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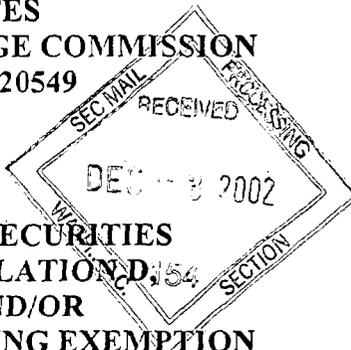
SEC 1972 Potential persons who are to respond to the collection of information contained in this (6-02) form are not required to respond unless the form displays a currently valid OMB control number.

ATTENTION
Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption state exemption unless such exemption is predicated on the filing of a federal notice.

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

FORM D

NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION



OMB APPROVAL
OMB Number: 3235-0076
Expires: May 31, 2005
Estimated average burden hours per response... 1

SEC USE ONLY		
Prefix		Serial
DATE RECEIVED		

PROCESSED
DEC 17 2002
THOMSON FINANCIAL

Name of Offering ([] check if this is an amendment and name has changed, and indicate change.)

Lottotron, Inc.

Filing Under (Check box(es) that apply):

Rule 504 [] Rule 505 [] Rule 506 [] Section 4(6) [] ULOE

Type of Filing: New Filing [] Amendment

A. BASIC IDENTIFICATION DATA



1. Enter the information requested about the issuer

Name of Issuer ([] check if this is an amendment and name has changed, and indicate change.)

Lottotron, Inc.

Address of Executive Offices (Including Area Code)

(Number and Street, City, State, Zip Code)

Telephone Number

207 Lodi Street, Hackensack, NJ 07601

(201) 883-1444

Address of Principal Business Operations (Including Area Code) (if different from Executive Offices)

(Number and Street, City, State, Zip Code)

Telephone Number

Brief Description of Business

Type of Business Organization

corporation limited partnership, already formed other (please specify):
 business trust limited partnership, to be formed

Month Year

Actual or Estimated Date of Incorporation or Organization: [0]1] [8]5] Actual Estimated
Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:
CN for Canada; FN for other foreign jurisdiction) [N] [J]

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and

- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Fiscella, Joseph A.

Business or Residence Address (Number and Street, City, State, Zip Code)

207 Lodi Street, Hackensack, NJ 07601

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Alessio, Frank J.

Business or Residence Address (Number and Street, City, State, Zip Code)

207 Lodi Street, Hackensack, NJ 07601

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Scagnelli, John B.

Business or Residence Address (Number and Street, City, State, Zip Code)

207 Lodi Street, Hackensack, NJ 07601

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Scully, Michael R.

Business or Residence Address (Number and Street, City, State, Zip Code)

207 Lodi Street, Hackensack, NJ 07601

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Fiscella, Joseph E.

Business or Residence Address (Number and Street, City, State, Zip Code)

207 Lodi Street, Hackensack, NJ 07601

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Apply: Owner Officer Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... Yes No
[X] []

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual?..... \$25,000

3. Does the offering permit joint ownership of a single unit?..... Yes No
[] [X]

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only. N/A

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

- | | | | | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| [AL] | [AK] | [AZ] | [AR] | [CA] | [CO] | [CT] | [DE] | [DC] | [FL] | [GA] | [HI] | [ID] |
| [IL] | [IN] | [IA] | [KS] | [KY] | [LA] | [ME] | [MD] | [MA] | [MI] | [MN] | [MS] | [MO] |
| [MT] | [NE] | [NV] | [NH] | [NJ] | [NM] | [NY] | [NC] | [ND] | [OH] | [OK] | [OR] | [PA] |
| [RI] | [SC] | [SD] | [TN] | [TX] | [UT] | [VT] | [VA] | [WA] | [WV] | [WI] | [WY] | [PR] |

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
[MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
[MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box " " and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Table with 2 columns: Type of Security, Aggregate Offering Price, Amount Already Sold. Rows include Debt, Equity, Convertible Securities, Partnership Interests, Other, and Total.

