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

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
Of the Securities Exchange Act of 1934

SURGE COMPONENTS, INC.
(Name of Subject Company (Issuer) and Filing Person (Offeror))

Common Stock, \$0.001 par value per share
(Title of Class of Securities)

868908104
(CUSIP Number of Class of Securities)

Ira Levy
Surge Components, Inc.
95 East Jefryn Blvd.
Deer Park, New York 11729
(631) 595-1818

(Name, address and telephone number of person authorized to receive notices and communications on behalf of the filing persons)

with a copy to:

Barry I. Grossman, Esq.
David Selengut, Esq.
Joshua N. Englard, Esq.
Ellenoff Grossman & Schole LLP
1345 Avenue of Americas, 11th Floor
New York, New York 10105
(212) 370-1300

This Tender Offer Statement on Schedule TO (“Schedule TO”) is being filed by Surge Components, Inc., a Nevada corporation (“Surge” or the “Company”), pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in connection with the Company’s offer to purchase for cash up to 5,000,000 shares of its common stock, \$0.001 par value per share (the “Shares”), at a price of \$1.43 per Share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated February 3, 2017 (the “Offer to Purchase”), a copy of which is filed herewith as Exhibit (a)(1)(A), and the related Letter of Transmittal, a copy of which is filed herewith as Exhibit (a)(1)(B), which together, as they may be amended or supplemented from time to time, constitute the tender offer. This Schedule TO is being filed in accordance with Rule 13e-4(c)(2) under the Exchange Act.

All information in the Offer to Purchase and the related Letter of Transmittal is hereby expressly incorporated by reference in answer to all items in this Schedule TO, and as more particularly set forth below.

ITEM 1. Summary Term Sheet.

The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” is incorporated herein by reference.

ITEM 2. Subject Company Information.

(a) The name of the issuer is Surge Components, Inc. The address of the Company’s principal executive offices is 95 East Jefryn Boulevard, Deer Park, NY 11729. The Company’s telephone number is (631) 595-1818.

(b) This Schedule TO relates to the Shares of Surge. As of February 2, 2017, there were 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). The information set forth on the cover page of the Offer to Purchase, in the section of the Offer to Purchase titled “Introduction” and in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 8 (“Price Range of Shares; Dividends”) of the Offer to Purchase is incorporated herein by reference.

ITEM 3. Identity and Background of Filing Person.

(a) Surge Components, Inc. is the filing person and issuer. The information set forth in Item 2(a) is incorporated herein by reference. The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 4. Terms of the Transaction.

(a)(1)(i) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(ii) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”), Section 5 (“Purchase of Shares and Payment of Purchase Price”) and Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(iii) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction,” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”), Section 3 (“Procedures for Tendering Shares”) and Section 15 (“Extension of the Tender Offer; Termination; Amendment”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(iv) Not applicable.

(a)(1)(v) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 15 (“Extension of the Tender Offer; Termination; Amendment”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(vi) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 4 (“Withdrawal Rights”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(vii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 4 (“Withdrawal Rights”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(viii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 5 (“Purchase of Shares and Payment of Purchase Price”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(ix) The information set forth in the sections of the Offer to Purchase titled “Summary Term Sheet” and “Introduction” and in Section 1 (“Aggregate Purchase Price for Shares; Priority of Purchase; Proration”) and Section 5 (“Purchase of Shares and Payment of Purchase Price”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(x) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(xi) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(a)(1)(xii) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 3 (“Procedures for Tendering Shares”) and Section 13 (“United States Federal Income Tax Consequences”) of the Offer to Purchase is incorporated herein by reference.

(a)(2)(i–vii) Not applicable.

(b) The information set forth in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) and Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 6. Purposes of the Transaction and Plans or Proposals.

(a) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) of the Offer to Purchase is incorporated herein by reference.

(c)(1–10) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and “Introduction” and in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”), Section 9 (“Source and Amount of Funds”), Section 10 (“Certain Information Concerning Surge”) and Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 7. Source and Amount of Funds or Other Consideration.

(a), (b) and (d) The information set forth in the section of the Offer to Purchase titled “Summary Term Sheet” and in Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

ITEM 8. Interest in Securities of the Subject Company.

(a) and (b) The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

ITEM 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) The information set forth in the section of the Offer to Purchase titled “Introduction” and in Section 16 (“Fees and Expenses; Information Agent; Depository”) of the Offer to Purchase is incorporated herein by reference.

ITEM 10. Financial Statements.

(a) and (b) Not applicable. In accordance with the instructions to Item 10 of Schedule TO, the financial statements are not considered material because: (1) the consideration offered consists solely of cash; (2) the tender offer is not subject to any financing condition; and (3) Surge is a public reporting company under Section 13(a) or 15(d) of the Exchange Act that files reports electronically on EDGAR.

ITEM 11. Additional Information.

(a)(1) The information set forth in Section 11 (“Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

(a)(2) The information set forth in Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender Offer”) and Section 12 (“Certain Legal Matters; Regulatory Approvals”) of the Offer to Purchase is incorporated herein by reference.

(a)(3) Not applicable.

(a)(4) Not applicable.

(a)(5) None.

(c) The information set forth in the Offer to Purchase and the related Letter of Transmittal, copies of which are filed as Exhibits (a)(I)(A) and (a)(I)(B) hereto, respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference. The Company will amend this Schedule TO to include documents that the Company may file with the SEC after the date of the Offer to Purchase pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act and prior to the expiration of the tender offer to the extent required by Rule 13e-4(d)(2) promulgated under the Exchange Act. The information contained in all of the exhibits referred to in Item 12 below is incorporated herein by reference.

ITEM 12. Exhibits.

Exhibit Number	Description
(a)(1)(A)	Offer to Purchase, dated February 3, 2017.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Notice of Guaranteed Delivery.
(a)(1)(D)	Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.
(a)(5)	Press Release issued by the Company on February 3, 2017.
(d)(1)	Settlement Agreement, dated as of December 22, 2016, by and among Surge Components, Inc., Ira Levy, Steven J. Lubman, Alan Plafker, Lawrence Chariton, Gary Jacobs and Martin Novick, and Messrs. Michael D. Tofias and Bradley P. Rexroad (incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 23, 2016).
(d)(2)	Surge Components, Inc. 2010 Incentive Stock Plan (incorporated by reference to Exhibit 10.20 to Amendment No. 2 to Form 10 filed on November 5, 2010).
(d)(3)	Surge Components, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to Form 10-K filed on February 26, 2016).
(d)(4)	Rights Agreement, dated as of October 7, 2016, between the Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 7, 2016).
(d)(5)	Certificate of Designation of Series D Preferred Stock of the Company (incorporated by reference to Exhibit 3.1 to Form 8-K filed on October 7, 2016).

ITEM 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SURGE COMPONENTS, INC.

By: /s/ Ira Levy

Name: Ira Levy

Title: Chief Executive Officer and Chief Financial Officer

Date: February 3, 2017

EXHIBIT INDEX

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Exhibit 99.(a)(1)(A)

**OFFER TO PURCHASE FOR CASH
BY
SURGE COMPONENTS, INC.
OF UP TO 5,000,000 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$1.43 PER SHARE**

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS THE TENDER OFFER IS EXTENDED.

Surge Components, Inc. (“Surge,” “we,” “us” or “our”) is offering to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the “tender offer.” Unless the context otherwise requires, all references to “shares” shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares we seek are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at our expense promptly after the expiration date. See Section 1. We reserve the right, in our sole discretion, to purchase more than 5,000,000 shares in the tender offer, subject to applicable law.

THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

Our shares are quoted and traded on the OTC Pink Market under the symbol “SPRS.” On February 2, 2017, the last trading day prior to the announcement and commencement of the tender offer, the last sale price of our shares reported on the OTC Pink Market was \$1.35 per share. **YOU ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES BEFORE DECIDING WHETHER TO TENDER YOUR SHARES. SEE SECTION 8.**

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER SURGE, OUR BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. YOU SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH YOUR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE YOUR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Questions and requests for assistance may be directed to Morrow Sodali LLC, the Information Agent for the tender offer, at its address and telephone number set forth on the back cover page of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or the Notice of Guaranteed Delivery, or any document incorporated herein by reference, may be directed to the Information Agent.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.

February 3, 2017

IMPORTANT

If you wish to tender all or any part of your shares, you should either (1)(a) complete and sign the Letter of Transmittal, or a facsimile of it, according to the instructions in the Letter of Transmittal and mail or deliver it, together with any required signature guarantee and any other required documents, to Continental Stock Transfer & Trust Company, the Depositary for the tender offer, and mail or deliver the share certificates to the Depositary together with any other documents required by the Letter of Transmittal, or (b) tender the shares according to the procedure for book-entry transfer described in Section 3, or (2) request a broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact that person if you desire to tender your shares. If you desire to tender shares pursuant to the tender offer and the certificates for your shares are not immediately available or you cannot deliver certificates for your shares and all other required documents to the Depositary before the expiration of the tender offer, or your shares cannot be delivered before the expiration of the tender offer under the procedure for book-entry transfer, you must tender your shares according to the guaranteed delivery procedure described in Section 3.

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that Surge will comply with the requirements of Rule 13e-4(f)(8) of the Securities Exchange Act of 1934, as amended.

You should only rely on the information contained in this Offer to Purchase and the Letter of Transmittal. We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the tender offer. We have not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by us, the Information Agent or the Depositary.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. It highlights the most material information in this Offer to Purchase, but you should understand that it does not describe all of the details of the tender offer to the same extent described in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the tender offer. We have included references to the sections of this Offer to Purchase where you will find a more complete discussion.

Who is offering to purchase my shares?

Surge Components, Inc., which we refer to as “Surge,” “we,” “us” or “our,” is offering to purchase shares of its common stock, \$0.001 par value per share, in a tender offer.

What will the purchase price for the shares be and what will be the form of payment?

We are offering to purchase your shares at a price of \$1.43 per share. If your shares are purchased in the tender offer, you will be paid the purchase price in cash, less any applicable withholding taxes and without interest, promptly after the expiration of the tender offer. Under no circumstances will we pay interest on the purchase price, even if there is a delay in making payment. See Sections 1 and 5.

How many shares will Surge purchase?

We are offering to purchase 5,000,000 shares validly tendered in the tender offer, or such fewer number of shares as are properly tendered and not properly withdrawn prior to the expiration date. 5,000,000 shares represents approximately 49% of our outstanding common stock as of February 2, 2017. As of February 2, 2017, we had 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). See Section 11. The tender offer is not conditioned on any minimum number of shares being tendered. See Section 7.

Why is Surge making the tender offer?

On December 22, 2016, Surge entered into a settlement agreement (the “Settlement Agreement”) with two of its stockholders, Bradley P. Rexroad and Michael D. Tofias (the “Stockholders”). Pursuant to the Settlement Agreement, Surge agreed, among other things, to: (i) commence this tender offer and complete it by March 15, 2017, (ii) hold its annual meeting of stockholders for fiscal year 2015 on January 5, 2017 and its annual meeting of stockholders for fiscal year 2016 by December 29, 2017, (iii) declassify its board of directors on a rolling basis by June 30, 2017, (iv) change its state of incorporation from the State of Nevada to the State of Delaware by June 30, 2017, and (v) not grant any non-cash compensation to Surge’s current officers and directors until December 23, 2017. The Stockholders agreed to tender all of the shares of common stock of Surge beneficially owned by each of them in this tender offer, subject to limited exceptions provided in the Settlement Agreement. As of February 2, 2017, Mr. Rexroad beneficially owns 680,569 shares of common stock and Mr. Tofias beneficially owns 1,568,123 shares of common stock. Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. The Settlement Agreement also resolved in full certain litigation filed by the Stockholders in Nevada.

This tender offer will also provide Surge’s other stockholders with an opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. Based on an evaluation of Surge’s operations, financial condition, capital needs, regulatory requirements, strategy and expectations for the future, our management and board of directors believe that it is appropriate at this time to offer to repurchase shares pursuant to the tender offer. See Section 2.

We also believe that the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without the potential disruption to the share price that can result from market sales. The liquidity of the trading market in our shares is currently limited as a result of our relatively small market capitalization, our relatively concentrated ownership by major shareholders and the long-term nature of our business, and trading in our shares will likely continue to be relatively illiquid for the foreseeable future. See Section 2.

The tender offer also provides our shareholders with an efficient way to sell their shares without incurring brokerage commissions, solicitation fees or stock transfer taxes associated with open market sales. Furthermore, "odd lot holders," as defined in Section 1, who hold shares registered in their names and tender their shares directly to the Depositary and whose shares are purchased in the tender offer will avoid any odd lot discounts that might otherwise be applicable to sales of their shares. See Sections 1 and 2.

In addition, if Surge completes the tender offer, shareholders who choose not to tender will own, and shareholders who retain an equity interest in Surge as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. However, following consummation of the tender offer, shareholders retaining an equity interest in Surge may also face reduced trading liquidity. See Section 2.

How will Surge pay for the shares?

Assuming we purchase 5,000,000 shares in the tender offer, approximately \$7,150,000 will be required to purchase such shares. We expect to fund the share purchases in the tender offer, and to pay related fees and expenses, from our current assets, including cash and cash equivalents. We are also negotiating with a bank for a line of credit of up to \$3.0 million for working capital. See Sections 7 and 9.

How long do I have to tender my shares?

You may tender your shares until the tender offer expires. The tender offer will expire on March 3, 2017 at 11:59 p.m., New York City time, unless we extend it. If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. See Section 1.

We may choose to extend the tender offer for any reason, subject to applicable laws. We cannot assure you, however, that we will extend the tender offer or, if we extend it, for how long. If we extend the tender offer, we will delay the acceptance of any shares that have been tendered. See Section 15.

How will I be notified if Surge extends the tender offer?

We will issue a press release by no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date if we decide to extend the tender offer. See Section 15.

What will happen if I do not tender my shares?

Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in us and thus in our future earnings and assets, subject to our right to issue additional shares of common stock and other equity securities in the future. See Section 2.

Are there any conditions to the tender offer?

Yes. Our obligation to accept and pay for your tendered shares depends upon a number of conditions, which must be satisfied or waived by us on or prior to the expiration date, including:

- No legal action shall have been proposed, instituted or pending by a governmental authority of competent jurisdiction that challenges or otherwise relates to the tender offer.
- No governmental authority of competent jurisdiction has enacted, issued or entered any restraining order, injunction or similar order or legal restraint that enjoins or otherwise prohibits the consummation of the tender offer.
- We shall have obtained all governmental or regulatory consents and approvals necessary in order to consummate the tender offer.

See Section 7 for additional information.

How do I tender my shares?

To tender your shares, prior to 11:59 p.m., New York City time, on March 3, 2017 (unless the tender offer is extended):

- you must deliver your share certificate(s) and a properly completed and duly executed Letter of Transmittal to the Depository at one of its addresses appearing on the back cover page of this Offer to Purchase;
- the Depository must receive a confirmation of receipt of your shares by book-entry transfer and a properly completed and duly executed Letter of Transmittal or "agent's message"; or
- you must comply with the guaranteed delivery procedure.

If your shares are held through a broker, dealer, commercial bank or other nominee, you must request such broker, dealer, commercial bank or other nominee to effect the transaction for you. You may also contact the Information Agent for assistance. See Section 3 and the instructions to the Letter of Transmittal.

How do holders of vested stock options for shares participate in the tender offer?

Options to purchase shares cannot be tendered in the tender offer. If you hold vested but unexercised options, you may exercise such options in accordance with the terms of our share-based compensation plans and Surge's policies and practices, and tender the shares received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. You should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to you based on your stock option exercise prices and the expiration date of your options and the provisions for pro rata purchases by Surge. We strongly encourage optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder's responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly, we suggest that you exercise your vested options and satisfy the exercise price for such shares in accordance with the terms of the related stock option plan and option agreement and Surge policies and practices at least four business days prior to the expiration date. See Section 3.

May I tender only a portion of the shares that I hold?

Yes. You do not have to tender all or any minimum amount of the shares that you own to participate in the tender offer.

Once I have tendered shares in the tender offer, can I withdraw my tender?

You may withdraw any shares you have tendered at any time before 11:59 p.m., New York City time, on March 3, 2017, unless we extend the tender offer, in which case you may withdraw tendered shares until the tender offer, as so extended, expires. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after March 31, 2017. See Section 4.

How do I withdraw shares I previously tendered?

You must deliver, on a timely basis, a written or facsimile notice of your withdrawal to the Depository at one of its addresses appearing on the back cover page of this Offer to Purchase. Your notice of withdrawal must specify your name, the number of shares to be withdrawn and the name of the registered holder of these shares. Some additional requirements apply if the share certificates to be withdrawn have been delivered to the Depository or if your shares have been tendered under the procedure for book-entry transfer set forth in Section 3. If you have tendered shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for withdrawal of your shares. See Section 4.

