder; and

WHEREAS, the Company desires to sell and the Purchaser desires to purchase, upon the terms and conditions stated in this Agreement, (i) 980,392 shares (the "**Company Shares**") of the Company's common stock, \$0.00001 per share (the "**Common Stock**") at a purchase price of \$2.04 per share; and (ii) a warrant exercisable for the purchase of 343,137 shares of Common Stock at an exercise price of \$3.06 per share with an expiration date of the fifth anniversary hereof (the "**Warrant**") (the Company Shares and the Warrant are referred to herein collectively as the "**Securities**").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, representations, warranties and covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE OF SECURITIES.

1.1 Purchase of Securities. The Company hereby issues and sells to the Purchaser, and the Purchaser hereby purchases from the Company, the Securities. The aggregate purchase price (the **"Purchase Price"**) for the purchase of the Securities to be paid to the Company at the closing (the **"Closing"**) is U.S. \$1,999,999.68.

1.2 The Closing Date. The date and time of the Closing (the **"Closing Date"**) shall be simultaneous with the execution of this Agreement.

1.3 Closing. At the Closing, the Purchaser shall pay the Purchase Price to the Company for the Securities by wire transfer of immediately available funds in accordance with the Company's written wire instructions. Within five (5) days after the Closing, the Company shall deliver to the Purchaser: (a) the original stock certificate evidencing the Company Shares registered in the Purchaser's name; and (b) the Warrant.

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrant to the Purchaser as of the date of this Agreement as set forth below, except as disclosed in the Company's filings under the Securities Exchange Act of 1934 (collectively, the **"Exchange Act Filings"**), or the Schedules hereto (if any).

2.1 Organization, Good Standing and Qualification. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is qualified to do business and in good standing in each other jurisdiction in which the ownership or leasing of its properties or the nature of its business requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, **"Material Adverse Effect"** means any material adverse effect on the business, properties, assets, operations, results of operations or financial condition of the Company, or on the transactions contemplated hereby, or the documents or the agreements and instruments to be entered into in connection herewith or therewith, or on the authority or ability of the Company to perform its obligations under this Agreement or the Warrant.

2.2 Authorization; Binding Obligations. All corporate action on the part of the Company necessary for the authorization of this Agreement and the Warrant (collectively, the **"Transaction Documents"**), the performance of all obligations of the Company hereunder at the applicable Closing and, the authorization, sale, issuance and delivery of the Securities has been taken and no further consent or authorization of the Company, its board of directors or stockholders is required. This Agreement and the other Transaction Documents, when executed

and delivered and to the extent that the Company is a party thereto, will be valid and binding obligations of the Company enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, and (b) general principles of equity that restrict the availability of equitable or legal remedies.

2.3 Full Disclosure. The Company has provided the Purchaser with all information requested by the Purchaser in connection with its decision to purchase the Securities. Neither this Agreement, the exhibits and schedules hereto, the other Transaction Documents nor any other document delivered by the Company to Purchaser or its attorneys or agents in connection herewith or therewith or with the transactions contemplated hereby or thereby, contain any untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.

2.4 SEC Reports. The Common Stock of the Company is registered pursuant to Section 12(g) of the Exchange Act and the Company has timely filed all proxy statements, reports, schedules, forms, statements and other documents required to be filed by it under the Exchange Act. The Company has made available to the Purchaser the Company's (i) Annual Report on Form 10-K for the fiscal year ended December 31, 2010, (ii) Form 10-Q for the fiscal quarters ended thereafter and (iii) its Form 8-K filings which it has made (collectively, the "**SEC Reports**"). Each SEC Report was, at the time of its filing, in substantial compliance with the requirements of its respective form and none of the SEC Reports, nor the financial statements (and the notes thereto) included in the SEC Reports, as of their respective filing dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed) and fairly present in all material respects the financial position of the Company and its subsidiaries as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER.

The Purchaser hereby represents, warrants, covenants to the Company as follows:

3.1 Requisite Power and Authority. The Purchaser has all necessary power and authority under all applicable provisions of law to execute and deliver this Agreement and the Transaction Documents and to carry out their provisions. All corporate action on Purchaser's part required for the lawful execution and delivery of this Agreement and the Transaction Documents have been effectively taken prior to the Closing. Upon their execution and delivery, this Agreement and the other Transaction Documents will be valid and binding obligations of the Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights, and (b) as limited by general principles of equity that restrict the availability of equitable and legal remedies.