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	0	\$ 0
Non-accredited Investors	0	\$ 0
Total (for filings under Rule 504 only)	0	\$ 0

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	0	\$ 0
<u>Regulation A</u>	0	\$ 0
Rule 504	0	\$ 0
Total	0	\$ 0

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	[] \$
Printing and Engraving Costs	[X] \$ 1,000
Legal Fees	[X] \$ 21,000
Accounting Fees	[X] \$ 2,500
Engineering Fees	[] \$
Sales Commissions (specify finders' fees separately)	[] \$
Other Expenses (identify) <u>Filing fees, mailing expenses</u>	[X] \$ 500
Total	[X] \$ 25,000

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

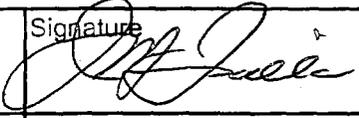
\$ 800,000

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees	[] \$ _____	[] \$ _____
Purchase of real estate	[] \$ _____	[] \$ _____
Purchase, rental or leasing and installation of machinery and equipment	[] \$ _____	[] \$ _____
Construction or leasing of plant buildings and facilities.....	[] \$ _____	[] \$ _____
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	[] \$ _____	[] \$ _____
Repayment of indebtedness	<input checked="" type="checkbox"/> \$400,000	[] \$ _____
Working capital	<input checked="" type="checkbox"/> \$400,000	[] \$ _____
Other (specify): _____	[] \$ _____	[] \$ _____
_____	[] \$ _____	[] \$ _____
_____	[] \$ _____	[] \$ _____
Column Totals	[] \$ _____	[] \$ _____
Total Payments Listed (column totals added)	<input checked="" type="checkbox"/> \$800,000	

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) Lottotron, Inc.	Signature 	Date 11/27/02
Name of Signer (Print or Type) Joseph A. Fiscella	Title of Signer (Print or Type) President	

ATTENTION
Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

Offeree Name: _____
Memorandum No.: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

LOTTOTRON, INC.

\$25,000 Per Subscription

December 2, 2002

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY OR TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF AN OFFEREE'S NAME HAS BEEN INSERTED ON THIS COVER PAGE ON BEHALF OF THE COMPANY, AND THEN IT IS AN OFFER ONLY TO THE PERSON NAMED, RECEIPT OF THIS MEMORANDUM UNDER ANY OTHER CIRCUMSTANCES DOES NOT CONSTITUTE AN OFFER

LOTTOTRON, INC.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

This Confidential Private Placement Memorandum is submitted on a confidential basis solely in connection with an offering of shares of Common Stock (the "Shares") of Lottotron, Inc. ("Lottotron" or the "Company") at a price of \$25,000 for a number of Shares that will represent .33% of the outstanding shares of Common Stock of Lottotron. The precise number of shares and the price for each share of Common Stock will be determined at the time of the closing of this offering. There is no minimum number of shares of Common Stock that is required for this offering. The maximum amount of this offering will be \$825,000. All subscriptions must be received by Lottotron on or before December 16, 2002. Each investor will only be permitted to invest \$25,000 in this offering.

There has been no market for the Company's securities prior to this offering, and it is not contemplated that there will ever be a market for the shares of Common Stock offered hereunder.

ANY PURCHASE OF THE SHARES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS."

THE SHARES HAVE NOT BEEN REGISTERED UNDER APPLICABLE SECURITIES LAW AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS. PURCHASERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR INDEFINITELY THE FINANCIAL RISKS OF A PURCHASE OF THE SHARES.

LOTTOTRON, INC.

207 Lodi Street

Hackensack, NJ 07601

Telephone: (201) 883-1444 Facsimile: (201) 883-0830

The date of this Memorandum is December 2, 2002

IN MAKING A DECISION TO PURCHASE SHARES, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF LOTTOTRON AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, NONE OF THE FOREGOING AUTHORITIES HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. NO ONE HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO LOTTOTRON OR THE SHARES.

BY ACCEPTING THIS MEMORANDUM, YOU AGREE THAT YOU WILL NOT DISCLOSE ITS CONTENTS TO ANYONE OTHER THAN YOUR PROFESSIONAL ADVISORS, OR REPRODUCE IT, IN WHOLE OR IN PART, WITHOUT THE WRITTEN CONSENT OF THE COMPANY, AND THAT YOU WILL RETURN THIS MEMORANDUM TOGETHER WITH THE ACCOMPANYING OFFERING MATERIALS UPON REQUEST IF YOU DO NOT AGREE TO PURCHASE ANY OF THE SHARES.