Has Surge or its Board of Directors adopted a position on the tender offer?

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors makes any recommendation to you as to whether you should tender or refrain from tendering your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender. See Section 2. In doing so, you should read carefully the information in this Offer to Purchase and in the Letter of Transmittal.

Will Surge's directors and executive officers tender shares in the tender offer?

Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. We are not aware of any of our other affiliates that intend to tender any shares in the tender offer. See Section 11.

Following the tender offer, will Surge continue as a public company?

While we are currently eligible for deregistration under the Exchange Act since we have less than 300 stockholders of record, we have no present intention of discontinuing being a public company. Our purchase of shares in the tender offer will not cause us to be eligible for deregistration under the Exchange Act.

What happens if more than 5,000,000 shares are tendered in the tender offer?

If more than 5,000,000 shares are tendered in the tender offer, we will purchase shares in the following order:

- first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares and do not properly withdraw them before the expiration date;
- second, after purchasing the shares from the "odd lot" holders, from all other shareholders who properly tender shares and who do not properly withdraw them before the expiration date, on a pro rata basis, subject to the conditional tender provisions described in Section 6, with appropriate adjustments to avoid purchases of fractional shares until we have purchased 5,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law); and
- third, only if necessary to permit us to purchase 5,000,000 shares (or such greater number of shares as we may elect to purchase, subject to applicable law), from holders who have tendered shares subject to the condition that a specified minimum number of the holder's shares be purchased if any shares are purchased in the tender offer as described in Section 6 (for which the condition was not initially satisfied) and not properly withdrawn before the expiration date by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares. Therefore, all of the shares that you tender on a conditional basis in the tender offer may not be purchased. See Section 1.

When will Surge pay for the shares I tender?

We intend to announce the final results of the tender offer and to pay the purchase price, net to you in cash, less any applicable withholding taxes and without interest, for the shares we accept for payment within four business days after the expiration of the tender offer. See Sections 1 and 5.

What is the recent market price of my Surge shares?

On February 2, 2017, the last trading day prior to the announcement and commencement of the tender offer, the last sale price for our shares reported on the OTC Pink Market was \$1.35 per share. You are urged to obtain current market quotations for the shares before deciding whether to tender your shares. See Section 8.

Does Surge intend to repurchase any shares other than pursuant to the tender offer during or after the tender offer?

Rule 13e-4(f) under the Exchange Act prohibits us from purchasing any shares, other than in the tender offer, until at least ten business days have elapsed after the expiration date. Accordingly, any additional purchases outside the tender offer may not be consummated until at least ten business days have elapsed after the expiration date.

In November 2015, Surge's board of directors authorized a program to repurchase up to \$500,000 of Surge's common stock under its Stock Repurchase Program (as defined in Section 2). The Stock Repurchase Program does not obligate Surge to acquire any specific number of shares. Under the Stock Repurchase Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. Pursuant to such authority and pursuant to Rule 10b-18 under the Exchange Act, a total of approximately \$48,000 had been expended in the Stock Repurchase Program from its inception. In January 2017, Surge terminated the Stock Repurchase Program.

After completing the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, there can be no assurance that we will pursue any such actions. See Section 2.

Will I have to pay brokerage commissions if I tender my shares?

If you are a registered shareholder and you tender your shares directly to the Depositary, you will not incur any brokerage commissions. If you hold shares through a broker or bank, we urge you to consult your broker or bank to determine whether transaction costs are applicable. See Sections 1 and 3.

What are the U.S. federal income tax consequences if I tender my shares?

If you are a U.S. Holder (as defined in Section 13), the receipt of cash for your tendered shares generally will be treated for United States federal income tax purposes either as (a) a sale or exchange eligible for capital gain or loss treatment or (b) a distribution. See Section 13. If you are a Non-U.S. Holder (as defined in Section 13), the payment of cash for your tendered shares may be subject to United States federal income tax withholding at a 30% rate unless one of certain exemptions applies. See Sections 3 and 13.

Will I have to pay any stock transfer tax if I tender my shares?

We will pay all stock transfer taxes unless payment is made to, or if shares not tendered or accepted for payment are to be registered in the name of, someone other than the registered holder, or tendered certificates are registered in the name of someone other than the person signing the letter of transmittal. See Section 5.

To whom can I talk if I have questions?

The Information Agent can help answer your questions. The Information Agent is Morrow Sodali LLC. Its contact information is set forth on the back cover page of this Offer to Purchase.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or incorporate by reference forward-looking statements. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, and may include the words “believes,” “plans,” “intends,” “expects,” “anticipates,” “forecasts,” “hopes,” “should,” “estimates” or words of similar meaning. Specifically, this document and the documents incorporated by reference in this document, including Surge’s Annual Report on Form 10-K for the fiscal year ended November 30, 2015 and Surge’s Quarterly Reports on Form 10-Q for the quarterly periods ended February 29, May 31, 2016 and August 31, 2016 and contain forward-looking statements regarding:

- our expectations concerning our future results of operations and financial position, business strategy and plans and objectives of management for future operations;
- our expectation regarding our liquidity or ability to satisfy our working capital needs;
- our future financial performance following the tender offer; and
- the likelihood of achieving the benefits of the tender offer.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, those risk factors and disclosures set forth in our Form 10-K for the year ended November 30, 2015, subsequent Form 10-Qs and other current reports.

For further information on factors that could cause actual results to materially differ from expectations, please see our publicly available SEC filings, including our Form 10-K for the fiscal year ended November 30, 2015 and, in particular, the discussion of “Risk Factors” set forth therein. Surge does not update any of its forward-looking statements except as required by law.

INTRODUCTION

To the Holders of our Shares:

Surge Components, Inc., a Nevada corporation (“Surge,” “we,” “us” or “our”), is offering to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the “tender offer.” Unless the context otherwise requires, all references to “shares” shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

Only shares properly tendered and not properly withdrawn pursuant to the tender offer will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the “odd lot” priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered may not be purchased if more than the number of shares Surge seeks are properly tendered. Shares tendered but not purchased pursuant to the tender offer will be returned at Surge’s expense promptly after the expiration date. See Section 1. Surge reserves the right, in its sole discretion, to purchase more than 5,000,000 shares in the tender offer, subject to applicable law.

The tender offer will expire at 11:59 p.m., New York City time, on March 3, 2017, unless the tender offer is extended.

THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7.

OUR BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER SURGE, OUR BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. SURGE HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. We are not aware of any of our other affiliates that intend to tender any shares in the tender offer. The Stockholders (as defined below) will tender all of the shares of common stock of Surge that they hold beneficially or of record in the tender offer, subject to limited exceptions.

The equity ownership of our directors, executive officers and affiliates who do not tender their shares in the tender offer, and the equity ownership of other shareholders who do not tender their shares pursuant to the tender offer, will proportionately increase as a percentage of our issued and outstanding shares to the extent we purchase shares in the tender offer.

The purchase price will be paid net to the tendering shareholder in cash, less any applicable withholding taxes and without interest, for all the shares purchased. Tendering shareholders who hold shares registered in their own name and who tender their shares directly to the Depositary will not be obligated to pay brokerage commissions, solicitation fees or, subject to Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of shares in the tender offer. Shareholders holding shares in a brokerage account or otherwise through brokers, dealers, commercial banks, trust companies or other nominees are urged to consult their brokers or such other nominees to determine whether transaction costs may apply if shareholders tender shares through such brokers or other nominees and not directly to the Depositary. See Sections 3 and 13 regarding certain tax consequences of the tender offer.

Also, any tendering shareholder or other payee who fails to complete, sign and return to the Depositary the Internal Revenue Service (“IRS”) Form W-9 included with the Letter of Transmittal (or such other IRS form as may be applicable) may be subject to United States federal income tax backup withholding (at a rate of 28% of the gross proceeds), unless such holder establishes that such holder is within the class of persons that is exempt from backup withholding, such as corporations and Non-U.S. Holders (as defined in Section 13). Certain U.S. Holders (including,

among others, corporations) are not subject to these backup withholding requirements. In addition, in order for a Non-U.S. Holder (as defined in Section 13) to avoid backup withholding, the Non-U.S. Holder must submit a statement (generally, an applicable IRS Form W-8), signed under penalties of perjury and attesting to that holder's exempt status, or other acceptable certification. Such statements can be obtained from the Depository or from the IRS's website. See Section 3. Also see Section 13 regarding United States federal income tax consequences of the tender offer.

As of February 2, 2017, we had 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). The 5,000,000 shares that Surge is offering to purchase represent approximately 49% of the shares outstanding on February 2, 2017. On February 2, 2017, the last trading day before the announcement and commencement of the tender offer, the last reported sale price of the shares on the OTC Pink Market was \$1.35 per share. **Shareholders are urged to obtain current market quotations for their shares before deciding whether to tender shares pursuant to the tender offer.** See Section 8.

This Offer to Purchase and the Letter of Transmittal contain important information that you should read carefully before you make any decision regarding the tender offer.

THE TENDER OFFER

1. Aggregate Purchase Price for Shares; Priority of Purchase; Proration.

General. Upon the terms and subject to the conditions of the tender offer, Surge will purchase 5,000,000 shares, or such fewer number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, before the scheduled expiration date of the tender offer, at a price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest.

The term “expiration date” means 11:59 p.m., New York City time, on March 3, 2017, unless and until Surge, in its sole discretion, shall have extended the period of time during which the tender offer will remain open, in which event the term “expiration date” shall refer to the latest time and date at which the tender offer, as so extended by Surge, shall expire. See Section 15 for a description of Surge’s right to extend, delay, terminate or amend the tender offer. In accordance with the rules of the SEC, Surge may, and Surge expressly reserves the right to, purchase pursuant to the tender offer an additional number of shares not to exceed 2% of the outstanding shares without amending or extending the tender offer. See Section 15. In the event of an over-subscription of the tender offer as described below, shares tendered will be subject to proration, except for odd lots. Except as described herein, withdrawal rights expire on the expiration date.

If (1)(a) Surge increases or decreases the price to be paid for shares, (b) Surge increases the number of shares being sought in the tender offer and the increase exceeds 2% of the outstanding shares, or (c) Surge decreases the number of shares being sought, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of any increase or decrease is first published, sent or given in the manner specified in Section 15, the tender offer will be extended until the expiration of ten business days from the date that notice of any increase or decrease is first published. For the purposes of the tender offer, a “business day” means any day other than a Saturday, Sunday or U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, New York City time.

This tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered. The tender offer is, however, subject to other conditions. See Section 7.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer. However, because of the odd lot priority, proration and conditional tender provisions of the tender offer, all of the shares tendered will not be purchased if more than the number of shares Surge seeks are properly tendered. All shares tendered and not purchased pursuant to the tender offer, including shares not purchased because of proration or conditional tenders, will be returned at Surge’s expense promptly after the expiration date. Shareholders also can specify the order in which the specified portions will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the tendered shares are purchased pursuant to the tender offer. In the event a shareholder does not designate the order and fewer than all shares are purchased due to proration, the order of shares purchased will be selected by the Depository.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, Surge will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Priority of Purchases. Upon the terms and subject to the conditions of the tender offer, if greater than 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, Surge will purchase properly tendered shares on the basis set forth below:

- (1) First, Surge will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any odd lot holder (as defined below) who:
 - (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference); and
 - (b) completes the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

- (2) Second, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6, Surge will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until Surge has purchased 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law).
- (3) Third, only if necessary to permit Surge to purchase 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law), Surge will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that fewer than all shares tendered by a shareholder will be purchased or that, if a tender is conditioned upon the purchase of a specified number of shares, none of those shares will be purchased.

Odd Lots. For purposes of the tender offer, the term "odd lots" shall mean all shares properly tendered prior to the expiration date and not properly withdrawn by any person referred to as an "odd lot holder" who owns beneficially or of record an aggregate of fewer than 100 shares and so certifies in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for this preference, an odd lot holder must tender all shares owned beneficially or of record by the odd lot holder in accordance with the procedures described in Section 3. As set forth above, odd lots will be accepted for payment before proration, if any, of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of an aggregate of 100 or more shares, even if these holders have share certificates representing fewer than 100 shares. By accepting the tender offer, an odd lot holder who holds shares in its name and tenders its shares directly to the Depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the odd lot holder's shares. Any odd lot holder wishing to tender all of its shares pursuant to the tender offer should complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. If proration of tendered shares is required, Surge will determine the proration factor as soon as practicable following the expiration date. Subject to adjustment to avoid the purchase of fractional shares, proration for each shareholder tendering shares, other than odd lot holders, shall be based on the ratio of the number of shares properly tendered and not properly withdrawn by the shareholder to the total number of shares properly tendered and not properly withdrawn by all shareholders, other than odd lot holders, subject to conditional tenders.

Because of the difficulty in determining the number of shares properly tendered, including shares tendered by the guaranteed delivery procedure, as described in Section 3, and not properly withdrawn, and because of the odd lot procedure described above and the conditional tender procedure described in Section 6, Surge does not expect that it will be able to announce the final proration factor or commence payment for any shares purchased pursuant to the tender offer until approximately four business days after the expiration date. The preliminary results of any proration will be announced by press release promptly after the expiration date. Shareholders may obtain preliminary proration information from the Information Agent and may be able to obtain this information from their brokers.

As described in Section 13, the number of shares that Surge will purchase from a shareholder pursuant to the tender offer may affect the U.S. federal income tax consequences to that shareholder and, therefore, may be relevant to that shareholder's decision whether or not to tender shares and whether or not to condition any tender upon the purchase of a minimum number of shares held by such shareholder. The Letter of Transmittal affords each shareholder who tenders shares registered in such shareholder's name directly to the Depository the opportunity to designate the order of priority in which shares tendered are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of shares being purchased. See Section 6.

This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee shareholders and similar persons whose names, or the names of whose nominees, appear on Surge's shareholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Tender Offer; Certain Effects of the Tender Offer.

Purpose of the Tender Offer. On December 22, 2016, Surge entered into a settlement agreement (the "Settlement Agreement") with two of its stockholders, Bradley P. Rexroad and Michael D. Tofias (the "Stockholders"). Pursuant to the Settlement Agreement, Surge agreed, among other things, to: (i) commence this tender offer and complete it by March 15, 2017, (ii) hold its annual meeting of stockholders for fiscal year 2015 on January 5, 2017 and its annual meeting of stockholders for fiscal year 2016 by December 29, 2017, (iii) declassify its board of directors on a rolling basis by June 30, 2017, (iv) change its state of incorporation from the State of Nevada to the State of Delaware by June 30, 2017, and (v) not grant any non-cash compensation to Surge's current officers and directors until December 23, 2017. The Stockholders agreed to tender all of the shares of common stock of Surge beneficially owned by each of them in this tender offer, subject to limited exceptions provided in the Settlement Agreement. As of February 2, 2017, Mr. Rexroad beneficially owns 680,569 shares of common stock and Mr. Tofias beneficially owns 1,568,123 shares of common stock. Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. The Settlement Agreement also resolved in full certain litigation filed by the Stockholders in Nevada. See Section 12.

This tender offer will also provide Surge's other stockholders with an opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. Based on an evaluation of Surge's operations, financial condition, capital needs, regulatory requirements, strategy and expectations for the future, our management and board of directors believe that it is appropriate at this time to offer to repurchase shares pursuant to the tender offer.

We also believe that the tender offer provides shareholders with an opportunity to obtain liquidity with respect to all or a portion of their shares without the potential disruption to the share price that can result from market sales. The liquidity of the trading market in our shares is currently limited as a result of our relatively small market capitalization, our relatively concentrated ownership by major shareholders and the long-term nature of our business, and trading in our shares will likely continue to be relatively illiquid for the foreseeable future.

The tender offer also provides certain shareholders with an efficient way to sell their shares without incurring brokers' fees or commissions. Where shares are tendered by the registered owner of those shares directly to the Depository, the sale of those shares in the tender offer will permit the seller to avoid the usual transaction costs associated with open market transactions. Shareholders holding shares in a brokerage account or otherwise through brokers may be subject to transaction costs. Furthermore, odd lot holders who hold shares registered in their names and tender their shares directly to the Depository and whose shares are purchased in the tender offer will avoid not only the payment of brokerage commissions but also any odd lot discounts that might be applicable to sales of their shares.

In addition, if Surge completes the tender offer, shareholders who choose not to tender will own, and shareholders who retain an equity interest in Surge as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. However, following consummation of the tender offer, shareholders retaining an equity interest in Surge may also face reduced trading liquidity.

Potential Benefits of the Tender Offer. We believe the tender offer will provide benefits to us and our shareholders, including the following:

- we believe the tender offer will provide our shareholders with an opportunity to obtain liquidity with respect to all or portion of their shares, without potential disruption to the share price and the usual transaction costs associated with market sales; and
- upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in Surge.