3.2 Investment Representations. The Purchaser understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the 1933 Act based in part upon the Purchaser's representations contained in this Agreement, including, without limitation, that the Purchaser is an "accredited investor" within the meaning of Regulation D. The Purchaser acknowledges and agrees that the Securities will be, upon issuance, "restricted securities" within the meaning of the 1933 Act. The Purchaser has had an opportunity to ask questions and receive answers from the Company regarding the Company's business, management and financial affairs and the terms and conditions of the offering and the Securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to the Purchaser or to which the Purchaser had access. The Purchaser represents and warrants that it has received and fully and carefully reviewed the SEC Reports, and that, to its satisfaction, it has had sufficient and reasonable opportunity to ask questions of the Company's management.

3.3 No Tax Advice from Company or its Agents. The Purchaser has had an opportunity to review the foreign, U.S. federal, state and local tax consequences of this investment (and the transactions contemplated by this Agreement and the Warrant) with its own tax advisor. The Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents and understands that the Purchaser (and not the Company) shall be responsible for the Purchaser's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement and the Warrant. The Purchaser acknowledges that no assurances have been made regarding tax consequences which may inure to the Purchaser, nor has any assurance been made that existing tax laws and regulations of any jurisdiction will not be modified in the future, which may deny to the Purchaser all or a portion of the tax benefits, if any, which may presently be available under existing tax laws and regulations.

3.4 No Legal Advice from Company or its Agents. The Purchaser acknowledges that it has had the opportunity to review this Agreement and the Warrant (and the transactions contemplated by this Agreement) with its own legal counsel. The Purchaser is relying solely on such counsel and not on any statements or representations of the Company or any of its agents for legal advice with respect to this investment or the transactions contemplated by this Agreement except for the representations, warranties and covenants of the Company expressly set forth herein.

3.5 Speculative High Risk Investment. The Purchaser understands and acknowledges that an investment in the Company Shares and Warrant (and the shares of Common Stock issuable upon exercise of the Warrant) is a highly speculative investment which involves a high degree of risk, including, without limitation, limitations on the liquidity of the Company Shares and Warrant (and the shares of Common Stock issuable upon exercise of the Warrant) and the Purchaser is willing to accept such investment risks, including a risk of loss of the Purchaser's entire investment in the Company.

3.6 Acknowledgment of Certain Risks of Investing in the Company. The Purchaser recognizes that an investment in the Company involves considerable risks, including, among other things, that:

(i) The Company is a development stage company with limited financial resources; and

(ii) An investment in the Company's common stock is subject to a number of material risk factors, which are detailed in the Company's filings with the SEC, which are incorporated herein by reference.

3.7 No Government Recommendation or Approval. The Purchaser understands that neither the United States Securities and Exchange Commission ("SEC") nor the security administrator of any state thereof or of any other jurisdiction or country, whether foreign or domestic, nor any other foreign, federal, state or local agency or authority has made any finding or determination relating to the fairness for investment of the Company Shares, the Warrant (and the shares of Common Stock issuable upon exercise of the Warrant), the accuracy or adequacy of the Transaction Documents, or the disclosure with respect to the Company, and that neither the SEC nor an administrator of any state has or will recommend or endorse any offering of, or investment in, securities.

3.8 Shares Not Registered Under the 1933 Act or any State Securities Laws. The Purchaser understands that: (a) the Company Shares, the Warrant and the shares of Common Stock issuable upon exercise of the Warrant have not been registered under the 1933 Act or any state securities laws and are being offered and sold pursuant to Regulation S based in part upon the representations of the Purchaser contained herein; and (b) the Company Shares, the Warrant and the shares of Common Stock issuable upon exercise of the Warrant may not be offered or sold in the United States or to any U.S. Person unless such disposition is registered under the 1933 Act and any applicable state securities laws or such offer or sale is made pursuant to exemption from the registration requirements.