THE PURCHASE OF SHARES SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD TO SUSTAIN A LOSS OF THEIR ENTIRE PURCHASE PRICE. PURCHASERS WILL BE REQUIRED TO REPRESENT THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS OF THIS OFFERING, AND THAT THEY OR THEIR PURCHASER REPRESENTATIVES HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT THEY ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF A PURCHASE OF SHARES.

FOR RESIDENTS OF NEW JERSEY:

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE NEW JERSEY UNIFORM SECURITIES ACT AND MAY NOT BE TRANSFERRED OR SOLD EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH SUCH ACT. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BUREAU OF SECURITIES OF THE STATE OF NEW JERSEY, NOR HAS THE BUREAU PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR RESIDENTS OF NEW YORK:

THIS OFFERING DOCUMENT HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR RESIDENTS OF FLORIDA:

THE SECURITIES IN THIS CONFIDENTIAL MEMORANDUM HAVE NOT BEEN REGISTERED IN THE STATE OF FLORIDA. PURSUANT TO THE FLORIDA SECURITIES ACT, EACH PERSON WHO ACCEPTS THIS OFFER TO PURCHASE SECURITIES HAS THE RIGHT TO VOID HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER OR ANY OTHER PERSON WITHIN THREE BUSINESS DAYS, IN WHICH CASE ALL FUNDS WILL BE REFUNDED WITHOUT INTEREST OR DEDUCTION AS REQUIRED BY SECTION 517.061(11)(a)(5), FLA. STAT. EACH PERSON ENTITLED TO EXERCISE THE RIGHT TO WITHDRAW GRANTED BY SECTION 517.061(11) WHO WISHES TO EXERCISE SUCH RIGHT MUST WITHIN THREE BUSINESS DAYS AFTER SUBSCRIBING FOR A UNIT OR MAKING PAYMENT FOR A UNIT, WHICHEVER IS LATER, CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO JOSEPH FISCELLA AT 207 LODI STREET, HACKENSACK, NEW JERSEY 07601. SUCH LETTER OR TELEGRAM MUST BE SENT AND POSTMARKED ON OR PRIOR TO THE AFOREMENTIONED THIRD BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY (IN PERSON OR BY TELEPHONE TO JOSEPH FISCELLA AT (201) 883-1444), YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. SEE *PLAN OF DISTRIBUTION – RESCISSION RIGHTS OF FLORIDA AND PENNSYLVANIA RESIDENTS*.

NOTICE FOR RESIDENTS OF PENNSYLVANIA:

PURSUANT OT SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, EACH PENNSYLVANIA OFFEREE HAS THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO LOTTOTRON OR ANY OTHER PERSON, WITHIN TWO BUSINESS DAYS AFTER HE ENTERS INTO A BINDING CONTRACT OF PURCHASE, OR MAKES ANY PAYMENT FOR THE SECURITIES BEING OFFERED OR THE

EXEMPTION FROM REGISTRATION OF SECURITIES BECOMES EFFECTIVE, WHICHEVER IS LATER.

EACH PERSON WHO WISHES TO EXERCISE THIS RIGHT SHOULD CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO JOSEPH FISCELLA AT 207 LODI STREET, HACKENSACK, NEW JERSEY 07601. SUCH LETTER OR TELEGRAM MUST BE SENT AND POSTMARKED ON OR PRIOR TO THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY (IN PERSON OR BY TELEPHONE TO JOSEPH FISCELLA AT (201) 883-1444), YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. IN ADDITION, EACH INVESTOR WHO IS A RESIDENT OF PENNSYLVANIA SHALL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES FOR TWELVE MONTHS FOLLOWING THE DATE OF SUCH PERSON'S PURCHASE UNLESS SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972. SEE *PLAN OF DISTRIBUTION – RESCISSION RIGHTS OF FLORIDA ND PENNSYLVANIA RESIDENTS*.