Potential Risks and Disadvantages of the Tender Offer. The tender offer also presents some potential risks and disadvantages to us and our continuing shareholders, including the following:

- as a result of the tender offer, our ability to engage in significant cash acquisitions will be reduced. There can be no assurance that we will be able to raise debt or equity financing in the future;

- the tender offer will reduce our “public float” (the number of shares owned by non-affiliate shareholders and available for trading in the securities markets). There can be no assurance that this reduction in our public float will not result in lower stock prices or reduced liquidity in the trading market for our shares following completion of the tender offer; and
- if certain large shareholders (other than the Stockholders) do not participate in the tender offer, it will further concentrate their ownership of Surge. Additionally, pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to tender their shares in the tender offer. Consequently, the equity ownership of such directors and executive officers would proportionately increase as a percentage of our issued and outstanding shares to the extent we purchase shares in the tender offer. Concentrated ownership may limit the ability of our shareholders to influence corporate matters and may also have the effect of delaying, preventing or defeating a change of control.

OUR BOARD OF DIRECTORS HAS AUTHORIZED US TO MAKE THE TENDER OFFER. HOWEVER, NONE OF SURGE, THE MEMBERS OF OUR BOARD OF DIRECTORS, THE INFORMATION AGENT OR THE DEPOSITARY MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES. YOU MUST MAKE YOUR OWN DECISION AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER. PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE TENDER OFFER, YOU SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE TENDER OFFER. SEE SECTION 2. YOU SHOULD DISCUSS WHETHER TO TENDER YOUR SHARES WITH YOUR BROKER, IF ANY, OR OTHER FINANCIAL OR TAX ADVISOR.

Certain Effects of the Tender Offer. The purchase of shares in the tender offer will reduce the number of shares that might otherwise trade publicly and is likely to reduce the number of Surge shareholders. As of February 2, 2017, we had 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). Assuming Surge acquires 5,000,000 shares in the tender offer, approximately 5,224,431 shares will be outstanding immediately after the tender offer. This may reduce the volume of trading in the shares and make it more difficult to buy or sell significant amounts of the shares without materially affecting the market price.

Shareholders who choose not to tender will own, and shareholders who retain an equity interest in Surge as a result of a partial or conditional tender of shares may own, a greater percentage ownership of our outstanding shares to the extent we purchase shares in the tender offer. These shareholders will also bear the attendant risks and rewards associated with owning the equity securities of Surge, including risks resulting from our purchase of shares. We can give no assurance, however, that we will not issue additional shares (or reissue shares held in treasury) or other equity interests in the future.

In addition, following consummation of the tender offer, shareholders retaining an equity interest in Surge may also face reduced trading liquidity. Shareholders may be able to sell non-tendered shares in the future, on the OTC Pink Market or otherwise, at a net price which may be significantly higher or lower than \$1.43 per share. We can give no assurance, however, as to the price at which a shareholder may be able to sell the shares in the future.

The accounting for our purchase of shares in the tender offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the shares we purchase, plus related fees and expenses, and a corresponding reduction in cash and cash equivalents and investments.

Shares we acquire pursuant to the tender offer will be held in treasury or become authorized and unissued shares and will be available for us to issue without further shareholder action (except as required by applicable law) for purposes including, without limitation, acquisitions, raising additional capital and the satisfaction of obligations under existing or future employee benefit or compensation programs or stock plans or compensation programs for directors.

The shares are currently “margin securities” under the rules of the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”). This classification has the effect, among other things, of allowing brokers to extend credit to their customers using the shares as collateral. We believe that, following the purchase of shares under the tender offer, the shares remaining outstanding will continue to be margin securities for purposes of the Federal Reserve Board's margin rules and regulations.

The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our shareholders.

While we are currently eligible for deregistration under the Exchange Act since we have less than 300 stockholders of record, we have no present intention of discontinuing being a public company. Our purchase of shares in the tender offer will not cause us to be eligible for deregistration under the Exchange Act.

Rule 13e-4 of the Exchange Act prohibits us and our affiliates from purchasing any shares, or other securities convertible into or exercisable for shares, other than pursuant to the tender offer, until at least 10 business days following the expiration date, except pursuant to certain limited exemptions provided in Rule 13e-4.

Sections 78.378 to 78.3793, inclusive, of the Nevada Revised Statutes (the "Control Share Acquisition Statute") contain provisions which limit the voting rights of "control shares" acquired in an "acquisition" of a "controlling interest" in an "issuing corporation" unless the articles of incorporation or bylaws of the corporation in effect on the 10th day following the acquisition of a controlling interest by an acquiring person provide that the provisions of those sections do not apply to the corporation or to an acquisition of a controlling interest specifically by types of existing or future stockholders, whether or not identified. Surge's articles of incorporation and bylaws do not contain any provision to "opt-out" of the Control Share Acquisition Statute.

Under the Control Share Acquisition Statute, any person directly or indirectly acquiring a "controlling interest" in an "issuing corporation" obtains only those voting rights with respect to shares purchased within the ninety (90) day period leading up to the attainment of "control" status as are approved by the disinterested stockholders of the corporation. An "issuing corporation" is a corporation organized in Nevada which has 200 or more stockholders of record, at least 100 of whom have addresses in Nevada appearing on the stock ledger of the corporation, and which does business in Nevada directly or through an affiliated corporation. A "controlling interest" is deemed to be the direct or indirect power to exercise at least 20% of the voting power of the stockholders in the election of directors. An "acquisition" means, with certain exceptions, the direct or indirect acquisition of a controlling interest.

The Control Share Acquisition Statute specifies three thresholds: (i) one-fifth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more, of all the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, the shares acquired in such offer or acquisition and those shares acquired within the preceding ninety (90) days become "control shares" and such control shares are deprived of the right to vote until a majority of the disinterested stockholders restore the right. The Control Share Acquisition Statute also provides that in the event control shares are granted full voting rights and the acquiring person has acquired control shares with a majority or more of all the voting power, any stockholder who did not vote in favor of granting voting rights to the control shares may exercise dissenter's rights and obtain payment for the fair value of his or her shares.

We believe that a stockholder whose percentage ownership of Surge were to rise above 20% solely because of the reduction in Surge's outstanding stock resulting from the purchase of shares by Surge in the tender offer would not be considered an "acquisition" of a "controlling interest" and, therefore, would not trigger the application of the Control Share Acquisition Statute; although, if Surge is indeed considered to be an "issuing corporation", any subsequent acquisition of shares by such stockholder would. Stockholders are urged to consult their own legal advisers with respect to the applicability and effects of the Control Share Acquisition Statute in light of each stockholder's specific circumstances.

Other Plans. On December 22, 2016, Surge and the Stockholders entered into the Settlement Agreement, pursuant to which Surge agreed to conduct this tender offer and the Stockholders have agreed to tender all of the shares of our common stock beneficially owned by each of them in this tender offer as long as the tender offer is completed no later than March 15, 2017 (subject to limited exceptions and the satisfaction of customary closing conditions and reasonable best efforts standards, as set forth in the Settlement Agreement). Additionally, pursuant to the Settlement Agreement, (i) the parties have agreed to engage in good faith discussions to identify one new, mutually acceptable independent director to join Surge's board of directors as a Class C director and any board committees, (ii) Surge has agreed to hold its annual meeting of stockholders for fiscal year 2015 on January 5, 2017 and its annual meeting of stockholders for fiscal year 2016 by December 29, 2017, (iii) Surge has agreed to promptly take all action necessary (including calling and holding a special meeting of stockholders) to reincorporate Surge from the State of Nevada to the State of Delaware, with such reincorporation to be effective no later than June 30,

2017, (iv) Surge has agreed to take all action necessary to declassify its board of directors on a rolling basis no later than June 30, 2017, (v) Surge has agreed not to grant any non-cash compensation to Surge's current officers and directors until December 23, 2017 and (vi) the Stockholders have agreed to (a) vote all of their shares of common stock in accordance with most of the recommendations of Surge's board of directors at the annual meeting of stockholders for fiscal year 2016, (b) irrevocably withdraw their director nominations and stockholder proposals at such annual meeting and (c) to withdraw with prejudice their lawsuit against Surge and its current directors that was pending in the State of Nevada. Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer.

Except as otherwise disclosed or incorporated by reference in this Offer to Purchase, neither Surge nor any of its executive officers, directors or affiliates (including executive officers and directors of Surge's affiliates) has any plans, proposals or negotiations underway that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- any purchase, sale or transfer of a material amount of our assets or any assets of our subsidiaries;
- any change in our present Board of Directors or management, including any plans or proposals to change the number or the term of directors (although we may fill vacancies arising on the Board of Directors) or to change any material term of the employment arrangements of any executive officer, except as provided in the Settlement Agreement;
- any material change in our present dividend policy or our capitalization or our indebtedness;
- any class of our equity securities ceasing to be authorized to be quoted and traded on the OTC Pink Market;
- any material change in our corporate structure or business;
- any class of our equity securities becoming eligible for termination of registration under Section 12 (g) of the Exchange Act;
- the suspension of our obligation to file reports under Section 13 of the Exchange Act;
- the acquisition or disposition by any person of our securities, other than the grant of restricted stock, restricted stock units or stock options to employees in the ordinary course of business; or
- any changes in our articles of incorporation, bylaws or other governing instruments or other actions that could impede the acquisition of control of Surge, except as a result of Surge's reincorporation from the State of Nevada to the State of Delaware, as provided in the Settlement Agreement.

In November 2015, the Company's Board of Directors authorized a program to repurchase up to \$500,000 of the Company's common stock (the "Stock Repurchase Program"). The Stock Repurchase Program does not obligate Surge to acquire any specific number of shares. Under the Stock Repurchase Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. Pursuant to such authority and pursuant to Rule 10b-18 under the Exchange Act, a total of approximately \$48,000 had been expended in the Stock Repurchase Program from its inception. In January 2017, Surge terminated the Stock Repurchase Program.

After completing the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, there can be no assurance that we will pursue any such actions.

Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. We are not aware of any of our other affiliates that intend to tender any shares in the tender offer.

3. Procedures for Tendering Shares.

Proper Tender of Shares. For shares to be tendered properly pursuant to the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer set forth below), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an “agent’s message” (as defined below) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received prior to the expiration date by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth below.

Brokers, dealers, commercial banks, trust companies or other nominee holders of shares likely will have an earlier deadline for shareholders to act to instruct them to accept the tender offer on their behalf. Shareholders who hold shares through nominee holders are urged to immediately contact the nominee holder of their shares to determine the applicable deadline.

Odd lot holders who tender all shares must complete the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to odd lot holders as set forth in Section 1.

Shareholders may tender shares subject to the condition that all or a specified minimum number of their shares be purchased. Any shareholder desiring to make such a conditional tender should so indicate in the box entitled “Conditional Tender” on the Letter of Transmittal, and, if appropriate, the Notice of Guaranteed Delivery. It is the tendering shareholder’s responsibility to determine the minimum number of shares to be purchased.

SHAREHOLDERS SHOULD CONSULT THEIR OWN FINANCIAL OR TAX ADVISOR WITH RESPECT TO THE EFFECT OF PRORATION OF THE TENDER OFFER AND THE ADVISABILITY OF MAKING A CONDITIONAL TENDER. See Sections 6 and 13.

Shareholders who hold shares through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their shares. Shareholders who hold their shares through nominee holders are urged to consult the nominee holders of their shares to determine whether transaction costs are applicable if they tender shares through the brokers or banks and not directly to the Depository.

Signature Guarantees and Method of Delivery. Except as otherwise provided below, all signatures must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act (each, an “Eligible Institution”). Signatures need not be guaranteed (a) if the Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this Section 3, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the shares) of shares tendered herewith and such registered owner has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such shares are tendered for the account of an Eligible Institution. See Instruction 1 to the Letter of Transmittal.

In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made only after timely receipt by the Depository of share certificates or a timely confirmation of the book-entry transfer of the shares into the Depository’s account at the book-entry transfer facility as described above, a properly completed and duly executed Letter of Transmittal or a manually signed facsimile thereof including any required signature guarantees, or an agent’s message in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Book-Entry Delivery. The Depository will establish an account with respect to the shares for purposes of the tender offer at the book-entry transfer facility within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the shares by causing the book-entry transfer facility to transfer shares into the Depository's account in accordance with the book-entry transfer facility's procedure for transfer. Although delivery of shares may be effected through a book-entry transfer into the Depository's account at the book-entry transfer facility, either (1) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to and received by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase before the expiration date, or (2) the guaranteed delivery procedure described below must be followed. **Delivery of the Letter of Transmittal and any other required documents to the book-entry transfer facility does not constitute delivery to the Depository.**

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository, which states that the book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Surge may enforce such agreement against such participant.

United States Federal Backup Withholding. Under the United States federal income tax backup withholding rules, 28% of the gross proceeds payable to a tendering U.S. Holder (as defined in Section 13) pursuant to the tender offer must be withheld and remitted to the United States Treasury, unless the U.S. Holder provides his or her correct taxpayer identification number (employer identification number or Social Security number) to the Depository, certifies as to no loss of exemption from backup withholding and complies with applicable requirements of the backup withholding rules, or such U.S. Holder is otherwise exempt from backup withholding. Therefore, unless an exemption exists and is proven in a manner satisfactory to the Depository, each tendering U.S. Holder should complete and sign the IRS Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding. Certain U.S. Holders (including, among others, corporations) are not subject to these backup withholding requirements. For a discussion of certain United States federal income tax consequences to tendering U.S. Holders, see Section 13.

In addition, in order for a Non-U.S. Holder (as defined in Section 13) to avoid backup withholding, the Non-U.S. Holder must submit an applicable IRS Form W-8, signed under penalties of perjury and attesting to such holder's exempt status, or other acceptable certification. Non-U.S. Holders can obtain the applicable IRS Form W-8 from the Depository or from the IRS's website.

ANY TENDERING SHAREHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY AND SIGN THE IRS FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL (OR SUCH OTHER IRS FORM AS MAY BE APPLICABLE) AND DOES NOT OTHERWISE ESTABLISH AN EXEMPTION MAY BE SUBJECT TO UNITED STATES FEDERAL INCOME TAX BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO SUCH SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER.

United States Federal Income Tax Withholding on Non-U.S. Holders. Even if a Non-U.S. Holder (as defined in Section 13) has provided the required certification to avoid backup withholding, gross proceeds payable pursuant to the tender offer to the Non-U.S. Holder or his or her agent may be subject to withholding of United States federal income tax at a rate of 30%, unless the Depository determines that an exemption from, or a reduced rate of, withholding tax is available, a properly completed and executed applicable IRS Form W-8 (or other acceptable certification) is provided to the Depository and other requirements are met. Such forms can be obtained from the Depository or from the IRS's website. A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such shareholder satisfies one of the "Section 302 Tests" for capital gain treatment described in Section 13 or is otherwise able to establish that no withholding or a reduced amount of withholding is due. In addition, as described in Section 13 below, "FATCA" withholding may apply to amounts paid to a Non-U.S. Holder pursuant to the tender offer unless specified requirements are met.

Non-U.S. Holders should review Section 13 and consult their own tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption and the refund procedure.

Guaranteed Delivery. If a shareholder desires to tender shares pursuant to the tender offer and the certificates for the shareholder's shares are not immediately available or the shareholder cannot deliver certificates for its shares and all other required documents to the Depository before the expiration date, or the shareholder's shares cannot be delivered before the expiration date under the procedure for book-entry transfer, the shares may nevertheless be tendered, provided that all of the following conditions are satisfied:

- the tender is made by or through an Eligible Institution;
- the Depository receives by mail, overnight courier or facsimile transmission, before the expiration date, a properly completed and duly executed Notice of Guaranteed Delivery in the form Surge has provided with this Offer to Purchase, including (where required) a signature guarantee by an eligible guarantor institution in the form set forth in such Notice of Guaranteed Delivery; and
- the share certificates, in proper form for transfer, or confirmation of book-entry transfer of the shares into the Depository's account at the book-entry transfer facility, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, and including any required signature guarantees, or an agent's message, in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, are received by the Depository within three business days after the date of receipt by the Depository of the Notice of Guaranteed Delivery.

Stock Options. Options to purchase shares cannot be tendered in the tender offer. Holders of vested but unexercised options may exercise such options in accordance with the terms of Surge's share-based compensation plans and Surge's policies and practices, and tender the shares received upon such exercise in accordance with the tender offer. Exercises of options cannot be revoked even if some or all of the shares received upon the exercise thereof and tendered in the tender offer are not purchased pursuant to the tender offer for any reason. Holders of vested but unexpired options should evaluate this Offer to Purchase carefully to determine if participation would be advantageous to them based on their stock option exercise prices and the expiration date of their options, the tender price and the provisions for pro rata purchases by Surge. Surge strongly encourages optionholders to discuss the tender offer with their own financial or tax advisor.