3.9 No Public Solicitation. The Purchaser knows of no public solicitation or advertisement of an offer in connection with the proposed issuance and sale of the Securities. In particular, the Purchaser:

- acknowledges that the Securities to be sold hereby were offered and will be sold only to the Purchaser and were not offered or sold by means of any form of general solicitation, general advertising, publicly disseminated advertisements, or sales literature, nor is the Purchaser aware of any offers or sales made to any other persons by such means;
- acknowledges that the Securities were not offered or sold to the Purchaser by means of any offering literature on which the Purchaser has relied. At no time was the Purchaser presented with or solicited by any leaflet, public promotional meeting, newspaper or magazine article, radio or television or internet advertisement or any other form of general advertising solicitation.

3.10 Offshore Transaction. The Purchaser is not a U.S. Person and is a resident of the Republic of Chile. A “U.S. Person” is (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any estate of which any executor or administrator is a U.S. Person, (iv) any trust of which any trustee is a U.S. Person, (v) any agency or branch of a foreign entity located in the United States, (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person, (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if individual) resident in the United States, and (viii) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction, and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts. The offer and sale of the Securities were made in an Off-Shore Transaction as such term is defined in Rule 902(i) of Regulation S. At the time of the completion execution and delivery of this Agreement and the time of any offer to the Purchaser to purchase the Company Shares and Warrant hereunder, the Purchaser was physically present outside the United States and the offer and sale of the Company Shares and Warrant being made to the Purchaser by the Company were made by the Company to the Purchaser outside the United States.

The Purchaser hereby certifies to the Company that it is not acquiring the Securities for the account or benefit of any U.S. Person.

3.11 Distribution Compliance. The Purchaser will not, during the period commencing on the date hereof and ending on the day one year after the Offer Termination Date (the “**Distribution Compliance Period**”), offer or sell the Company Shares or Warrant (or the shares of Common Stock issuable upon exercise of the Warrant) in the United States, to a U.S. Person, or for the account or benefit of a U.S. Person, other than in accordance with Rule 904 of Regulation S; and will, after the expiration of the Distribution Compliance Period, offer, sell, pledge or otherwise transfer the Company Shares or Warrant (or the shares of Common Stock issuable upon exercise of the Warrant) only pursuant to registration under the 1933 Act or an available exemption therefrom and, in any case, in accordance with applicable state securities laws. The Purchaser will resell the Company Shares and Warrant (and the shares of Common

Stock issuable upon exercise of the Warrant) only in accordance with the provisions of Regulation S or pursuant to registration under the 1933 Act or pursuant to an available exemption from the registration requirements of the 1933 Act. The Purchaser covenants that it will not knowingly make any sale, transfer or other disposition of the Company Shares or Warrant (or the shares of Common Stock issuable upon exercise of the Warrant) in violation of the 1933 Act (including Regulation S), the Exchange Act, any applicable state securities laws or the rules and regulations of the SEC or of any state securities commissions or similar state authorities promulgated under any of the foregoing.

3.12 No Hedging. Neither the Purchaser nor any of its affiliates will, directly or indirectly hold or maintain any short position in or engage in hedging transactions with respect to the Common Stock of the Company or any other securities of the Company, other than in accordance with the 1933 Act.

3.13 Restricted Securities for Resale Purposes. The Purchaser understands and agrees that any permitted resales of the Company Shares or Warrant (or the shares of Common Stock issuable upon exercise of the Warrant) under Rule 901 or Rule 904 of Regulation S does not alter the status of these securities as “restricted securities” as defined in Rule 144 under the 1933 Act.

3.14 No Scheme to Evade Registration. The Purchaser’s acquisition of the Company Shares and the Warrant (and the shares issuable upon exercise of the Warrant) is not a transaction (or any element of a series of transactions) that is part of a scheme or plan to evade the registration provisions of the 1933 Act.

3.15 Intentionally Blank.

3.16 No Directed Selling Efforts in Regard to this Transaction. To the knowledge of the Purchaser, without any independent investigation, neither the Company nor any Person acting for the Company has conducted any “directed selling efforts” in the United States as such term is defined in Rule 902(b) of Regulation S, which in general, means any activity taken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Shares being offered in reliance on Regulation S. Such activity includes, without limitation, the mailing of printed material to investors residing in the United States, the holding of promotional seminars in the United States, and the placement of advertisements with radio or television stations broadcasting in the United States or in publications for the general circulation in the United States that refer to the offering of the Shares in reliance on Regulation S.

3.17 Company’s Reliance on Representations of the Purchaser. The Purchaser understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of U.S. securities laws and that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the applicability of such exemptions and the suitability of the Purchaser to acquire the Company Shares and Warrant.