FOR RESIDENTS OF NORTH CAROLINA:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR RESIDENTS OF GEORGIA:

THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF THE CODE SECTION 10-509 OF THE “GEORGIA SECURITIES ACT OF 1973” AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.”

OVERVIEW

Lottotron, Inc. is a New Jersey corporation incorporated in the State of New Jersey in 1985 and is the owner of five United States patents for automated interactive wagering systems. The Lottotron patents permit the acceptance of telephonic or computerized wagering (including over the internet).

Lottotron does not itself operate any automated interactive wagering systems. Rather its goal is to license the use of its patents to gaming providers. The license agreements will allow the legitimate use of the Lottotron patents in return for license and royalty fees for each wager placed with a licensed operator of the Lottotron patents by telephone, computer, cellular, satellite or fiber optic means.

Presently, Lottotron has not licensed its patents to any gaming operator and has not generated any revenues or income. However, Lottotron believes that its patents are being violated by a number of gaming companies that are operating telephone and computer wagering systems for pari-mutual and lottery wagering systems. Lottotron has sent a letter to Scientific Games International, one of the companies that Lottotron believes is infringing its patents, in which Lottotron has offered Scientific Games the opportunity to license, on terms to be negotiated, Lottotron's patents to resolve any infringement claims. Lottotron expects that it will be sending similar letters to other companies which it believes are infringing on its patents. If Lottotron is unable to enter into an acceptable license agreement with Scientific Games and other companies infringing Lottotron's patents, Lottotron anticipates that it will commence a patent infringement lawsuit against these companies seeking damages and injunctive relief.

The ability of Lottotron to license its patents will be dependent upon the outcome of its negotiations, if any, with companies that are presently infringing Lottotron's patents, or as to those companies that do not enter into license agreements, the resolution of any lawsuits that Lottotron commences against them. If Lottotron is successful in obtaining these license agreements or in the lawsuits it may commence, we believe that the potential license and other fees and damages that may be earned or received by Lottotron will be substantial. There is no assurance, however, that Lottotron will be successful in negotiating any license agreements or prevail in any lawsuits that it may commence.

Lottotron is offering investors the opportunity to invest in the Company in \$25,000 increments. For each \$25,000 invested, each investor will receive that number of shares of Common Stock of the Company that would equal one-third of one percent (0.33%) of the total aggregate number of shares of Common Stock of the Company outstanding at the closing of this offering. The maximum amount that the Company will raise in this offering is \$825,000. This offering shall remain open until December 16, 2002, after which no further subscriptions shall be accepted by the Company in connection with this offering. Lottotron is requiring a minimum investment of \$25,000

from each investor. If all of the Shares offered hereby are purchased, they will represent approximately 11 percent of the outstanding shares of Common Stock of Lottotron.

These Shares are suitable only for sophisticated purchasers who can analyze and understand the potential risks and rewards of a purchase and who can afford to lose his or her entire investment in Lottotron. There are numerous potential risks in this investment. See "Risk Factors."

This Memorandum does not purport to state every material fact that may be involved in a purchase of the Shares. Each potential purchaser is encouraged to consult with his or her own advisors in connection with a purchase of the Shares. An officer of Lottotron is available to answer questions from potential purchasers, and each such potential purchaser is encouraged to ask such questions and to examine such documents as he or she deems appropriate in evaluating a purchase of the Shares.

If a potential purchaser has any questions regarding Lottotron or the purchase of the Shares, or any matter in connection with the transactions described in the Memorandum, he or she should contact Mr. Joseph Fiscella by email at jfiscella@lottotron.com.

RISK FACTORS

AN INVESTMENT IN THE SHARES IS SPECULATIVE AND THEREFORE INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY OF THEIR INVESTMENT AND WHO CAN BEAR THE RISK OF THE LOSS OF THEIR ENTIRE INVESTMENT.