Please be advised that it is the optionholder's responsibility to tender shares in the tender offer to the extent such holder wants to participate and it may be difficult to secure delivery of shares issued pursuant to vested stock options in a time period sufficient to allow tender of those shares prior to the expiration date. Accordingly, Surge suggests that options for such shares be exercised in accordance with the terms of the related stock option plan and option agreement and Surge policies and practices at least four business days prior to the expiration date.

Return of Unpurchased Shares. If any tendered shares are not purchased pursuant to the tender offer or are properly withdrawn before the expiration date, or if fewer than all shares evidenced by share certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the tender offer or the proper withdrawal of the shares, as applicable, or, in the case of shares tendered by book-entry transfer at the book-entry transfer facility, the shares will be credited to the appropriate account maintained by the tendering shareholder at the book-entry transfer facility, in each case without expense to the shareholder.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the number of shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by Surge, in its sole discretion, and Surge's determination will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. Surge reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which Surge determines may be unlawful. Surge also reserves the absolute right to waive any of the conditions of the tender offer prior to the expiration of the tender offer or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder, whether or not Surge waives similar defects or irregularities in the case of any other shareholder, and Surge's interpretation of the terms of the tender offer will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. In the event a condition to the tender offer is waived with respect to any particular shareholder prior to the expiration of the tender offer, the same condition will be waived with respect to all shareholders. No tender of shares will be deemed to have been properly made until all defects or irregularities have been cured by the tendering shareholder or waived by Surge. None of Surge, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any tender, nor will any of them incur any liability for failure to give this notice.

Tendering Shareholder's Representation and Warranty; Acceptance by Surge Constitutes an Agreement. A tender of shares under any of the procedures described above will constitute the tendering shareholder's acceptance of the terms and conditions of the tender offer, as well as the tendering shareholder's representation and warranty to Surge that (1) the shareholder has a net long position in the shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 promulgated by the SEC under the Exchange Act, and (2) the tender of shares complies with Rule 14e-4. It is a violation of Rule 14e-4 for a person, directly or indirectly, to tender shares for that person's own account unless, at the time of tender and at the end of the period during which shares are accepted by lot (including any extensions thereof), the person so tendering (1) has a net long position equal to or greater than the amount tendered in (a) the subject securities, or (b) securities immediately convertible into, or exchangeable or exercisable for, the subject securities, and (2) will deliver or cause to be delivered the shares in accordance with the terms of the tender offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. Surge's acceptance for payment of shares tendered pursuant to the tender offer will constitute a binding agreement between the tendering shareholder and Surge upon the terms and conditions of the tender offer.

Lost Certificates. Shareholders whose share certificate for part or all of their shares has been lost, stolen, destroyed or mutilated may contact the Depository at (917) 262-2378 for instructions as to obtaining the necessary documents. Those documents will then be required to be submitted together with the Letter of Transmittal in order to receive payment for shares that are tendered and accepted for payment. A bond will be required to be posted by the shareholder to secure against the risk that the share certificates may be subsequently recirculated. Shareholders are urged to contact the Depository immediately in order to permit timely processing of this documentation.

Share certificates, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any signature guarantees, and any other required documents must be delivered to the Depository and not to Surge or the Information Agent. Any such documents delivered to Surge or the Information Agent will not be forwarded to the Depository and, therefore, will not be deemed to be properly tendered.

4. Withdrawal Rights.

Except as otherwise provided in this Section 4, tenders of shares pursuant to the tender offer are irrevocable. Shares tendered pursuant to the tender offer may be withdrawn at any time prior to the expiration date and, unless previously accepted for payment by Surge pursuant to the tender offer, also may be withdrawn at any time after March 31, 2017. Shareholders who tendered their shares by giving instructions to a bank, broker, dealer, trust company or other nominee must instruct that person to arrange for the withdrawal of their shares.

For a withdrawal to be effective, a written or facsimile notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the tendering shareholder, the number of shares to be withdrawn and the name of the registered holder of the shares. If the share certificates to be withdrawn have been delivered or otherwise identified to the Depository, then, before the release of the share certificates, the tendering shareholder also must submit the serial numbers shown on the share certificates for those shares to be withdrawn to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless the shares have been tendered for the account of an Eligible Institution. If shares have been tendered under the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn shares and must otherwise comply with the book-entry transfer facility's procedure.

All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by Surge, in its sole discretion, and Surge's determination will be final and binding, subject to a court of law having jurisdiction regarding such matters. Surge reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of shares by any shareholder, whether or not Surge waives similar defects or irregularities in the case of any other shareholder. None of Surge, the Depository, the Information Agent or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them incur any liability for failure to give any such notice.

Withdrawals may not be rescinded and any shares properly withdrawn thereafter will be deemed not properly tendered for purposes of the tender offer, unless the withdrawn shares are properly re-tendered before the expiration date by following one of the procedures described in Section 3.

If Surge extends the tender offer, is delayed in its purchase of shares or is unable to purchase shares pursuant to the tender offer for any reason, then, without prejudice to Surge's rights under the tender offer, the Depository may, subject to applicable law, retain tendered shares on behalf of Surge, and these shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4. The right to retain shares is subject to Surge's legal obligation to pay for shares properly tendered and not properly withdrawn promptly following the expiration date (subject to the terms and conditions of the tender offer) or to return the tendered securities promptly after the termination of the tender offer.

5. Purchase of Shares and Payment of Purchase Price.

Upon the terms and subject to the conditions of the tender offer, promptly following the expiration date, Surge will accept for payment and pay for, and thereby purchase, shares properly tendered and not properly withdrawn prior to the expiration date. We intend to announce the final results of the tender offer and to pay the purchase price, net to you in cash, less any applicable withholding taxes and without interest, for the shares we accept for payment within four business days after the expiration of the tender offer. For purposes of the tender offer, Surge will be deemed to have accepted for payment, and therefore purchased shares, that are properly tendered and not properly withdrawn, subject to the "odd lot" priority, proration and conditional tender provisions of the tender offer, only when, as and if it gives oral or written notice to the Depository of its acceptance of the shares for payment pursuant to the tender offer.

Upon the terms and subject to the conditions of the tender offer, promptly after the expiration date, Surge will accept for payment and pay the per share purchase price of \$1.43 for 5,000,000 shares, subject to increase or decrease as provided in Section 15, if properly tendered and not properly withdrawn, or such fewer number of shares as are properly tendered and not properly withdrawn. In all cases, payment for shares tendered and accepted for payment pursuant to the tender offer will be made promptly, subject to possible delay in the event of proration, but only after timely receipt by the Depository of:

- certificates for shares or a timely book-entry confirmation of shares into the Depository's account at the book-entry transfer facility;
- a properly completed and duly executed Letter of Transmittal, or manually signed facsimile of the Letter of Transmittal, including any required signature guarantees, or an agent's message, in the case of a book-entry transfer; and
- any other required documents. Surge will pay for shares purchased pursuant to the tender offer by depositing the aggregate purchase price for these shares with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payment from Surge and transmitting payment to the tendering shareholders.

In the event of proration, Surge will determine the proration factor and pay for those tendered shares accepted for payment promptly after the expiration date; however, Surge does not expect to be able to announce the final results of any proration and commence payment for shares purchased until approximately four business days after the expiration date. Certificates for all shares tendered and not purchased, including shares not purchased due to proration or conditional tenders, will be returned, or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant therein who so delivered the shares, at Surge's expense promptly after the expiration date or termination of the tender offer.

Under no circumstances will interest on the purchase price be paid by Surge regardless of any delay in making the payment. In addition, if certain events occur, Surge may not be obligated to purchase shares pursuant to the tender offer. See Section 7.

Surge will pay all stock transfer taxes, if any, payable on the transfer to it of shares purchased pursuant to the tender offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted by the tender offer) if unpurchased shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption therefrom, is submitted. See Instruction 6 of the Letter of Transmittal.

Any tendering shareholder or other payee who fails to complete fully, sign and return to the Depository the IRS Form W-9 included with the Letter of Transmittal (or an applicable IRS Form W-8, or other acceptable certification, if the tendering shareholder or other payee is a Non-U.S. Holder), may be subject to required United States federal income tax backup withholding of 28% of the gross proceeds paid to the shareholder or other payee pursuant to the tender offer. See Section 3. Non-U.S. Holders should review Section 13 and consult their tax advisors regarding the application of United States federal income tax withholding, including eligibility for a withholding tax reduction or exemption, and the refund procedure.

6. Conditional Tender of Shares.

Subject to the exceptions for odd lot holders, in the event of an over-subscription of the tender offer, shares tendered prior to the expiration date will be subject to proration. See Section 1. As discussed in Section 13, the number of shares to be purchased from a particular shareholder may affect the tax treatment of the purchase to the shareholder and the shareholder's decision whether to tender. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered must be purchased if any shares tendered by such shareholder are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal, and if applicable, the Notice of Guaranteed Delivery. It is the tendering shareholder's responsibility to determine the number of shares to be purchased. Each shareholder is urged to consult with his or her own financial or tax advisor.

After the tender offer expires, if more than 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law) are properly tendered and not properly withdrawn and Surge must prorate its acceptance of and payment for tendered shares, Surge will calculate a preliminary proration percentage, after taking into account the priority given to odd lot holders, based upon all shares properly tendered, conditionally or unconditionally, and not properly withdrawn. If the effect of this preliminary proration would be to reduce the number of shares to be purchased from any shareholder below the minimum number specified by that shareholder, the tender will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a shareholder subject to a conditional tender and regarded as withdrawn as a result of proration will be returned promptly after the expiration date at Surge's expense.

After giving effect to these withdrawals, Surge will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below 5,000,000 (or such greater number of shares as Surge may elect to purchase, subject to applicable law) then, to the extent feasible, Surge will select enough of the conditional tenders that would otherwise have been withdrawn to permit Surge to purchase 5,000,000 shares (or such greater number of shares as Surge may elect to purchase). In selecting among the conditional tenders, Surge will select by random lot treating all tenders by a particular shareholder as a single lot and will limit its purchase in each case to the designated minimum of shares to be purchased. Conditional tenders will be selected by lot only from shareholders who tender all of their shares.

7. Conditions of the Tender Offer.

Notwithstanding any other provision of the tender offer, Surge will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the tender offer or may postpone the acceptance for payment of, or the purchase of or the payment for shares tendered, subject to Rule 13e-4(f) under the Exchange Act if any of the following events or circumstance shall have occurred (or shall have been determined by Surge in its reasonable judgment to have occurred):

- (1) a governmental authority of competent jurisdiction shall have enacted, issued or entered any restraining order, injunction or similar order or legal restraint that enjoins or otherwise prohibits the consummation of the tender offer;
- (2) any legal action shall have been proposed, instituted or pending by a governmental authority of competent jurisdiction that challenges or otherwise relates to the tender offer; or
- (3) Surge shall have failed to obtain all governmental or regulatory consents and approvals necessary in order to consummate the tender offer.

The foregoing conditions are for the sole benefit of Surge, and Surge may assert or waive them, in whole or in part, at any time and from time to time in its sole discretion prior to the expiration of the tender offer. Surge's failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of these rights, and each of these rights shall be deemed an ongoing right that may be asserted at any time and from time to time prior to the expiration of the tender offer. In certain circumstances, if Surge waives any of the conditions described above, Surge may be required to extend the expiration date. Any determination or judgment by Surge concerning the events described above will be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters.

8. Price Range of Shares; Dividends.

Surge's shares are quoted and traded on the OTC Pink Market under the trading symbol "SPRS". The following table sets forth the high and low closing prices per share reported on the OTC Pink Market for each of the fiscal periods indicated.

Year ended November 30, 2015

	<u>High</u>	<u>Low</u>
First Quarter	\$ 0.93	\$ 0.82
Second Quarter	\$ 0.90	\$ 0.69
Third Quarter	\$ 1.00	\$ 0.71
Fourth Quarter	\$ 0.86	\$ 0.71

Year ended November 30, 2016

	<u>High</u>	<u>Low</u>
First Quarter	\$ 0.81	\$ 0.68
Second Quarter	\$ 0.88	\$ 0.52
Third Quarter	\$ 0.85	\$ 0.52
Fourth Quarter	\$ 1.11	\$ 0.75

Year ending November 30, 2017

	<u>High</u>	<u>Low</u>
First Quarter (through February 2, 2017)	\$ 1.40	\$ 0.91

On February 2, 2017, the last full trading day before we announced and commenced the tender offer, the last reported sale price of the shares on the OTC Pink Market was \$1.35 per share. **We urge shareholders to obtain a current market quotation for the shares before deciding whether and at what price or prices to tender their shares.**

Dividends. The holders of our shares participate proportionately, on a per share basis, in all dividends and other distributions that our board of directors may declare. We did not pay cash dividends during the periods presented above.

9. Source and Amount of Funds.

Assuming the tender offer is fully subscribed, we expect the aggregate purchase price for the shares acquired pursuant to the tender offer, together with all related fees and expenses, to be approximately \$7.4 million. Assuming we purchase 5,000,000 shares in the tender offer, approximately \$7,150,000 will be required to purchase such shares. We expect to fund the share purchases in the tender offer, and to pay related fees and expenses, from our current assets, including cash and cash equivalents. We are also negotiating with a bank for a line of credit of up to \$3.0 million for working capital. See Section 7.

10. Certain Information Concerning Surge.

General. Surge was incorporated under the laws of the State of New York on November 24, 1981, and re-incorporated in Nevada on August 26, 2010. We are a supplier of electronic products and components. These products include capacitors, which are electrical energy storage devices, and discrete components, such as semiconductor rectifiers, transistors and diodes, which are single function low power semiconductor products

that are packaged alone as compared to integrated circuits such as microprocessors. The products that we sell are typically utilized in the electronic circuitry of diverse products, including, but not limited to, automobiles, telecomm, audio, cellular telephones, computers, consumer electronics, garage door openers, household appliances, power supplies and security equipment. The products that we sell are sold to both original equipment manufacturers, commonly referred to as OEMs, who incorporate them into their products, and to distributors of the lines of products we sell, who resell these products within their customer base.

Surge sells its products through three of the top four distributors for electronic components in the world and also supplies its products to subcontractors who manufacture for their customers. The products that we sell are manufactured predominantly in Asia by approximately sixteen independent manufacturers. We only have one binding long-term supply agreement with one of our manufacturers, Lelon Electronics. We have an agreement to act as the exclusive sales agent utilizing independent sales representative organizations in North America to sell and market the products for one of such manufacturers, Lelon Electronics.

Our principal executive offices are located at 95 East Jefryn Boulevard, Deer Park, New York 11729 and our telephone number is (631) 595-1818.

Where You Can Find More Information. We are subject to the informational filing requirements of the Exchange Act, and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. We also have filed a Tender Offer Statement on Schedule TO (the "Schedule TO") with the SEC that includes additional information relating to the tender offer. You may access and read our SEC filings, including the complete Schedule TO, all of the exhibits to it, and the documents incorporated therein by reference through the SEC's website at www.sec.gov. You may also read and copy any document we file at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms.

Incorporation by Reference. The rules of the SEC allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The following documents contain important information about us and we incorporate them by reference:

- Surge's Annual Report on Form 10-K for the fiscal year ended November 30, 2015 filed on February 26, 2016;
- Surge's Quarterly Reports on Form 10-Q for the quarterly periods ended February 29, 2016, May 31, 2016 and August 31, 2016, filed on April 14, 2016, July 15, 2016 and September 26, 2016, respectively;
- Surge's Current Reports on Form 8-K filed on February 24, 2016, September 26, 2016, October 7, 2016, October 28, 2016, December 23, 2016 and January 6, 2017; and
- Surge's Proxy Statement dated October 21, 2016, as supplemented on November 14, 2016 and December 30, 2016, filed on October 24, 2016, November 14, 2016 and December 30, 2016, respectively.

Any statement contained in any document incorporated by reference into this Offer to Purchase shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Offer to Purchase or any subsequently filed document referenced above. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase.

You can obtain any of the documents incorporated by reference in this document from the SEC's website at the address described above. You may also request a copy of these filings, at no cost, by writing or telephoning the Information Agent at its address and telephone number set forth below.

The Information Agent for the Tender Offer is:

Morrow Sodali LLC
470 West Avenue
Stamford, CT 06902

Tel: (800) 662-5200 or banks and brokers can call collect at (203) 658-9400
Email: surge.info@morrow sodali.com

11. Interests of Directors, Executive Officers and Affiliates; Recent Securities Transactions; Transactions and Arrangements Concerning the Shares.