3.18 Legends. The Company Shares, the Warrant and the shares of Common Stock issuable upon exercise of the Warrant shall bear a legend which shall be in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR UNDER THE LAWS OF ANY OTHER JURISDICTION, BUT HAVE BEEN ISSUED IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER UNITED STATES SECURITIES LAWS CONTAINED IN REGULATION S UNDER THE SECURITIES ACT. THE SECURITIES EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, NOR WILL ANY ASSIGNEE OR ENDORSEE HEREOF BE RECOGNIZED AS AN OWNER HEREOF BY THE ISSUER FOR ANY PURPOSE, UNLESS EITHER THE TRANSFER IS MADE IN ACCORDANCE WITH REGULATION S, UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT WITH RESPECT TO SUCH SHARES SHALL THEN BE IN EFFECT OR UNLESS THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION WITH RESPECT TO ANY PROPOSED TRANSFER OR DISPOSITION OF SUCH SHARES SHALL BE ESTABLISHED TO THE SATISFACTION OF COUNSEL FOR THE ISSUER. HEDGING TRANSACTIONS INVOLVING THE SHARES MAY NOT BE CONDUCTED UNLESS CONDUCTED IN COMPLIANCE WITH THE SECURITIES ACT.”

3.19 Market Manipulation. The Purchaser has not taken, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of the Common Stock of the Company to facilitate the sale or resale of any of the Company Shares or affect the price at which any of the Company Shares being offered hereby may be issued.

3.20 Stop Transfer. The Purchaser understands that the transfer agent for the Company will be instructed to place a “stop transfer” order against the Company Shares and the shares of Common Stock issuable upon exercise of the Warrant and the Company will refuse to register and cause its transfer agent to refuse to register any transfer of the Company Shares and the Common Stock issuable upon exercise of the Warrant not made in accordance with the provisions of Regulation S or pursuant to registration under the 1933 Act or pursuant to an exemption from the registration requirements of the 1933 Act. Any proposed transfer is subject to the right of the Company to require a certificate of transfer from the Purchaser and the proposed transferee with respect to the compliance of the proposed transfer with applicable U.S. federal and state securities laws and, in the Company’s discretion, the delivery of an opinion of counsel satisfactory to the Company with respect to the proposed transaction in form and substance satisfactory to the Company.

4. MISCELLANEOUS.

4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of Massachusetts or in the federal courts located in the Commonwealth of Massachusetts. Both parties and the individuals executing this Agreement and other agreements on behalf of the Company agree to submit to the jurisdiction of such courts and waive trial by jury. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement.

4.2 Survival. The representations, warranties, indemnities, agreements, covenants and other statements of the Company made herein shall survive execution of this Agreement and delivery of the Securities. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties by the Company hereunder solely as of the date of such certificate or instrument.

4.3 Entire Agreement; Survival. This Agreement, the exhibits and schedules hereto (if any), the other Transaction Documents and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof, including, but not limited to, the purchase and sale of the Securities. No party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein. The Purchaser shall not be deemed to have made any representation or warranty to the Company other than as expressly made by the Purchaser in this Agreement. Without limiting the generality of the foregoing, and notwithstanding any otherwise express representations and warranties made by the Purchaser in this Agreement, the Purchaser makes no representation or warranty to the Company with respect to the timing or the manner in which the Company's Company Shares will be sold.

4.4 Severability. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

4.5 Amendment and Waiver.

(a) This Agreement may be amended or modified only upon the written consent of the Company and the Purchaser.

(b) The obligations of the Company and the rights of the Purchaser under this Agreement may be waived only with the written consent of the Purchaser.

4.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at the address as set forth on the signature page hereof, with a copy to Thomas B. Rosedale, BRL Law Group LLC, 425 Boylston Street, Third Floor, Boston, Massachusetts 02116, facsimile number (617) 399-6930, and to the Purchaser at the address set forth on the signature page hereto for such Purchaser, or at such other address as the Company or the Purchaser may designate by ten days advance written notice to the other parties hereto.

4.7 Titles and Subtitles. The titles of the sections and subsections of the Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

4.8 Facsimile Signatures; Counterparts. This Agreement may be executed by facsimile signatures and in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

4.9 Broker's Fees. Each party hereto represents and warrants that no agent, broker, investment banker, person or firm acting on behalf of or under the authority of such party hereto is or will be entitled to any broker's or finder's fee or any other commission directly or indirectly in connection with the transactions contemplated herein. Each party hereto further agrees to indemnify each other party for any claims, losses or expenses incurred by such other party as a result of the representation in this section being untrue.