FORWARD-LOOKING STATEMENTS INVOLVE AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH COULD CAUSE THE COMPANY'S ACTUAL RESULTS AND PERFORMANCE (FINANCIAL OR OPERATING) TO DIFFER FROM THE RESULTS IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. THE COMPANY UNDERTAKES NO OBLIGATION TO RELEASE ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

BECAUSE AN INVESTMENT IN THE SHARES INVOLVES SUBSTANTIAL ECONOMIC RISK, PROSPECTIVE INVESTORS SHOULD RETAIN THEIR OWN PROFESSIONAL ADVISORS TO REVIEW AND EVALUATE THE ECONOMIC AND OTHER CONSEQUENCES OF OWNERSHIP OF THE SHARES. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY OTHER INFORMATION FURNISHED, AS INVESTMENT, LEGAL OR ACCOUNTING ADVICE.

BEFORE SUBSCRIBING FOR ANY SHARES PROSPECTIVE INVESTORS AND THEIR PROFESSIONAL ADVISORS SHOULD CAREFULLY CONSIDER, AMONG OTHER THINGS, THE FOLLOWING RISK FACTORS.

Lack of Operating History. The Company is in the development stage and has limited operating history. Because the Company has limited operating history, prospective investors have no historical basis on which to evaluate the Company's business and prospects. The Company has been solely engaged in the development of its gaming patents.

License of Patents. Lottotron does not presently anticipate that it will attempt to utilize its patents for purposes of directly engaging in the gaming business. The Company's prospects will rest entirely on its ability to license its patented technology to other companies engaged in the gaming industry. There is no assurance that Lottotron will be successful in negotiating any such license agreements.

Patent Litigation. If Lottotron commences lawsuits against those companies that it believes are presently infringing its patents, there can be no assurance that Lottotron will prevail in such litigation or that such litigation will be settled on terms advantageous to Lottotron. In any such lawsuit it is likely that the validity and scope of Lottotron's patents will be challenged by the defendants. While Lottotron believes its patents are valid, if the validity of these patents are not upheld or their scope limited, the ability of Lottotron to successfully license its patents and technology and generate substantial revenues, if any, will be significantly curtailed.

Contingency Fee Agreement. Lottotron has retained the law firms of Kelley Drye & Warren LLP and Darby & Darby to represent it in negotiating any license agreements with the companies that are infringing Lottotron's patents and in any litigation that Lottotron may commence against any of these companies. These firms have agreed to handle these matters on a contingent fee basis. Accordingly, these firms will be entitled to a portion of any license fee income that Lottotron earns or damages it recovers in any litigation that Lottotron commences. This will reduce the amounts that will ultimately be available to distribute as dividends to the shareholders of Lottotron. For a complete discussion of the contingent fee agreement, see "Licensing and Enforcement of Lottotron Patents" below. The law firms may withdraw from their representation of Lottotron at any time. In such event, Lottotron will be responsible for such firms' fees and expenses. Following such withdrawal, Lottotron may be unable to find another law firm to represent it in any patent infringement action on a contingent fee basis. If that should occur, Lottotron's ability to license its patents and generate any revenues may be adversely affected thereby limiting any potential return or payments to its shareholders.

Changes or Advances in Technology. There may be advances in technology that could result in the obsolescence of the Lottotron patents. This in turn could have a material adverse effect on the ability of the Company to license its patents and the revenues that Lottotron could generate from license fees.

Taxable of Lottotron Income. Lottotron qualifies as a subchapter C corporation under the Internal Revenue Code. Accordingly, any income it earns, including from any licenses and royalty fees, or attributable to any damages or other awards it may receive with respect to the Lottotron patents, will be subject to both federal and state corporate taxation. The federal corporate income tax rate is as high as 38% of taxable income. The state corporate income tax rate is 9% of taxable income. Accordingly, the amount available for distribution as dividends to shareholders of Lottotron will be reduced by the amount of corporate and state income tax that Lottotron will have to pay on its income.

Dilution. Lottotron's existing shareholders, acquired their shares of Common Stock at a price substantially below the price of the Shares offered hereby. Accordingly, investors in this offering will incur immediate and substantial dilution in the net tangible book value of their investment.

Government Regulation. Pari-mutual betting, lottery and other wagering in the United States is regulated by state and local government and agencies. Accordingly, any gaming company licensing the Lottotron patents will be subject to extensive government regulation. Such regulation may effect the manner in which these companies operate and utilize the Lottotron patents. It is not known at this time whether such regulations will adversely affect these companies and the revenues they may generate.