Beneficial Ownership. As of February 2, 2017, we had 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). The 5,000,000 shares that Surge is offering to purchase represent approximately 49% of the shares outstanding on February 2, 2017.

Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. We are not aware of any of our other affiliates that intend to tender any shares in the tender offer. The Stockholders will tender all of the shares of common stock of Surge that they hold beneficially or of record in the tender offer, subject to limited exceptions. The equity ownership of our directors, executive officers and affiliates who do not tender their shares in the tender offer will proportionately increase as a percentage of our issued and outstanding shares to the extent we purchase shares in the tender offer.

Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

The following table provides information with respect to the beneficial ownership of our shares by (i) all persons known by us to own beneficially more than 5% of our shares, (ii) each of our directors, (iii) each of our executive officers and (iv) all directors and executive officers as a group. Except as described in the footnotes below, we based the share amounts on each person's beneficial ownership of our shares as of February 2, 2017.

Name and Address of Beneficial Owner ⁽¹⁾	Amount and Nature of Common Stock Beneficially Owned ⁽²⁾	Percentage of Common Stock Beneficially Owned ⁽³⁾
Current Directors and Executive Officers		
Ira Levy	1,170,299	11.45%
Steven J. Lubman	970,108	9.49%
Lawrence Chariton	178,073	1.74%
Alan Plafker	50,000	*
Martin Novick	—	—
Gary Jacobs	162,000	1.58%
Five Percent Beneficial Owners		
Michael Tofias 25 Cambridge Drive Short Hills, NJ 07078	1,568,123	15.34%
Brad Rexroad 970 Reserve Drive, Suite 115 Roseville, CA 95678	680,569	6.66%
All Current Executive Officers and Directors as a group (6 persons)	2,530,480	24.75%

* Less than 1% of shares beneficially owned.

(1) Except as otherwise indicated, the address of each beneficial owner is c/o Surge Components, Inc., 95 East Jefryn Boulevard, Deer Park, NY 11729.

(2) Includes 50,000; 50,000; and 125,000 shares of common stock of Surge subject to stock options exercisable on November 22, 2016 or within 60 days thereafter held by, respectively, Messrs. Chariton, Plafker and Jacobs.

(3) Applicable percentage ownership is based on 10,224,431 shares of common stock outstanding as of February 2, 2017.

Recent Securities Transactions. Based on our records and information provided to us by our directors, executive officers, associates and subsidiaries, no transactions with respect to shares have been effected during the 60 days prior to the date hereof by us or, to our knowledge after making reasonable inquiry, by any of our directors, executive officers, affiliates or subsidiaries.

Equity Incentive Plans. In March 2010, the Company adopted, and in April 2010 the shareholders ratified, the Surge Components, Inc. 2010 Incentive Stock Plan (“2010 Stock Plan”). The 2010 Stock Plan provides for the grant of options to officers, employees, directors or consultants to the Company to purchase an aggregate of 1,500,000 common shares. In November 2015, the Company adopted and the shareholders ratified, the Surge Components, Inc. 2015 Incentive Stock Plan (“2015 Stock Plan”). The 2015 Stock Plan provides for the grant of options to officers, employees, directors or consultants to the Company to purchase an aggregate of 1,500,000 common shares. There was no activity in the 2015 Stock Plan for the year ended November 30, 2015. The 2010 Plan and the 2015 Plan are administered by the Compensation Committee of the Company’s board of directors. The Compensation Committee, or its delegate, is authorized to determine the amounts of awards, vesting and, for performance-based awards, the criteria and target(s) on which performance will be measured.

Rights Agreement. Effective October 7, 2016, the Company’s board of directors declared a dividend of one right (a “Right”) for each of the Company’s issued and outstanding shares of common stock, \$0.001 par value per share. The dividend was paid to the stockholders of record at the close of business on October 17, 2016. Each Right entitles the registered holder, subject to the terms of the Rights Agreement (as defined below), to purchase from the Company one one-thousandth of a share of the Company’s Series D Preferred Stock at a price of \$5.00, subject to certain adjustments. The description and terms of the Rights are set forth in the Rights Agreement dated as of October 7, 2016 (the “Rights Agreement”) between the Company and Continental Stock Transfer & Trust Company, as Rights Agent.

The purpose of the Rights Agreement is to diminish the risk that the Company’s ability to use its net operating losses and certain other tax assets to reduce potential future federal income tax obligations would become subject to limitations by reason of the Company experiencing an “ownership change,” as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the “Tax Code”). A company generally experiences such an ownership change if the percentage of its stock owned by its “5-percent shareholders,” as defined in Section 382 of the Tax Code, increases by more than 50 percentage points over a rolling three-year period. The Rights Agreement is designed to reduce the likelihood that the Company will experience an ownership change under Section 382 of the Tax Code by (i) discouraging any person or group from becoming a shareholder of 4.99% or more of common stock and (ii) discouraging any existing 4.99% shareholder from acquiring any additional shares of the Company’s stock.

The Rights will not be exercisable until the earlier to occur of (i) the close of business on the tenth business day after a public announcement or filing that a person has, or group of affiliated or associated persons or persons acting in concert have, become an “Acquiring Person,” which is defined as a person or group of affiliated or associated persons or persons acting in concert who, at any time after the date of the Rights Agreement, have acquired, or obtained the right to acquire, beneficial ownership of 4.99% or more of the Company’s outstanding shares of common stock, subject to certain exceptions or (ii) the close of business on the tenth business day after the commencement of, or announcement of an intention to commence, a tender offer or exchange offer the consummation of which would result in any person becoming an Acquiring Person (the earlier of such dates being called the “Distribution Date”). Certain synthetic interests in securities created by derivative positions, whether or not such interests are considered to be ownership of the underlying common stock or are reportable for purposes of Regulation 13D of the Exchange Act, are treated as beneficial ownership of the number of shares of common stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of the common stock are directly or indirectly held by counterparties to the derivatives contracts.

Other Share Repurchases. In November 2015, the Company’s board of directors authorized a program to repurchase up to \$500,000 of the Company’s common stock (the “Stock Repurchase Program”). The Stock Repurchase Program does not obligate the Company to acquire any specific number of shares. Under the Stock Repurchase Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act. Pursuant to such authority and pursuant to Rule 10b-18 under the Exchange Act, a total of approximately \$48,000 had been expended in the Stock Repurchase Program from its inception. In January 2017, Surge terminated the Stock Repurchase Program. After completing

the tender offer, we may consider from time to time various means of returning additional cash to shareholders, including open market purchases, tender offers, privately negotiated transactions and/or accelerated share repurchases after taking into account our results of operations, financial position and capital requirements, general business conditions, legal, tax and regulatory constraints or restrictions, any contractual restrictions and other factors we deem relevant. However, we do not currently have any such plans and there can be no assurance that we will or will not pursue any such actions in the future.

General. On December 22, 2016, Surge and the Stockholders entered into the Settlement Agreement, pursuant to which Surge agreed to conduct this tender offer and the Stockholders agreed to tender all of the shares of our common stock beneficially owned by each of them in this tender offer, as long as the tender offer is completed no later than March 15, 2017 (subject to limited exceptions and the satisfaction of customary closing conditions and reasonable best efforts standards, as set forth in the Settlement Agreement). Additionally, pursuant to the Settlement Agreement, (i) the parties have agreed to engage in good faith discussions to identify one new, mutually acceptable independent director to join Surge's board of directors as a Class C director and any board committees, (ii) Surge has agreed to hold its annual meeting of stockholders for fiscal year 2015 on January 5, 2017 and its annual meeting of stockholders for fiscal year 2016 by December 29, 2017, (iii) Surge has agreed to promptly take all action necessary (including calling and holding a special meeting of stockholders) to reincorporate Surge from the State of Nevada to the State of Delaware, with such reincorporation to be effective no later than June 30, 2017, (iv) Surge has agreed to take all action necessary to declassify its board of directors on a rolling basis no later than June 30, 2017, (v) Surge has agreed not to grant any non-cash compensation to Surge's current officers and directors until December 23, 2017 and (vi) the Stockholders have agreed to (a) vote all of their shares of common stock in accordance with the recommendations of Surge's board of directors at the annual meeting of stockholders for fiscal year 2016, (b) irrevocably withdraw their director nominations and stockholder proposals at such annual meeting and (c) to withdraw with prejudice their lawsuit against Surge and its current directors pending in the State of Nevada. Pursuant to the Settlement Agreement, our current directors and executive officers have agreed not to participate in the tender offer. As of February 2, 2017, Mr. Rexroad beneficially owns 680,569 shares of common stock and Mr. Tofias beneficially owns 1,568,123 shares of common stock.

Except as otherwise described herein, neither Surge nor, to the best of Surge's knowledge, any of its affiliates, directors or executive officers, is a party to any agreement, arrangement or understanding with any other person relating, directly or indirectly, to the tender offer or with respect to any securities of Surge, including, but not limited to, any agreement, arrangement or understanding concerning the transfer or the voting of the securities of Surge, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations.

12. Certain Legal Matters; Regulatory Approvals.

There are no legal proceedings to which the Company or any of its property is the subject. On or about October 31, 2016, the Stockholders filed a Complaint and Motion for Preliminary Injunction against the Company in the Eighth Judicial District Court, Clark County, Nevada, Case No. A-16-745890-B, seeking relief including, *inter alia*, immediate inspection of certain books and records and a 60-day postponement of the scheduled annual meeting of stockholders for fiscal year 2015. On November 16, 2016, after the Company postponed the annual meeting and provided certain books and records to the Stockholders, the Stockholders filed an Amended Complaint, which named all members of the Board as defendants and alleged that the directors had breached their fiduciary duty to the Stockholders. On December 1, 2016, following a hearing, the court denied the request for a preliminary injunction. On December 28, 2016, pursuant to the terms of the Settlement Agreement, the parties entered into a stipulation dismissing the Nevada case with prejudice, which was so ordered by the court. Under the Settlement Agreement, the parties also agreed to mutual releases and the Stockholders agreed to customary standstill provisions until the termination of the Settlement Agreement. The Settlement Agreement is available as an exhibit to the Current Report on Form 8-K filed by the Company on December 23, 2016.

Surge is not aware of any license or regulatory permit material to its business that might be adversely affected by its acquisition of shares as contemplated by the tender offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for the acquisition or ownership of shares by Surge as contemplated by the tender offer. Should any approval or other action be required, Surge presently contemplates that it will seek that approval or other action. Surge is unable to predict whether it will be required to delay the acceptance for payment of or payment for shares tendered pursuant

to the tender offer pending the outcome of any such matter. There can be no assurance that any approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. The obligation of Surge pursuant to the tender offer to accept for payment and pay for shares is subject to conditions. See Section 7.

13. United States Federal Income Tax Consequences.

The following describes certain United States federal income tax consequences relevant to the tender offer for U.S. Holders and Non-U.S. Holders (as defined below). This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed United States Treasury regulations, administrative pronouncements and judicial decisions, all as in effect on the date hereof and changes to which could materially affect the tax consequences described herein and could be made on a retroactive basis.

This discussion deals only with shares held as capital assets and does not deal with all tax consequences that may be relevant to holders in light of their particular circumstances or to holders subject to special tax rules (including, without limitation, dealers in securities or commodities, traders in securities that elect to mark their holdings to market, financial institutions, regulated investment companies, real estate investment trusts, U.S. expatriates, U.S. Holders (as defined below) whose functional currency is not the United States dollar, insurance companies, tax-exempt organizations, partnerships or other pass through entities and investors therein or persons who hold shares as part of a hedging, conversion or constructive sale transaction or as a position in a straddle). In particular, different rules may apply to shares acquired as compensation (including shares acquired upon the exercise of options). This discussion does not address the consequences of the alternative minimum tax, Medicare contribution tax, or any state, local or foreign tax consequences of participating in the tender offer. Holders of shares should consult their tax advisors as to the particular consequences to them of participation in the tender offer.

As used herein, a "U.S. Holder" means a beneficial owner of shares that is for United States federal income tax purposes: (a) an individual who is a citizen or resident of the United States, (b) a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust if it (x) is subject to the primary supervision of a court within the United States, and one or more United States persons have the authority to control all substantial decisions of the trust or (y) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

As used herein, a "Non-U.S. Holder" means a beneficial owner of shares that is neither a U.S. Holder nor a partnership (or any other entity treated as a partnership for United States federal income tax purposes).

If a partnership holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Holders that are partners of a partnership holding shares should consult their own tax advisors.

Non-Participation in the Tender Offer. Shareholders who do not participate in the tender offer will not incur any tax liability as a result of the consummation of the tender offer.

U.S. Holders. An exchange of shares for cash pursuant to the tender offer will be a taxable transaction for United States federal income tax purposes. A U.S. Holder who participates in the tender offer will be treated, depending on such U.S. Holder's particular circumstances, either as recognizing gain or loss from the disposition of the shares or as receiving a distribution from us.

Section 302 Tests. Under Section 302 of the Code, a U.S. Holder that exchanges shares for cash pursuant to the tender offer will be treated as having sold the shares for United States federal income tax purposes if the exchange (a) results in a "complete termination" of all such U.S. Holder's equity interest in us, (b) results in a "substantially disproportionate" redemption with respect to such U.S. Holder, or (c) is "not essentially equivalent to a dividend" with respect to the U.S. Holder (together, as described below, the "Section 302 Tests"). In applying the Section 302 Tests, a U.S. Holder must take account of stock that such U.S. Holder constructively owns under attribution rules set forth in Section 318 of the Code, pursuant to which the U.S. Holder will be treated as owning our shares owned by certain family members (except that in the case of a "complete termination" a U.S. Holder

may waive, under certain circumstances, attribution from family members) and related entities and our stock that the U.S. Holder has the right to acquire by exercise of an option. An exchange of shares for cash pursuant to the tender offer will be a “complete termination” of a U.S. Holder’s equity interest in us if the U.S. Holder owns none of our shares either actually or constructively (taking into account any effective waivers of attribution from family members) immediately after the exchange. An exchange of shares for cash pursuant to the tender offer will be a substantially disproportionate redemption with respect to a U.S. Holder if the percentage of the then outstanding shares owned by such U.S. Holder in us immediately after the exchange is less than 80% of the percentage of the shares owned by such U.S. Holder in us immediately before the exchange. If an exchange of shares for cash pursuant to the tender offer fails to satisfy either the “complete termination” or “substantially disproportionate” test, the U.S. Holder nonetheless may satisfy the “not essentially equivalent to a dividend” test. An exchange of shares for cash will satisfy the “not essentially equivalent to a dividend” test if it results in a “meaningful reduction” of the U.S. Holder’s equity interest in us. An exchange of shares for cash pursuant to the tender offer that results in a reduction of the proportionate equity interest in us of a U.S. Holder whose relative equity interest in us is minimal (an interest of less than one percent should satisfy this requirement) and who does not exercise any control over or participate in the management of our corporate affairs should be treated as “not essentially equivalent to a dividend.” U.S. Holders should consult their tax advisors regarding the application of the rules of Section 302 in their particular circumstances.

Sale Treatment. If a U.S. Holder that exchanges shares for cash pursuant to the tender offer is treated as having sold the shares for United States federal income tax purposes, such U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received and such U.S. Holder’s adjusted basis in the shares exchanged therefor. Any such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holding period of the shares exceeds one year as of the date of the exchange. Long-term capital gain recognized by a non-corporate U.S. Holder generally will be subject to United States federal income tax at a reduced rate. The deductibility of capital loss is subject to limitations. A U.S. Holder must calculate gain or loss separately for each block of shares (generally, shares acquired at the same cost in a single transaction) that we purchase from the U.S. Holder pursuant to the tender offer.

Distribution Treatment. If a U.S. Holder is not treated under the Section 302 Tests as having sold its shares for United States federal income tax purposes, the entire amount of cash received by such U.S. Holder pursuant to the exchange will be treated as a dividend that is includible in income to the extent of the portion of our current and accumulated earnings and profits allocable to such shares. Provided certain holding period requirements are satisfied, non-corporate U.S. Holders generally will be subject to United States federal income tax at the reduced rate otherwise applicable to long-term capital gain on the gross amount treated as dividends. To the extent that cash received in exchange for shares is treated as a dividend to a corporate U.S. Holder, (a) it will be eligible for a dividends-received deduction (subject to applicable limitations) and (b) it may be subject to the “extraordinary dividend” provisions of the Code. U.S. Holders should consult their tax advisors concerning the rules discussed in this paragraph in light of their particular circumstances.

To the extent that amounts received pursuant to the tender offer exceed a U.S. Holder’s allocable share of our current and accumulated earnings and profits, the excess will first be treated as a non-taxable return of capital, causing a reduction in the adjusted basis of such U.S. Holder’s shares, and any amounts in excess of the U.S. Holder’s adjusted basis will constitute capital gain. Any remaining adjusted basis in the shares tendered will be transferred to any remaining shares held by such U.S. Holder.

