

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended June 30, 2001	Three months ended June 30, 2000	Six months ended June 30, 2001	Six months ended June 30, 2000
Numerator:				
Net (loss)	(1,565,755)	(1,475,164)	(2,990,756)	(3,238,644)
Dividends on Series A preferred stock	(772)	(5,703)	(1,535)	(11,406)
Dividends on Series B preferred stock	<u>(51,608)</u>	<u>(52,213)</u>	<u>(103,389)</u>	<u>(104,426)</u>
Numerator for basic and diluted earnings (loss) per share-income (loss) available to common shareholders	<u>(1,618,135)</u>	<u>(1,533,080)</u>	<u>(3,095,680)</u>	<u>(3,354,476)</u>
Denominator:				
Denominator for basic earnings (loss) per share- weighted average shares outstanding	9,195,435	7,339,177	9,093,531	7,114,522
Effect of dilutive securities Warrants	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Dilutive potential common shares denominator for diluted earnings (loss) per share adjusted weighted-average shares and assumed conversion	<u>9,195,435</u>	<u>7,339,177</u>	<u>9,093,531</u>	<u>7,114,522</u>
Basic earnings (loss) per share	<u>(0.18)</u>	<u>(0.21)</u>	<u>(0.34)</u>	<u>(0.47)</u>
Diluted earnings (loss) per share	<u>(0.18)</u>	<u>(0.21)</u>	<u>(0.34)</u>	<u>(0.47)</u>