Restrictions on Transferability of Shares. There are substantial restrictions on the transfer of the Shares. All purchasers will be required to represent that they are purchasing the Shares for investment and not for distribution. The Shares have not been registered under the Securities Act or any other law, rule or regulation and they therefore must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Accordingly, purchasers of the Shares must bear the investment risk for an indefinite period of time. The only person which may register the Shares under the Securities Act is the Company and the Company has no obligation or intention to do so.

No Market For Shares. There is not, and there may never be, any market for the Shares and, as a result, it may be difficult or impossible to sell or dispose of any Shares.

THE FOREGOING RISK FACTORS DO NOT CONSTITUTE A COMPLETE DESCRIPTION OF THE RISKS RELATED TO THE PURCHASE OF THE SHARES. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM IN IT ENTIRETY, INCLUDING THE APPENDICES AND EXHIBITS, AND ARE STRONGLY URGED TO CONSULT WITH THEIR PROFESSIONAL, TAX AND OTHER ADVISORS BEFORE INVESTING IN THE COMPANY.

THE COMPANY

Lottotron is a New Jersey corporation, incorporated in 1985, and is owner of the following five United States patents:

- No. 5,415,416 - Automated Telephone Wagering System
- No. 5, 816,919 – Computerized Lottery Wagering System
- No. 5,904,619 – Computerized Lottery Wagering System
- No. 5,910,047 – Computerized Lottery Wagering System
- No. 5,921,865 – Computerized Lottery Wagering System

The Lottotron patents comprise a system pursuant to which wagers may be placed through a telephonic or computerized wagering system, including over the internet. The Lottotron patents also establish a manner in which wagering information can be stored with respect to each wager. The Lottotron patents apply to various wagering systems, including but not limited to pari-mutual (legally sanctioned racetrack) betting and other forms of off-track betting and lotteries.

There are many companies that utilize automated wagering in some form or another. Telephonic computerized wagering, including internet wagering, is being used, contemplated or soon to be initiated by gaming providers both in the United State and off-shore. While precise numbers are not available, it is estimated that on a global basis over \$40 billion dollars per year are generated by computerized and telephonic wagering systems.

Lottotron is in the development stage and has limited operating history. Lottotron's goal is to license the use of its patents to gaming providers. The license agreements will allow the legitimate use of the Lottotron patents in return for a license and/or royalty fees for each wager made by telephone, computer, cellular, satellite or fiber-optic means. Presently, Lottotron has not licensed its patents to any gaming operator and has not generated any revenues or income. However, Lottotron believes that its patents are being violated by a number of gaming companies that are operating telephonic and computer wagering systems for pari-mutual and lottery wagering systems.

A spectrum of interactive, automated types of wagering covered by Lottotron's patents include:

- Pari-mutual wagering
- internet lottery wagering

- interactive lottery wagering
- interactive keno
- interactive bingo
- interactive sports wagering
- interactive instant games
- interactive television wagering
- internet casino wagering
- interactive casino wagering
- in-flight wagering
- offshore satellite wagering
- Indian telephone lottery
- Indian internet lottery
- Indian internet casino gaming.

As a general matter, any wager made by telephone, computer, cellular phone (including airplane-type wagering), satellite or fiber optic means is covered by at least one of Lottotron's patents. Furthermore, the Lottotron patents incorporate over one hundred twenty (120) claims.

The Lottotron patents also deal with making wagers using credit cards and/or subscriber accounts. Personal identification numbers are utilized to prevent under age gambling and wagering limits can be easily established with the Lottotron patents. The Lottotron patents have interstate and intrastate capabilities.

For those gaming companies which license the Lottotron patents, these companies can benefit from a number of competitive advantages:

- Risk free use of present and future gaming systems without concern of patent infringement.
- By being an exclusive licensee of the Lottotron patents in certain territories, a gaming company will have an edge on competitors.

- Increase earnings ratio by producing income without product expense and research or development costs.
- “Legitimizing” internet wagering by marketing “patented processes” to governmental clients.
- Setting industry standards that will encourage governments to increase the percentages of revenue paid to the gaming providers.
- Regulating offshore gaming conducted in the United States.