We cannot predict whether or the extent to which the tender offer will be over-subscribed. If the tender offer is over-subscribed, proration of tenders pursuant to the tender offer will cause us to accept fewer shares than are tendered. In addition, depending on the total number of shares purchased pursuant to the tender offer, it is possible that a tendering U.S. Holder’s percentage interest in us (including any interest attributable to shares constructively owned by the U.S. Holder as a result of the ownership of options) could increase even though the total number of shares held by such U.S. Holder decreases. Therefore, a U.S. Holder can be given no assurance that a sufficient number of such U.S. Holder’s shares will be purchased pursuant to the tender offer to ensure that such purchase will be treated as a sale or exchange, rather than as a distribution, for United States federal income tax purposes pursuant to the rules discussed above.

Non-U.S. Holders. Because, as described above, we cannot predict whether any particular shareholder will be subject to sale or distribution treatment, the Depositary may treat the cash received by a Non-U.S. Holder participating in the tender offer as a dividend distribution from us. In such case, the Depositary may withhold United States federal income taxes equal to 30% of the gross payments payable to a Non-U.S. Holder or his or her agent unless the Depositary determines that a reduced rate of withholding is available.

Generally, to establish an applicable exemption from, or reduced rate of, United States federal withholding tax, a Non-U.S. Holder must deliver to the Depositary either (i) IRS Form W-8BEN or W-8BEN-E, as applicable (or other acceptable evidence under Treasury regulations) in which the holder certifies that it is eligible for a lower tax treaty rate with respect to dividends on the shares or (ii) an IRS Form W-8ECI in which the holder certifies that amounts it receives pursuant to the tender offer are effectively connected with the conduct of a trade or business within the United States (and, if required by a tax treaty, are attributable to a permanent establishment that it maintains within the United States). The Depositary may generally determine a holder's status as a Non-U.S. Holder and eligibility for a reduced rate of, or exemption from, withholding by reference to any outstanding certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding (e.g., an applicable IRS Form W-8) unless facts and circumstances indicate that such reliance is not warranted. A Non-U.S. Holder may be eligible to obtain a refund of all or a portion of any tax withheld if such Non-U.S. Holder meets one of the Section 302 Tests described above and certain other conditions are met or such Non-U.S. Holder is otherwise able to establish that no tax or a reduced amount of tax is due. As discussed in Section 3, backup withholding generally will not apply to amounts paid to a Non-U.S. Holder that provides the Depositary with an applicable IRS Form W-8 (or other acceptable certification).

Gross proceeds paid to a Non-U.S. Holder that are effectively connected with the conduct of a trade or business within the United States (and, if required by a tax treaty, are attributable to a permanent establishment within the United States) will generally be subject to United States federal income tax in the same manner as if such Non-U.S. Holder were a U.S. Holder (and a corporate Non-U.S. Holder may also be subject to the 30% branch profits tax on its effectively connected earnings and profits).

Under Sections 1471 through 1474 of the Code, commonly referred to as "FATCA," and administrative guidance, a United States federal withholding tax of 30% generally will be imposed on dividends that are paid to "foreign financial institutions" and "non-financial foreign entities" (as specifically defined under these rules) unless specified requirements are met. Because, as discussed above, the Depositary may treat amounts paid to Non-U.S. Holders in the tender offer as dividends for United States federal income tax purposes, such amounts may also be subject to withholding under FATCA if such requirements are not met. In such case, any withholding under FATCA may be credited against, and therefore reduce, any 30% withholding tax on dividend distributions as discussed above. Non-U.S. Holders should consult with their tax advisors regarding the possible implications of these rules on their disposition of shares pursuant to the tender offer.

United States Federal Income Tax Backup Withholding. See Section 3 with respect to the application of United States federal income tax backup withholding to both U.S. and Non-U.S. Holders.

14. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act.

The purchase by Surge of shares under the tender offer will reduce our "public float" (the number of shares owned by non-affiliate shareholders and available for trading in the securities markets). This reduction in our public float may result in lower stock prices and/or reduced liquidity in the trading market for the shares following completion of the tender offer. In addition, the tender offer may reduce the number of Surge shareholders. As of February 2, 2017, we had 10,224,431 issued and outstanding shares (and 352,000 shares reserved for issuance upon exercise of all outstanding stock options). Shareholders may be able to sell non-tendered shares in the future on the OTC Pink Market or otherwise, at a net price higher or lower than \$1.43. We can give no assurance, however, as to the price at which a shareholder may be able to sell such shares in the future. We anticipate that there will be a sufficient number of shares outstanding and publicly traded following completion of the tender offer to ensure a continued trading market for such shares on the OTC Pink Market.

The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the SEC and comply with the SEC's proxy rules in connection with meetings of our shareholders.

We have no present intention of discontinuing being a public company. However, we are currently eligible for deregistration under the Exchange Act since we have less than 300 stockholders of record. Our purchase of shares in the tender offer will not cause us to be eligible for deregistration under the Exchange Act.

Sections 78.378 to 78.3793, inclusive, of the Nevada Revised Statutes (the “Control Share Acquisition Statute”) contain provisions which limit the voting rights of “control shares” acquired in an “acquisition” of a “controlling interest” in an “issuing corporation” unless the articles of incorporation or bylaws of the corporation in effect on the 10th day following the acquisition of a controlling interest by an acquiring person provide that the provisions of those sections do not apply to the corporation or to an acquisition of a controlling interest specifically by types of existing or future stockholders, whether or not identified. Surge’s articles of incorporation and bylaws do not contain any provision to “opt-out” of the Control Share Acquisition Statute.

Under the Control Share Acquisition Statute, any person directly or indirectly acquiring a “controlling interest” in an “issuing corporation” obtains only those voting rights with respect to shares purchased within the ninety (90) day period leading up to the attainment of “control” status as are approved by the disinterested stockholders of the corporation. An “issuing corporation” is a corporation organized in Nevada which has 200 or more stockholders of record, at least 100 of whom have addresses in Nevada appearing on the stock ledger of the corporation, and which does business in Nevada directly or through an affiliated corporation. A “controlling interest” is deemed to be the direct or indirect power to exercise at least 20% of the voting power of the stockholders in the election of directors. An “acquisition” means, with certain exceptions, the direct or indirect acquisition of a controlling interest.

The Control Share Acquisition Statute specifies three thresholds: (i) one-fifth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more, of all the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, the shares acquired in such offer or acquisition and those shares acquired within the preceding ninety (90) days become “control shares” and such control shares are deprived of the right to vote until a majority of the disinterested stockholders restore the right. The Control Share Acquisition Statute also provides that in the event control shares are granted full voting rights and the acquiring person has acquired control shares with a majority or more of all the voting power, any stockholder who did not vote in favor of granting voting rights to the control shares may exercise dissenter’s rights and obtain payment for the fair value of his or her shares.

We believe that a stockholder whose percentage ownership of Surge were to rise above 20% solely because of the reduction in Surge’s outstanding stock resulting from the purchase of shares by Surge in the tender offer would not be considered an “acquisition” of a “controlling interest” and, therefore, would not trigger the application of the Control Share Acquisition Statute; although, if Surge is indeed considered to be an “issuing corporation”, any subsequent acquisition of shares by such stockholder would. Stockholders are urged to consult their own legal advisers with respect to the applicability and effects of the Control Share Acquisition Statute in light of each stockholder’s specific circumstances.

15. Extension of the Tender Offer; Termination; Amendment.

Surge expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by Surge to have occurred, to extend the period of time during which the tender offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of the extension to the Depositary and making a public announcement of the extension. Surge also expressly reserves the right, in its sole discretion, to terminate the tender offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 by giving oral or written notice of termination or postponement to the Depositary and making a public announcement of termination or postponement. Surge’s reservation of the right to delay payment for shares that it has accepted for payment is limited by Rule 13e-4(f) (5) promulgated under the Exchange Act, which requires that Surge must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. Surge further expressly reserves the right, in its sole discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by Surge to have occurred, to amend the tender offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the tender offer to holders of shares or by decreasing or increasing the number of shares being sought in the tender offer.

Amendments to the tender offer may be made at any time and from time to time effected by public announcement, the announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the tender offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of the change. Without limiting the manner in which Surge may choose to make a public announcement, except as required by applicable law, Surge shall have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release through Business Wire or other comparable service. In addition, we would file any such press release as an exhibit to the Schedule TO.

If Surge materially changes the terms of the tender offer or the information concerning the tender offer, Surge will extend the tender offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If (1) Surge increases or decreases the price to be paid for shares or increases or decreases the number of shares being sought in the tender offer and, if an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares, and (2) the tender offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that the notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 15, the tender offer will be extended until the expiration of such ten business day period.

16. Fees and Expenses; Information Agent; Depositary.

Surge has retained Morrow Sodali, LLC to act as Information Agent and Continental Stock Transfer & Trust Company to act as Depositary in connection with the tender offer. The Information Agent may contact holders of shares by mail, telephone, telegraph and in person, and may request brokers, dealers, commercial banks, trust companies and other nominee shareholders to forward materials relating to the tender offer to beneficial owners. The Information Agent and Depositary will receive reasonable and customary compensation for their services as Information Agent and Depositary. The Information Agent and Depositary will also be reimbursed by Surge for specified reasonable out-of-pocket expenses, and will be indemnified against certain liabilities in connection with the tender offer, including certain liabilities under the U.S. federal securities laws.

No fees or commissions will be payable by Surge to brokers, dealers, commercial banks or trust companies (other than fees to the Information Agent and Depositary) for soliciting tenders of shares pursuant to the tender offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs are applicable if shareholders tender shares through such brokers or banks and not directly to the Depositary. Surge, however, upon request, will reimburse brokers, dealers, commercial banks, trust companies and other nominees for customary mailing and handling expenses incurred by them in forwarding the tender offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of Surge, the Information Agent or the Depositary for purposes of the tender offer. Surge will pay or cause to be paid all stock transfer taxes, if any, on its purchase of shares, except as otherwise provided in this Offer to Purchase and Instruction 6 in the Letter of Transmittal.

17. Miscellaneous.

The tender offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would not be in compliance with the laws of the jurisdiction, provided that Surge will comply with the requirements of Exchange Act Rule 13e-4(f)(8).

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, Surge has filed with the SEC an Issuer Tender Offer Statement on Schedule TO which contains additional information with respect to the tender offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in Section 10 with respect to information concerning Surge.

Tendering shareholders should rely only on the information contained in this Offer to Purchase and the Letter of Transmittal. Surge has not authorized any person to make any recommendation on behalf of Surge as to whether shareholders should tender or refrain from tendering shares in the tender offer. Surge has not authorized any person to give any information or to make any representation in connection with the tender offer other than those contained in this Offer to Purchase or in the Letter of Transmittal. If given or made, any recommendation or any such information or representation must not be relied upon as having been authorized by Surge, the Information Agent or Depositary.

Surge Components, Inc.

February 3, 2017

The Letter of Transmittal, share certificates or book-entry confirmation of shares and any other required documents should be sent or delivered by each shareholder of Surge Components, Inc. or that shareholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below:

The Depositary for the Tender Offer is:



If delivering by mail or hand delivery:

Continental Stock Transfer & Trust Company
Attn: Reorganization Department
17 Battery Place, 8th Floor
New York, New York 10004

If delivering by facsimile:

For Eligible Institutions Only:
(212) 616-7610
For Telephonic Confirmation of Facsimile Receipt:
(917) 262-2378

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Any questions or requests for assistance or additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

Morrow Sodali LLC
470 West Avenue
Stamford, CT 06902
Tel: (800) 662-5200 or banks and brokers can call collect at (203) 658-9400
Email: surge.info@morrrowsodali.com

Exhibit 99.(a)(1)(B)

**LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
PURSUANT TO THE OFFER TO PURCHASE FOR CASH
DATED FEBRUARY 3, 2017 BY**

SURGE COMPONENTS, INC.

**OF
UP TO 5,000,000 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$1.43 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M.,
NEW YORK CITY TIME, MARCH 3, 2017, UNLESS THE TENDER OFFER IS EXTENDED.**

Method of delivery of the certificate(s) is at the option and risk of the owner thereof. *See Instruction 2.*

Mail or deliver this Letter of Transmittal, together with the certificate(s) representing your shares, to:



If delivering by mail or hand delivery:

If delivering by facsimile:

Continental Stock Transfer & Trust Company
Attn: Reorganization Department
17 Battery Place, 8th Floor
New York, New York 10004

For Eligible Institutions Only:
(212) 616-7610
For Telephonic Confirmation of Facsimile Receipt:
(917) 262-2378

Pursuant to the tender offer (as defined below), the undersigned hereby encloses herewith and surrenders the following certificate(s) representing shares of common stock, \$0.001 par value per share, of Surge Components, Inc. ("Surge"):

DESCRIPTION OF SHARES SURRENDERED				
Name(s) and Address(es) of Registered Owner(s) (If blank, please fill in exactly as name(s) appear(s) on share certificate(s))	Shares Surrendered (attached additional list if necessary)			
	Certificated Shares**			
	Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)*	Number of Shares Surrendered**	Book Entry Shares Surrendered
	Total Shares			

* Need not be completed by book-entry stockholders.
** Unless otherwise indicated, it will be assumed that all shares of common stock, \$0.001 par value per share, of Surge represented by certificates described above are being surrendered hereby.

Indicate below the order (by certificate number) in which shares are to be purchased in the event of proration (attach additional signed list if necessary). If you do not designate an order, if less than all shares tendered are purchased due to proration, shares will be selected for purchase by the Depository. See Instruction 14.

1st: _____ 2nd: _____ 3rd: _____ 4th: _____ 5th: _____

Lost, Destroyed or Stolen Certificates. My certificate(s) for _____ shares have been lost, destroyed or stolen and I require assistance in replacing the certificates. See Instruction 10.

PLEASE READ THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.

IF YOU WOULD LIKE ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL OR ANY OF THE OTHER OFFERING DOCUMENTS, YOU SHOULD CONTACT THE INFORMATION AGENT, MORROW SODALI LLC, AT (800) 662-5200 (BANKS AND BROKERS CAN CALL COLLECT AT (203) 658-9400) OR AT SURGE.INFO@MORROWSODALI.COM.

You have received this Letter of Transmittal in connection with the offer of Surge Components, Inc., a Nevada corporation ("Surge") to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, as described in the Offer to Purchase, dated February 3, 2017 (as it may be amended or supplemented from time to time, the "Offer to Purchase"), which, together with this Letter of Transmittal, as each may be amended and supplemented from time to time, constitute the "tender offer." Unless the context otherwise requires, all references to "shares" shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

You should use this Letter of Transmittal to deliver to Continental Stock Transfer & Trust Company (the "Depository") shares represented by stock certificates, or held in book-entry form on the books of Surge, for tender. If you are delivering your shares by book-entry transfer to an account maintained by the Depository at The Depository Trust Company ("DTC"), you must use an Agent's Message (as defined in Instruction 2 below). In this Letter of Transmittal, shareholders who deliver certificates representing their shares are referred to as "Certificate Shareholders," and shareholders who deliver their shares through book-entry transfer are referred to as "Book-Entry Shareholders."

If certificates for your shares are not immediately available or you cannot deliver your certificates and all other required documents to the Depository prior to the expiration date (as defined in the Offer to Purchase) or you cannot complete the book-entry transfer procedures prior to the expiration date, you may nevertheless tender your shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 below. **Delivery of documents to DTC will not constitute delivery to the Depository.**

CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: _____

DTC Participant Number: _____

Transaction Code Number: _____

CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING (PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY):

Name(s) of Registered Owner(s): _____

Window Ticket Number (if any) or DTC Participant Number: _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution which Guaranteed Delivery: _____

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**

Ladies and Gentlemen:

The undersigned hereby tenders to Surge Components, Inc., a Nevada corporation (“Surge”), the above-described shares of common stock, \$0.001 par value per share, of Surge, at a price of \$1.43 per share, net to the seller in cash, without interest and less any applicable withholding taxes, on the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and this Letter of Transmittal, which together, as they may be amended and supplemented from time to time, constitute the “tender offer.” Unless the context otherwise requires, all references to “shares” shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

On the terms and subject to the conditions of the tender offer (including, if the tender offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment and payment for the shares validly tendered herewith, and not properly withdrawn, prior to the expiration date in accordance with the terms of the tender offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Surge, all right, title and interest in and to all of the shares being tendered hereby. In addition, the undersigned hereby irrevocably appoints Continental Stock Transfer & Trust Company (the “Depositary”) the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such shares with full power of substitution (such proxies and power of attorney being deemed to be an irrevocable power coupled with an interest in the tendered shares) to the full extent of such shareholder’s rights with respect to such shares (a) to deliver certificates representing shares (the “Share Certificates”), or transfer of ownership of such shares on the account books maintained by DTC, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of Surge, (b) to present such shares for transfer on the books of Surge, and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, all in accordance with the terms and subject to the conditions of the tender offer.