4.10 Construction. Each party acknowledges that its legal counsel participated in the preparation of this Agreement and, therefore, stipulates that the rule of construction that ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Agreement to favor any party against the other.

4.11 Registration. The Company shall not be obligated to register for resale the Securities (or the shares of Common Stock issuable upon exercise of the Warrant) issued under, pursuant to or in connection with, this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement as of the date set forth in the first paragraph hereof.

COMPANY:

PURCHASER:

INVIVO THERAPEUTICS HOLDINGS CORP.

INGENIERIA E INVERSIONES LTDA

By: /s/ Frank Reynolds
Name: Frank Reynolds
Title: President and Chief Executive Officer
Address: One Broadway
Cambridge MA, 02142

By: /s/ Jose Luis del Rio Goudie
Name: Jose Luis del Rio Goudie
Title: President
Address: Alcantara 200 Piso 9
Santiago 7550159
Republic of Chile

Issue Date: December 21, 2011

Warrant No. REGS-1

343,137 Shares of Common Stock (subject to
adjustment as provided herein)

THIS WARRANT MAY NOT BE EXERCISED WITHIN THE UNITED STATES AND SECURITIES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UPON EXERCISE, OTHER THAN IN OFFERINGS DEEMED TO MEET THE DEFINITION OF “OFFSHORE TRANSACTIONS” PURSUANT TO RULE 902(H) OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, UNLESS REGISTERED UNDER SAID ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR UNDER THE LAWS OF ANY OTHER JURISDICTION, BUT HAVE BEEN ISSUED IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER UNITED STATES SECURITIES LAWS CONTAINED IN REGULATION S UNDER THE SECURITIES ACT. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE TRANSFERRED, NOR WILL ANY ASSIGNEE OR ENDORSEE HEREOF BE RECOGNIZED AS AN OWNER HEREOF BY THE ISSUER FOR ANY PURPOSE, UNLESS EITHER THE TRANSFER IS MADE IN ACCORDANCE WITH REGULATION S, UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT WITH RESPECT TO SUCH SHARES SHALL THEN BE IN EFFECT OR UNLESS THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION WITH RESPECT TO ANY PROPOSED TRANSFER OR DISPOSITION OF SUCH SHARES SHALL BE ESTABLISHED TO THE SATISFACTION OF COUNSEL FOR THE ISSUER. THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

COMMON STOCK PURCHASE WARRANT

INVIVO THERAPEUTICS HOLDINGS CORP., a corporation organized under the laws of the State of Nevada (the “Company”), hereby certifies that, for value received, INGENIERIA E INVERSIONES LTDA, or its permitted assigns (the “Holder”), is entitled, subject to the terms set forth below, to purchase from the Company from and after the issue date of this Warrant and at any time or from time to time before 5:00 p.m., Boston time, on the fifth (5th) anniversary after such date (the “Expiration Date”), up to 343,137 fully paid and nonassessable shares of Common Stock (as hereinafter defined), \$.00001 par value per share, of the Company, at the Exercise Price (as defined below). The number and character of such shares of Common Stock and the Exercise Price are subject to adjustment as provided herein.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

- (a) The term “Company” shall include Invivo Therapeutics Holdings Corp. and any corporation which shall succeed or assume its obligations hereunder.
- (b) The term “Common Stock” includes (a) the Company’s Common Stock, par value \$.00001 per share, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.
- (c) The term “Other Securities” refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 4 or otherwise.
- (d) The term “Exercise Price” shall be \$3.06 per share.

1. Exercise.

(a) This Warrant may be exercised by the Registered Holder, in whole or in part, by surrendering this Warrant, with the purchase form appended hereto as Exhibit I duly executed by the Registered Holder or by the Registered Holder’s duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full, in lawful money of the United States, of the Purchase Price payable in respect of the number of Warrant Shares purchased upon such exercise. This Warrant may not be exercised by or on behalf of any U.S. Person (as defined by Regulation S promulgated under the Securities Act of 1933, as amended) unless registered under the securities act or an exemption from such registration is available.