LICENSING AND ENFORCEMENT OF LOTTOTRON PATENTS

Lottotron believes that its patents are presently being violated by a number of the gaming companies that are operating telephonic and computer wagering systems for pari-mutual and lottery wagering systems.

In order to assist it in enforcing its patents, Lottotron has engaged the law firms of Kelley Drye & Warren, LLP (“Kelley Drye”) and Darby & Darby (with Kelley Drye, the “Law Firms”), to negotiate license agreements with those gaming providers presently infringing Lottotron’s patents and other gaming providers, and to the extent necessary, to commence any litigation against any infringing companies. The Law Firms have agreed to represent Lottotron on a contingent fee basis pursuant to a Contingency Fee Agreement dated June 4, 2002 (the “Fee Agreement”). Accordingly, the Law Firms will only be compensated from any revenue generated by Lottotron from any license agreements that it may enter into with gaming providers or from any awards or damages received in any litigation that Lottotron may commence against any persons infringing its patents.

According to the Fee Agreement, the Law Firms will be paid a contingency fee based upon the amount of licensing fees, royalties, damages and awards paid to Lottotron on the basis of its patents (the “Royalty Stream”). Any Royalty Stream funds received by Lottotron will first be used to reimburse Kelley Drye for all expenses, with interest at 8% per year calculated from the date of such expense. After Kelley Drye’s initial expenses are reimbursed, Lottotron will establish and maintain (i.e. replenish when necessary) a \$500,000 reserve fund (the “Reserve Fund”). The Reserve Fund will be used to reimburse Kelley Drye for its expenses (i.e. filing costs, copies, expert fees and the like) during the litigation. Lottotron’s shareholders are not personally liable for these expenses.

The percentage of the Royalty Stream that the Law Firms will be entitled to will vary from 33 1/3% of the Royalty Stream to a maximum of 50% of the Royalty Stream, dependent upon the point at which a settlement is reached either before or during any

litigation against any companies infringing the Lottotron patents or the point at which any such litigation is concluded.

After the Law Firms have received \$40,000,000 in contingency fees, all future contingency fees will be paid as follows: (i) the Royalty Stream from this point forward will be reduced by all federal and state taxes paid by Lottotron which are associated with the Royalty Stream, and all reasonably and necessary operating expenses of Lottotron (up to 20% of the Royalty Stream after reducing it by the taxes paid), and (ii) the Law Firms will receive 20% of the Royalty Stream which remains after taxes and expenses.

The Law Firms have the right, subject to notice to any appropriate courts, to withdraw from their representation of Lottotron. In such event, Lottotron will be responsible for the fees and expenses of the Law Firms.

USE OF PROCEEDS

The proceeds from this Offering will be used by Lottotron in the following manner. Up to \$25,000 will be used to reimburse Lottotron for the costs and expenses of this Offering. Up to approximately \$400,000 will be used to repay Mr. Fiscella and companies that he owns for loans made to Lottotron to fund legal, payroll and other expenses of Lottotron. The remaining portion of the proceeds of this Offering will be used by Lottotron for working capital purposes, including the payment of wages and salaries of employees and consulting fees.

MANAGEMENT

The executive officers and directors of Lottotron are as follows:

Mr. Joseph A. Fiscella. Mr. Fiscella is the President, and Chief Executive Officer of Lottotron and the sole member of Lottotron's board of directors. Mr. Fiscella is also the co-inventor of the Lottotron processes.

Mr. Joseph E. Fiscella. Mr. Fiscella is Vice President of Lottotron and in charge of the Company's research, development and marketing efforts.

Mr. John B. Scagnelli. Mr. Scagnelli is the Treasurer of Lottotron and the co-inventor of the Lottotron processes.

Mr. Frank J. Alessio. Mr. Alessio is a consultant to Lottotron.