The undersigned hereby irrevocably appoints each of the designees of Surge the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to the full extent of such shareholder’s rights with respect to the shares tendered hereby which have been accepted for payment. The designees of Surge will, with respect to the shares for which the appointment is effective, be empowered to exercise all voting and any other rights of such shareholder, as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of Surge’s shareholders, by written consent in lieu of any such meeting or otherwise. This proxy and power of attorney shall be irrevocable and coupled with an interest in the tendered shares. Such appointment is effective when, and only to the extent that, Surge accepts the shares tendered with this Letter of Transmittal for payment pursuant to the tender offer. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such shares will be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). Surge reserves the right to require that, in order for shares to be deemed validly tendered, immediately upon Surge’s acceptance for payment of such shares, Surge must be able to exercise full voting, consent and other rights, to the extent permitted under applicable law, with respect to such shares, including voting at any meeting of shareholders or executing a written consent concerning any matter.

The undersigned hereby covenants, represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the shares tendered and that, when and to the extent the same are accepted for purchase by Surge, Surge will acquire good, marketable and unencumbered title thereto, free and clear of all security interests, liens, restrictions, claims, charges, encumbrances and other obligations relating to the sale or transfer of the shares, and the same will not be subject to any adverse claim or right; (b) the undersigned is the registered owner of the shares, or the Share Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the shares; (c) the undersigned will, on request by the Depositary or Surge, execute and deliver any additional documents deemed by the Depositary or Surge to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered, all in accordance with the terms of the tender offer; and (d) the undersigned understands that tendering shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned’s acceptance of the terms and conditions of the tender offer, including the undersigned’s representation and warranty that: (i) the undersigned has a net long position in shares or equivalent securities at least equal to the shares tendered within the meaning of Rule 14e-4 under the Exchange Act (as defined in the Offer to Purchase) and (ii) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act.

The undersigned understands that only shares properly tendered and not properly withdrawn will be purchased upon the terms and subject to the conditions of the tender offer, including its "odd lot" priority, proration and conditional tender provisions, and that Surge will return all other shares, including shares not purchased because of proration or conditional tenders, promptly following the expiration date. It is further understood that the undersigned will not receive payment for the shares unless and until the shares are accepted for payment and until the Share Certificate(s) owned by the undersigned are received by the Depository at the address set forth above, together with such additional documents as the Depository may require, or, in the case of shares held in book-entry form, ownership of shares is validly transferred on the account books maintained by DTC, and until the same are processed for payment by the Depository.

IT IS UNDERSTOOD THAT THE METHOD OF DELIVERY OF THE SHARES, THE SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS (INCLUDING DELIVERY THROUGH DTC) IS AT THE OPTION AND RISK OF THE UNDERSIGNED AND THAT THE RISK OF LOSS OF SUCH SHARES, SHARE CERTIFICATE(S) AND OTHER DOCUMENTS SHALL PASS ONLY AFTER THE DEPOSITARY HAS ACTUALLY RECEIVED THE SHARES OR SHARE CERTIFICATE(S) (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION (AS DEFINED BELOW)). IF DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the acceptance for payment by Surge of shares tendered pursuant to one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and Surge upon the terms and subject to the conditions of the tender offer.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price in the name(s) of, and/or return any Share Certificates representing shares not tendered or accepted for payment to, the registered owner(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Share Certificates representing shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under "Description of Shares Tendered." In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or issue any Share Certificates representing shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless otherwise indicated herein in the box titled "Special Payment Instructions," please credit any shares tendered hereby or by an Agent's Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that Surge has no obligation pursuant to the Special Payment Instructions to transfer any shares from the name of the registered owner thereof if Surge does not accept for payment any of the shares so tendered.

ODD LOTS
(See Instruction 13)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER
(See Instruction 12)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Letter of Transmittal must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by Surge in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, Surge may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

SPECIAL PAYMENT INSTRUCTIONS

(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be issued in the name of someone other than the undersigned or if shares tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at DTC other than that designated above.

Issue: Check and/or Share Certificate(s) to:

Name: _____

(Please Print)

Address: _____

(Include Zip Code)

(Tax Identification or Social Security Number)

Credit shares tendered by book-entry transfer that are not accepted for payment to the DTC account set forth below.

(DTC Account Number)

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled "Description of Shares Tendered" above.

Deliver: Check(s) and/or Share Certificate(s) to:

Name: _____

(Please Print)

Address: _____

(Include Zip Code)

IMPORTANT—SIGN HERE
(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)
(Non-U.S. Holders Please Obtain and Complete IRS Form W-8BEN or Other Applicable IRS Form W-8)

(Signature(s) of Stockholder(s))

Dated: _____, 2017

(Must be signed by the registered owner(s) exactly as the name(s) of such owner(s) appear(s) on Share Certificate(s) for the shares or on a security position listing or by person(s) authorized to become registered owner(s) thereof by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of a corporation or other person acting in a fiduciary or representative capacity, please provide the signatory's full title below and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name(s): _____
(Please Print)

Capacity (full title): _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Tax Identification or Social Security No.: _____

GUARANTEE OF SIGNATURE(S)
(For use by Eligible Institutions only;
see Instructions 1 and 5)

Name of Firm: _____

(Include Zip Code)

Authorized
Signature: _____

Name: _____

(Please Type or Print)

Area Code and Telephone Number: _____

Dated: _____, 2017

Place medallion guarantee in space below:

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in any of DTC's systems whose name appears on a security position listing as the owner of the shares) of shares tendered herewith and such registered owner has not completed the box titled "Special Payment Instructions" or the box titled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations. This Letter of Transmittal is to be completed by shareholders if Share Certificates are to be forwarded herewith. If tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase, an Agent's Message must be utilized. A manually executed facsimile of this document may be used in lieu of the original. Share Certificates representing all physically tendered shares, or confirmation of any book-entry transfer into the Depository's account at DTC of shares tendered by book-entry transfer ("Book Entry Confirmation"), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, or an Agent's Message in the case of a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein prior to the expiration date. Please do not send your Share Certificates directly to Surge.

Shareholders whose Share Certificates are not immediately available or who cannot deliver all other required documents to the Depository prior to the expiration date or who cannot complete the procedures for book-entry transfer prior to the expiration date may nevertheless tender their shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by Surge must be received by the Depository prior to the expiration date, and (c) Share Certificates representing all tendered shares, in proper form for transfer (or a Book Entry Confirmation with respect to such shares), this Letter of Transmittal (or facsimile thereof), properly completed and duly executed with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and all other documents required by this Letter of Transmittal, if any, must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery.

A properly completed and duly executed Letter of Transmittal (or facsimile thereof) must accompany each such delivery of Share Certificates to the Depository.

The term "Agent's Message" means a message, transmitted through electronic means by DTC to, and received by, the Depository and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that Surge may enforce such agreement against the participant. The term "Agent's Message" also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depository's office.

THE METHOD OF DELIVERY OF THE SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE AND RISK OF LOSS OF THE SHARE CERTIFICATES SHALL PASS ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted and no fractional shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal (or facsimile thereof), waive any right to receive any notice of the acceptance of their shares for payment.

All questions as to validity, form and eligibility (including time of receipt) of the surrender of any Share Certificate hereunder, including questions as to the proper completion or execution of any Letter of Transmittal, Notice of Guaranteed Delivery or other required documents and as to the proper form for transfer of any certificate of shares, will be determined by Surge in its sole and absolute discretion (which may delegate power in whole or in part to the Depositary) which determination will be final and binding. Surge reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may be unlawful. Surge also reserves the absolute right to waive any defect or irregularity in the surrender of any shares or Share Certificate(s) whether or not similar defects or irregularities are waived in the case of any other shareholder. A surrender will not be deemed to have been validly made until all defects and irregularities have been cured or waived. Surge and the Depositary shall make reasonable efforts to notify any person of any defect in any Letter of Transmittal submitted to the Depositary.

3. Inadequate Space. If the space provided herein is inadequate, the certificate numbers and/or the number of shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. Partial Tenders (Applicable to Certificate Stockholders Only). If fewer than all the shares evidenced by any Share Certificate delivered to the Depositary are to be tendered, fill in the number of shares which are to be tendered in the column titled "Number of Shares Tendered" in the box titled "Description of Shares Tendered." In such cases, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the expiration date. All shares represented by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered owner(s) of the shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

If any shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of such shares.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Surge of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered owner(s) of the shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made to, or Share Certificates representing shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s), in which case the Share Certificates representing the shares tendered by this Letter of Transmittal must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered owner(s) or holder(s) appear(s) on the Share Certificates. Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

6. Transfer Taxes. Surge will pay any transfer taxes with respect to the transfer and sale of shares to it or to its order pursuant to the tender offer (for the avoidance of doubt, transfer taxes do not include United States federal income or backup withholding taxes). If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check for the purchase price is to be issued, and/or Share Certificates representing shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled "Description of Shares Tendered" above, the appropriate boxes on this Letter of Transmittal should be completed. Shareholders delivering shares tendered hereby or by Agent's Message by book-entry transfer may request that shares not purchased be credited to an account maintained at DTC as such shareholder may designate in the box titled "Special Payment Instructions" herein. If no such instructions are given, all such shares not purchased will be returned by crediting the same account at DTC as the account from which such shares were delivered.

8. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to the Information Agent at its address and telephone number set forth below or to your broker, dealer, commercial bank, trust company or other nominee. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished at Surge's expense.

9. Backup Withholding. Under U.S. federal income tax laws, the Depository will be required to withhold a portion of the amount of any payments made to certain shareholders pursuant to the tender offer. In order to avoid such backup withholding (currently at a rate of 28%), each tendering shareholder or payee that is a United States person (for U.S. federal income tax purposes), must provide the Depository with such shareholder's or payee's correct taxpayer identification number ("TIN") and certify that such shareholder or payee is not subject to such backup withholding by completing the attached Form W-9. Certain shareholders or payees (including, among others, corporations, non-resident foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. A tendering shareholder who is a foreign individual or a foreign entity should complete, sign, and submit to the Depository the appropriate Form W-8. Such forms may be obtained from the Depository or downloaded from the Internal Revenue Service's website at the following address: <http://www.irs.gov>. Failure to complete the Form W-9 will not, by itself, cause shares to be deemed invalidly tendered, but may require the Depository to withhold a portion of the amount of any payments made pursuant to the tender offer.

NOTE: FAILURE TO COMPLETE AND RETURN THE APPROPRIATE FORM W-9 OR W-8 MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER.

All tendering shareholders should see Section 13 of the Offer to Purchase for a discussion of United States federal income tax consequences. In addition, all tendering shareholders are urged to consult their tax advisers regarding the tax consequences of tendering their shares.

10. Lost, Destroyed, Mutilated or Stolen Share Certificates. If any Share Certificate has been lost, destroyed, mutilated or stolen, the shareholder should promptly notify Surge's stock transfer agent, Continental Stock Transfer & Trust Company at (917) 262-2378. The shareholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed.

11. Waiver of Conditions. Subject to the applicable rules and regulations of the Securities and Exchange Commission, the conditions of the tender offer may be waived by Surge in whole or in part at any time and from time to time in its sole discretion.

12. **Conditional Tenders.** As described in Sections 1 and 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased.

If you wish to make a conditional tender, you must indicate this in the box entitled “Conditional Tender” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. In the box entitled “Conditional Tender” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, you must also calculate and appropriately indicate the minimum number of shares that must be purchased from you if any are to be purchased from you.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether Surge accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the required minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, Surge may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and checked the box so indicating. Upon selection by lot, if any, Surge will limit its purchase in each case to the designated minimum number of shares.

All tendered shares will be deemed unconditionally tendered unless the “Conditional Tender” box is completed. If you are an odd lot holder and you tender all of your shares, you cannot conditionally tender, since your shares will not be subject to proration.

13. **Odd Lots.** As described in Section 1 of the Offer to Purchase, if Surge is to purchase fewer than all shares validly tendered before the expiration date and not properly withdrawn, the shares purchased first will consist of all shares properly tendered by any shareholder who owned, beneficially or of record, an aggregate of fewer than 100 shares, and who tenders all of the holder’s shares. This preference will not be available to you unless you complete the section entitled “Odd Lots” in this Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

14. **Order of Purchase in Event of Proration.** As described in Section 1 of the Offer to Purchase, shareholders may designate the order in which their shares are to be purchased in the event of proration. The order of purchase may have an effect on the U.S. federal income tax classification of any gain or loss on the shares purchased. See Sections 1 and 13 of the Offer to Purchase.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY EXECUTED FACSIMILE COPY THEREOF) OR AN AGENT’S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:

Individual/sole proprietor or single-member LLC

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.

Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) _____

6 City, state, and ZIP code _____

7 List account number(s) here (optional) _____

Requester's name and address (optional) _____

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

____ - ____ - _____

OR

Employer identification number

____ - _____

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ _____ Date ▶ _____

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exemption (under paragraph 2 of the first protocol) and is relying on this exemption to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. Individual. Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. Sole proprietor or single-member LLC. Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation. Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(ii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8632 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(ii)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see Exempt payee code earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below:

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ³
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ³
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ³
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.
² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account file.) Also see Special rules for partnerships on page 2.

Note. Grantor also must provide a Form W-9 to trustee of trust.
Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/IDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

The Depository for the Tender Offer is:



If delivering by mail or hand delivery:

Continental Stock Transfer & Trust Company
Attn: Reorganization Department
17 Battery Place, 8th Floor
New York, New York 10004

If delivering by facsimile:

For Eligible Institutions Only:
(212) 616-7610
For Telephonic Confirmation of Facsimile Receipt:
(917) 262-2378

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions or requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone number set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

Morrow Sodali LLC
470 West Avenue
Stamford, CT 06902
Tel: (800) 662-5200 or banks and brokers can call collect at (203) 658-9400
Email: surge.info@morrowsodali.com

Exhibit 99.(a)(1)(C)

**NOTICE OF GUARANTEED DELIVERY
(NOT TO BE USED FOR SIGNATURE GUARANTEES)
FOR TENDER OF SHARES OF COMMON STOCK
OF**

SURGE COMPONENTS, INC.

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M.,
NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS THE OFFER IS EXTENDED.**

As set forth in Section 3 of the Offer to Purchase, dated February 3, 2017, this form must be used to tender shares under the tender offer if (1) certificates representing your shares of the common stock, \$0.001 par value per share, of Surge Components, Inc. are not immediately available or cannot be delivered to the Depository (as defined in the Offer to Purchase) before the expiration date (as defined in the Offer to Purchase), or your shares cannot be delivered before expiration of the tender offer under the procedure for book-entry transfer, or (2) time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal, to reach the Depository before the expiration date.

This form or a facsimile of it, signed and properly completed, may be transmitted by facsimile transmission or delivered by mail or overnight delivery to the Depository so that it is received by the Depository before the expiration date and must include a guarantee by an Eligible Institution. See Section 3 of the Offer to Purchase.

The Depository for the Tender Offer is:



If delivering by mail or hand delivery:

Continental Stock Transfer & Trust Company
Attn: Reorganization Department
17 Battery Place, 8th Floor
New York, New York 10004

If delivering by facsimile:

For Eligible Institutions Only:
(212) 616-7610
For Telephonic Confirmation of Facsimile Receipt:
(917) 262-2378

Any questions or requests for assistance or additional copies may be directed to the Information Agent at its telephone number or address set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the tender offer.

The Information Agent for the Tender Offer is:

Morrow Sodali LLC
470 West Avenue
Stamford, CT 06902
Tel: (800) 662-5200 or banks and brokers can call collect at (203) 658-9400
Email: surge.info@morrowssodali.com

FOR THIS NOTICE TO BE VALIDLY DELIVERED IT MUST BE RECEIVED BY THE DEPOSITARY AT ONE OF THE ABOVE ADDRESSES OR BY FACSIMILE TRANSMISSION PRIOR TO THE EXPIRATION DATE. DELIVERY OF THIS NOTICE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS IN THE LETTER OF TRANSMITTAL, THE SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX IN THE LETTER OF TRANSMITTAL.