(b) Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in subsection 1(a) above (the “Exercise Date”). At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise as provided in subsection 1(d) below shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

(c) As soon as practicable after the exercise of this Warrant in full or in part, and in any event within 10 days thereafter, the Company, at its expense, will cause to be issued in the name of, and delivered to, the Registered Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of full Warrant Shares to which the Registered Holder shall be entitled upon such exercise plus, in lieu of any fractional share to which the Registered Holder would otherwise be entitled, cash in an amount determined pursuant to Section 3 hereof; and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the sum of (a) the number of such shares purchased by the Registered Holder upon such exercise.

2. Adjustments.

(a) Adjustment for Stock Splits and Combinations. If the Company shall at any time or from time to time after the date on which this Warrant was first issued (the "Original Issue Date") effect a subdivision of the outstanding Common Stock, the Purchase Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, then the Purchase Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(b) Adjustment for Certain Dividends and Distributions. In the event the Company at any time, or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Purchase Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Purchase Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Purchase Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Purchase Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(c) Adjustment in Number of Warrant Shares. When any adjustment is required to be made in the Purchase Price pursuant to subsections 2(a) or 2(b), the number of Warrant Shares purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Purchase Price in effect immediately prior to such adjustment, by (ii) the Purchase Price in effect immediately after such adjustment.

(d) Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company (other than shares of Common Stock) or in cash or other property (other than cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles), then and in each such event provision shall be made so that the Registered Holder shall receive upon exercise hereof, in addition to the number of shares of Common Stock issuable hereunder, the kind and amount of securities of the Company and/or cash and other property which the Registered Holder would have been entitled to receive had this Warrant been exercised into Common Stock on the date of such event and had the Registered Holder thereafter, during the period from the date of such event to and including the Exercise Date, retained any such securities receivable, giving application to all adjustments called for during such period under this Section 2 with respect to the rights of the Registered Holder.

(e) Adjustment for Mergers or Reorganizations, etc. If there shall occur any reorganization, recapitalization, consolidation or merger involving the Company in which the Common Stock is converted into or exchanged for securities, cash or other property (other than a transaction covered by subsections 2(a), 2(b) or 2(d)), then, following any such reorganization, recapitalization, consolidation or merger, the Registered Holder shall receive upon exercise hereof the kind and amount of securities, cash or other property which the Registered Holder would have been entitled to receive if, immediately prior to such reorganization, recapitalization, consolidation or merger, the Registered Holder had held the number of shares of Common Stock subject to this Warrant. In any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company) shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the Registered Holder, to the end that the provisions set forth in this Section 2 (including provisions with respect to changes in and other adjustments of the Purchase Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities, cash or other property thereafter deliverable upon the exercise of this Warrant. For the avoidance of doubt, this Warrant shall terminate upon any such reorganization, recapitalization, consolidation or merger.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Purchase Price pursuant to this Section 2, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Registered Holder a certificate setting forth such

adjustment or readjustment (including the kind and amount of securities, cash or other property for which this Warrant shall be exercisable and the Purchase Price) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of the Registered Holder, furnish or cause to be furnished to the Registered Holder a certificate setting forth (i) the Purchase Price then in effect and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the exercise of this Warrant.

3. Fractional Shares. The Company shall not be required upon the exercise of this Warrant to issue any fractional shares, but shall make an adjustment therefor in cash on the basis of the Fair Market Value per share of Common Stock, as determined pursuant to subsection 1(b) above.

4. Requirements for Transfer.

(a) This Warrant and the Warrant Shares shall not be sold or transferred unless either (i) they first shall have been registered under the Securities Act of 1933, as amended (the “Act”), or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Act and otherwise in accordance with Regulation S promulgated under the Securities Act of 1933, as amended.