Ladies and Gentlemen:

The undersigned hereby tenders to Surge Components, Inc., a Nevada corporation ("Surge"), at a purchase price of \$1.43 per share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer, receipt of which are hereby acknowledged, the number of shares set forth below, all pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

Number of shares to be tendered: _____ shares.*

- * **Unless otherwise indicated, it will be assumed that all shares represented by the share certificates described below or held in the book entry transfer facility account specified below are to be tendered.**

ODD LOTS**(See Instruction 13 of the Letter of Transmittal)**

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) thereof, shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by such beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER**(See Instruction 12 of the Letter of Transmittal)**

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Notice of Guaranteed Delivery must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by Surge in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, Surge may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

SIGN BELOW

Certificate Nos. (if available):

Name(s) of Record Holder(s):

(Please Type or Print)

Address(es):

Zip Code(s):

Area Code(s) and Telephone Number (s):

Signature(s):

Dated:

_____, 2017

If shares will be tendered by book-entry transfer, provide the following information:

Name of Tendering Institution:

Account Number of Book Entry Transfer Facility:

THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED.

**GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)**

The undersigned, a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc. Medallion Signature Program, the Stock Exchange Medallion Program, or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing is referred to as an "Eligible Institution"), hereby guarantees that: (a) the above-named person(s) "own(s)" the shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Exchange Act and (b) such tender of shares complies with Rule 14e-4 promulgated under the Exchange Act, and guarantees that the Depository will receive (i) certificates for the shares tendered hereby in proper form for transfer, or (ii) confirmation that the shares tendered hereby have been delivered pursuant to the procedure for book-entry transfer (set forth in Section 3 of the Offer to Purchase) into the Depository's account at The Depository Trust Company, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of it), or an agent's message (as described in the Offer to Purchase), and any other documents required by the Letter of Transmittal, all within three business days (as defined in the Offer to Purchase) after the date the Depository receives this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for shares to the Depository within the time period set forth herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm: _____

Authorized Signature: _____

Name: _____
(Please Type or Print)

Title: _____

Address: _____

Zip Code: _____

Area Code and Telephone Number: _____

Dated: _____, 2017

**DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY.
YOUR SHARE CERTIFICATES MUST BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

Exhibit 99.(a)(1)(D)

**OFFER TO PURCHASE FOR CASH
BY
SURGE COMPONENTS, INC.
OF UP TO 5,000,000 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$1.43 PER SHARE**

THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS THE TENDER OFFER IS EXTENDED.

February 3, 2017

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

Surge Components, Inc., a Nevada corporation (“Surge”), has appointed us to act as the Information Agent in connection with its offer to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a purchase price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in its Offer to Purchase, dated February 3, 2017, and in the related Letter of Transmittal, which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to shares shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the “odd lot” priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at Surge’s expense promptly after the expiration date. Surge reserves the right, in its sole discretion, to purchase more than 5,000,000 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, Surge will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, Surge will purchase properly tendered shares on the following basis. *First*, Surge will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any “odd lot holder” (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled “Odd Lots” in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, Surge will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until Surge has purchased 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law). *Third*, only if necessary to permit Surge to purchase 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law), Surge will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

THE TENDER OFFER IS NOT CONDITIONED UPON OBTAINING FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE TENDER OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE.

For your information and for forwarding to those of your clients for whom you hold shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase, dated February 3, 2017;
2. The Letter of Transmittal for your use and for the information of your clients (together with accompanying instructions and IRS Form W-9);
3. A letter to clients that you may send to your clients for whose accounts you hold shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the tender offer;
4. A Notice of Guaranteed Delivery to be used to accept the tender offer if the share certificates and all other required documents cannot be delivered to the Depository before the expiration date or if the procedure for book-entry transfer cannot be completed before the expiration date; and
5. A return envelope addressed to the Depository.

YOUR PROMPT ACTION IS REQUIRED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE TO OBTAIN THEIR INSTRUCTIONS. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS THE OFFER IS EXTENDED. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE BE PAID BY SURGE REGARDLESS OF ANY DELAY IN MAKING PAYMENT.

Surge will not pay any fees or commissions to brokers, dealers, commercial banks, trust companies or any person (other than fees to the Information Agent and Depository as described in Section 16 of the Offer to Purchase) for soliciting tenders of shares pursuant to the tender offer. Surge will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding any of the enclosed materials to the beneficial owners of shares held by you as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the agent of Surge, the Information Agent, or the Depository for purposes of the tender offer. Surge will pay or cause to be paid all stock transfer taxes, if any, applicable to its purchase of shares, except as otherwise provided in the Offer to Purchase and Instruction 6 in the Letter of Transmittal.

For shares to be tendered properly under the tender offer, (1) the share certificates (or confirmation of receipt of such shares under the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, including any required signature guarantees, or an "agent's message" (as defined in the Offer to Purchase) in the case of a book-entry transfer, and any other documents required by the Letter of Transmittal, must be received before the expiration date by the Depository at its address set forth on the back cover page of the Offer to Purchase, or (2) the tendering shareholder must comply with the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Shareholders whose certificates for shares are not immediately available or who cannot deliver certificates for their shares and all other required documents to the Depository before the expiration date, or whose shares cannot be delivered before the expiration date under the procedure for book-entry transfer may tender their shares according to the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

NEITHER SURGE, ITS BOARD OF DIRECTORS, THE DEPOSITARY NOR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL, SHOULD CONSULT WITH THEIR OWN FINANCIAL AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES, AND, IF SO, HOW MANY SHARES TO TENDER.

Any inquiries you may have with respect to the tender offer should be addressed to us, at the address and telephone number set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from by contacting us toll free at (800) 662-5200 (banks and brokers can call collect at (203) 658-9400) or at surge.info@morrowsodali.com.

Very truly yours,

MORROW SODALI LLC

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF SURGE, THE INFORMATION AGENT OR THE DEPOSITARY, OR ANY AFFILIATE OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE TENDER OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

Exhibit 99.(a)(1)(E)

**OFFER TO PURCHASE FOR CASH
BY
SURGE COMPONENTS, INC.
OF UP TO 5,000,000 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$1.43 PER SHARE**

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M.,
NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS THE TENDER OFFER IS EXTENDED.**

February 3, 2017

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated February 3, 2017, and the related Letter of Transmittal, in connection with the tender offer by Surge Components, Inc., a Nevada corporation ("Surge"), to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a purchase price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to "shares" shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

Only shares properly tendered and not properly withdrawn will be purchased, upon the terms and subject to the conditions of the tender offer, including the "odd lot" priority, proration and conditional tender provisions thereof. Shares tendered but not purchased pursuant to the tender offer will be returned at Surge's expense promptly after the expiration date. Surge reserves the right, in its sole discretion, to purchase more than 5,000,000 shares in the tender offer, subject to applicable law. See Section 1 of the Offer to Purchase.

If the number of shares properly tendered and not properly withdrawn prior to the expiration date is fewer than or equal to 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, Surge will, upon the terms and subject to the conditions of the tender offer, purchase all such shares.

Upon the terms and subject to the conditions of the tender offer, if greater than 5,000,000 shares, or such greater number of shares as Surge may elect to purchase, subject to applicable law, have been properly tendered and not properly withdrawn prior to the expiration date, Surge will purchase properly tendered shares on the following basis. *First*, Surge will purchase all shares properly tendered and not properly withdrawn prior to the expiration date by any "odd lot holder" (a shareholder who owns beneficially or of record an aggregate of fewer than 100 shares) who (a) tenders all shares owned beneficially or of record by that odd lot holder (tenders of fewer than all the shares owned by that odd lot holder will not qualify for this preference) and (b) completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery. *Second*, after the purchase of all of the shares tendered by odd lot holders, subject to the conditional tender provisions described in Section 6 of the Offer to Purchase, Surge will purchase all other shares properly tendered and not properly withdrawn prior to the expiration date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until Surge has purchased 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law). *Third*, only if necessary to permit Surge to purchase 5,000,000 shares (or such greater number of shares as Surge may elect to purchase, subject to applicable law), Surge will purchase shares conditionally tendered (for which the condition was not initially satisfied) and not properly withdrawn prior to the expiration date, by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. **WE ARE SENDING YOU THE LETTER OF TRANSMITTAL FOR YOUR INFORMATION ONLY; YOU CANNOT USE IT TO TENDER SHARES WE HOLD FOR YOUR ACCOUNT.**

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account upon the terms and subject to the conditions of the tender offer.

We call your attention to the following:

1. The purchase price in the tender offer is \$1.43 per share, net to you in cash, less any applicable withholding taxes and without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered. The tender offer is, however, subject to certain other conditions.
4. The tender offer and withdrawal rights with respect to the tender offer will expire at 11:59 p.m., New York City time, on March 3, 2017, unless the tender offer is extended.
5. The tender offer is for 5,000,000 shares, constituting approximately 49% of Surge's outstanding common stock as of February 2, 2017.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to Continental Stock Transfer & Trust Company, the Depository for the tender offer, will not be obligated to pay any brokerage commissions, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes with respect to the transfer and sale of shares to Surge pursuant to the tender offer.
7. If you own beneficially or of record an aggregate of fewer than 100 shares, and you instruct us to tender on your behalf all such shares and check the box captioned "Odd Lots" in the attached Instruction Form, Surge, upon the terms and subject to the conditions of the tender offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered and not properly withdrawn.
8. If you wish to condition your tender on all or a minimum number of your shares being purchased by Surge, you may elect to do so by completing the section captioned "Conditional Tender" in the attached Instruction Form. If, because of proration, the minimum number of shares designated will not be purchased, Surge may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all of your shares and checked the box so indicating.
9. Surge's board of directors has approved the tender offer. However, neither Surge, Surge's board of directors, the Depository nor the Information Agent makes any recommendation to you as to whether to tender or refrain from tendering any shares. You should carefully evaluate all information in the Offer to Purchase and the related Letter of Transmittal, should consult with your own financial and tax advisors, and should make your own decisions about whether to tender shares, and, if so, how many shares to tender.
10. Surge's current directors and executive officers have agreed not to participate in the tender offer. See Section 11 of the Offer to Purchase.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form as promptly as possible. If you authorize us to tender your shares, we will tender all such shares unless you specify otherwise on the attached Instruction Form.

All capitalized terms used and not defined herein shall have the same meanings as in the Offer to Purchase.

YOUR PROMPT ACTION IS REQUESTED. YOUR INSTRUCTION FORM SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF BEFORE THE EXPIRATION DATE OF THE TENDER OFFER. PLEASE NOTE THAT THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 3, 2017, UNLESS SURGE EXTENDS THE TENDER OFFER.

The tender offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares. The tender offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the applicable laws of such jurisdiction.

**INSTRUCTION FORM WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
BY
SURGE COMPONENTS, INC.
OF
UP TO 5,000,000 SHARES OF ITS COMMON STOCK
AT A PURCHASE PRICE OF \$1.43 PER SHARE**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated February 3, 2017, and the related Letter of Transmittal, in connection with the tender offer by Surge Components, Inc., a Nevada corporation ("Surge"), to purchase up to 5,000,000 shares of its common stock, \$0.001 par value per share, at a purchase price of \$1.43 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal which, as amended and supplemented from time to time, together constitute the tender offer. Unless the context otherwise requires, all references to "shares" shall refer to the shares of common stock, \$0.001 par value per share, of Surge.

The undersigned hereby instruct(s) you to tender to Surge the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, under the terms and subject to the conditions of the tender offer.

Number of shares to be tendered by you for the account of the undersigned: _____ shares*

* **Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.**

ODD LOTS

(See Instruction 13 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
- is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s) shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all such shares.

CONDITIONAL TENDER

(See Instruction 12 of the Letter of Transmittal)

A shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to this Instruction Form must be purchased if any shares tendered are purchased from such shareholder, all as described in the Offer to Purchase, particularly in Section 6 thereof. Any shareholder desiring to make a conditional tender must so indicate by checking the box below. Unless the minimum number of shares indicated below is purchased by Surge in the tender offer, none of the shares tendered by such shareholder will be purchased. **It is the shareholder's responsibility to calculate the minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor before completing this section.** Unless this box has been checked and a minimum specified, the shareholder's tender will be deemed unconditional.

- The minimum number of shares that must be purchased from me, if any are purchased from me, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, Surge may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering stockholder must have tendered all of his or her shares and checked this box:

The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE DELIVERY.

SIGN HERE

Account Number: _____

Signature(s): _____

Print Name(s): _____

Address(es): _____

Area Code and Telephone Number: _____

Taxpayer Identification or Social Security Number: _____

Date: _____

Exhibit (a)(5)



Surge Components Announces Commencement of Tender Offer to Purchase up to 5,000,000 Shares of its Common Stock

DEER PARK, N.Y. (February 3, 2017) – Surge Components, Inc. (“Surge” or the “Company”) (OTC Pink: SPRS), a leading supplier of capacitors, discrete semi-conductors and audible and sounding devices, announced today the commencement of a tender offer to purchase for cash up to 5,000,000 shares of its common stock at a purchase price of \$1.43 per share, less applicable withholding taxes and without interest.

The tender offer is being made upon the terms and subject to the conditions described in the Company’s Offer to Purchase dated February 3, 2017, and will expire at 11:59 p.m., New York City time, on March 3, 2017, unless extended by the Company. Tenders of shares must be made on or prior to the expiration of the tender offer and may be withdrawn at any time prior to the expiration of the tender offer, in each case, in accordance with the procedures described in the tender offer materials. If more than 5,000,000 shares are properly tendered and not properly withdrawn, the Company will purchase all tendered shares on a *pro rata* basis as specified in the Offer to Purchase, subject to the “odd lot” and conditional tender provisions described in the Offer to Purchase.

The tender offer is not conditioned upon obtaining financing or any minimum number of shares being tendered; however, the tender offer is subject to a number of other terms and conditions, which are specified in the Offer to Purchase.

The Company expects to fund the share purchases in the tender offer, and to pay related fees and expenses, from its current assets, including cash and cash equivalents. After the expiration of the tender offer, stockholders whose shares are purchased in the tender offer will be paid the purchase price in cash, less any applicable withholding taxes and without interest, promptly after the expiration of the tender offer.

Specific instructions and a complete explanation of the terms and conditions of the tender offer are contained in the Offer to Purchase and related materials sent to stockholders beginning on February 3, 2017.

Morrow Sodali LLC will serve as information agent for the tender offer, and Continental Stock Transfer & Trust Company will serve as the depository for the tender offer.

The Company’s board of directors has approved the tender offer. However, none of the Company or its board of directors, the information agent or the depository in connection with the tender offer, is making any recommendation to stockholders as to whether to tender or refrain from tendering shares in the tender offer. Stockholders should carefully evaluate all information in the Offer to Purchase and the related Letter of Transmittal, should consult with their own financial and tax advisors, and should make their own decisions about whether to tender shares, and, if so, how many shares to tender.

Tender Offer Statement

The discussion of the tender offer contained in this press release is for informational purposes only and is neither an offer to buy nor the solicitation of an offer to sell any of the shares of common stock of the Company. The tender offer and the solicitation of the shares of common stock of the Company are made only pursuant to the Offer to Purchase, letter of transmittal and related materials being sent to the Company’s stockholders. Stockholders should read those materials carefully prior to making any decision with respect to the offer because they contain important information, including the various terms and conditions of the tender offer. Stockholders may obtain copies of the Offer to Purchase, letter of transmittal and related materials filed by the Company with the SEC through the SEC’s internet address at www.sec.gov without charge. Stockholders and investors may also obtain a copy of these documents, as well as any other documents the Company has filed with the SEC, without charge, from the Company or at the Investor Relations section of the Company’s website: <http://www.surgecomponents.com/relations.asp> or by calling Morrow Sodali LLC, the information agent for the tender offer, at (800) 662-5200 or banks and brokers can call collect at (203) 658-9400.

Important Notice Regarding Forward-Looking Statements

This press release may include forward-looking statements, including statements regarding the Company’s ability to complete the tender offer, the number of shares the Company will be able to purchase in the tender offer and the ability to achieve the benefits contemplated by the tender offer. The statements made by the Company are based upon management’s current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include market conditions and other factors beyond the Company’s control and the risk factors and other cautionary statements described in the Company’s filings with the SEC, including the Company’s Annual Report on Form 10-K filed with the SEC on February 26, 2016 as updated by subsequent Quarterly Reports on Form 10-Qs and other current report filings.

About Surge Components, Inc.

Founded in November 1981, Surge is a supplier of capacitors, discrete semi-conductors and audible/sounding devices. Surge’s capacitor product portfolio includes aluminum electrolytic capacitors, film capacitors, and ceramic capacitors. In the discrete semiconductor portfolio, Surge’s strengths include general purpose, recovery, schottky, polymer ESD, and transient voltage suppressors, transistors, diodes, and a full line of bridge rectifiers. With more than 30 years in the industry, Surge helps customers bring their products to market using the highest quality components with the most competitive economics to scale. Surge supplies its top quality products to customers in many market segments, including, but not limited to, power, energy, automotive, computer, telecom and security.

Media Contact

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