(b) Each certificate representing Warrant Shares shall bear a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR UNDER THE LAWS OF ANY OTHER JURISDICTION, BUT HAVE BEEN ISSUED IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER UNITED STATES SECURITIES LAWS CONTAINED IN REGULATION S UNDER THE SECURITIES ACT. THE SECURITIES EVIDENCED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, NOR WILL ANY ASSIGNEE OR ENDORSEE HEREOF BE RECOGNIZED AS AN OWNER HEREOF BY THE ISSUER FOR ANY PURPOSE, UNLESS EITHER THE TRANSFER IS MADE IN ACCORDANCE WITH REGULATION S, UNLESS A REGISTRATION STATEMENT UNDER THE SECURITIES ACT WITH RESPECT TO SUCH SHARES SHALL THEN BE IN EFFECT OR UNLESS THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION WITH RESPECT TO ANY PROPOSED TRANSFER OR DISPOSITION OF SUCH SHARES SHALL BE ESTABLISHED TO THE SATISFACTION OF COUNSEL FOR THE ISSUER. HEDGING TRANSACTIONS INVOLVING THE SHARES MAY NOT BE CONDUCTED UNLESS CONDUCTED IN COMPLIANCE WITH THE SECURITIES ACT.

5. No Impairment. The Company will not, by amendment of its charter or through reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant,

but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

6. Notices of Record Date, etc. In the event:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity and its Common Stock is not converted into or exchanged for any other securities or property), or any transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon the exercise of this Warrant) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up. Such notice shall be mailed at least ten days prior to the record date or effective date for the event specified in such notice.

7. Reservation of Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the exercise of this Warrant, such number of Warrant Shares and other securities, cash and/or property, as from time to time shall be issuable upon the exercise of this Warrant.

8. Exchange of Warrants. Upon the surrender by the Registered Holder, properly endorsed, to the Company at the principal office of the Company, the Company will, subject to the provisions of Section 4 hereof, issue and deliver to or upon the order of such Holder, at the Company's expense, a new Warrant or Warrants of like tenor, in the name of the Registered Holder or as the Registered Holder (upon payment by the Registered Holder of any

applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Common Stock (or other securities, cash and/or property) then issuable upon exercise of this Warrant.

9. Replacement of Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

10. Transfers, etc.

(a) The Company will maintain a register containing the name and address of the Registered Holder of this Warrant. The Registered Holder may change its or his address as shown on the warrant register by written notice to the Company requesting such change.

(b) Subject to the provisions of Section 4 hereof, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant with a properly executed assignment (in the form of Exhibit II hereto) at the principal office of the Company.

(c) Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder as the absolute owner hereof for all purposes; provided, however, that if and when this Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

11. Mailing of Notices, etc. All notices and other communications from the Company to the Registered Holder shall be mailed by first-class certified or registered mail, postage prepaid, to the address last furnished to the Company in writing by the Registered Holder. All notices and other communications from the Registered Holder or in connection herewith to the Company shall be mailed by first-class certified or registered mail, postage prepaid, to the Company at its principal office set forth below. If the Company should at any time change the location of its principal office to a place other than as set forth below, it shall give prompt written notice to the Registered Holder and thereafter all references in this Warrant to the location of its principal office at the particular time shall be as so specified in such notice.

12. No Rights as Stockholder. Until the exercise of this Warrant, the Registered Holder shall not have or exercise any rights by virtue hereof as a stockholder of the Company. Notwithstanding the foregoing, in the event (i) the Company effects a split of the Common Stock by means of a stock dividend and the Purchase Price of and the number of Warrant Shares are adjusted as of the

date of the distribution of the dividend (rather than as of the record date for such dividend), and (ii) the Registered Holder exercises this Warrant between the record date and the distribution date for such stock dividend, the Registered Holder shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

13. Change or Waiver. Any term of this Warrant may be changed or waived only by an instrument in writing signed by the party against which enforcement of the change or waiver is sought.

14. Section Headings. The section headings in this Warrant are for the convenience of the parties and in no way alter, modify, amend, limit or restrict the contractual obligations of the parties.

15. Governing Law. This Warrant will be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts (without reference to the conflicts of law provisions thereof).

EXECUTED as of the Date of Issuance indicated above.

INVIVO THERAPEUTICS HOLDINGS CORP.

By: /s/ Frank Reynolds

Title: Chief Executive Officer

ATTEST:

PURCHASE FORM

To:_____

Dated:_____

The undersigned, pursuant to the provisions set forth in the attached Warrant (No. _____), hereby irrevocably elects to purchase (*check applicable box*):

- _____ shares of the Common Stock covered by such Warrant

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$_____. Such payment takes the form of lawful money of the United States.

Signature: _____

Address: _____

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (No. _____) with respect to the number of shares of Common Stock covered thereby set forth below, unto:

<u>Name of Assignee</u>	<u>Address</u>	<u>No. of Shares</u>

Dated: _____ Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.