SECURITY OWNERSHIP OF LOTTOTRON

The outstanding shares of common stock of Lottotron, without giving effect to the Shares that are being offered hereby, are owned as follows:

Name	Number of Shares	Percentage of Outstanding Shares
Joseph A. Fiscella	1,532,802	57.866
John Scagnelli	605,410	22.850
Michael Scully	162,000	6.110
Lawrence Jaffe	83,888	3.170
Rachel Mutino	900	0.004
Frank Alessio	265,000	10.000
TOTAL SHARES/PERCENTAGE	2,650,000	100%

There are no other outstanding shares of common stock, or options, warrants or other rights to subscribe or purchase any shares of the common stock of Lottotron.

DESCRIPTION OF COMMON STOCK

The authorized capital stock of Lottotron consists of 10,000,000 shares of Common Stock, \$.01 par value, of which 2,650,000 shares have been issued as indicated under "Security Ownership of Lottotron" above.

The following summary of certain provisions of the Common Stock and Lottotron's Certificate of Incorporation does not purport to be complete, is subject to, and is qualified in its entirety by the provisions of Lottotron's Certificate of Incorporation and the provisions of applicable law.

Voting Rights

Holders of the Shares will be entitled to one vote per share held of record on all matters submitted to a vote of the shareholders and for the election of directors. The Shares do not have cumulative voting rights so that the holders of more than 50% of the Shares can elect all the directors. Accordingly, Mr. Fiscella, even after giving effect to the issuance of all of the Shares offered hereby will own approximately 51.2% of Lottotron's Outstanding Common Stock, will be able to elect all the directors of Lottotron.

Distribution on Liquidation.

In the event of liquidation, the dissolution or winding up of Lottotron, the holders of Shares are entitled to share ratably in all assets remaining after payment of all liabilities. Shareholders have no right to convert their Shares into any other securities. All outstanding Shares are fully paid and non-assessable.

Dividend Rights

Holders of the Shares are entitled to receive such dividends as may be declared by Lottotron's board of directors out of funds legally available for that purpose. All Shares will participate equally in any dividends so declared. The future dividend policy will be determined by the board of directors of Lottotron based upon a consideration of the revenues of the company, if any, its future capital needs, and other factors. Until such time as Lottotron is successful in licensing its patents or in recovering any substantial damages pursuant to any law suits it may commence against any persons infringing its patents, it does not foresee paying any dividends in the foreseeable future.

Pre-Emptive Rights

Holders of the Shares do not have any pre-emptive rights to purchase additional securities which may be issued by Lottotron. Accordingly, any future issuance of shares of Common Stock of Lottotron after this offering, will dilute the percentage interest in Lottotron held by any then existing shareholders.

Other Matters

There are no redemption provisions applicable to the Shares, nor are the Shares entitled to a further call or assessment by the Lottotron. There is no restriction on the repurchase or redemption of Shares by Lottotron out of funds legally available for that purpose.

Restrictions on Transfer

The Shares will be subject to substantial restrictions on transfers if they have been registered under the Securities Act and cannot be offered or sold unless subsequently registered under the Act or where an exemption from such registration is available. The certificates for the Shares, when issued, will bear a legend restricting that transferability, the text of which is set forth in the Subscription Agreement.

PLAN OF OFFERING

Lottotron is offering investors the opportunity to invest in the Company in \$25,000 increments. For each \$25,000 invested, each investor will receive that number of shares of Common Stock of the Company that would equal one-third of one percent (0.33%) of the total aggregate number of shares of Common Stock of the Company outstanding at the closing of this offering. Each investor will only be permitted to invest \$25,000. The maximum amount that the Company will raise in this offering is \$825,000 (the "Maximum Offering Amount"). There is no minimum amount that must be raised pursuant to this offering for it to close. Purchases may be made by officers, directors, employees and affiliates of the Company, which if made, will be applied towards the Maximum Offering Amount. The Company will pay all of its expenses of the offering. Any investor desiring to engage separate counsel or other advisors will be responsible for the fees and costs of such individual representation.

The Shares will be offered directly by the Company through its officers and directors who will receive no compensation therefor.

The Offering Period will expire on December 16, 2002.

Exemption From Registration under the Securities Act

The Shares have not been registered under the Securities Act or other securities laws, and will be sold without any such registration in reliance upon the exemption from registration afforded by Rule 504 of Regulation D promulgated under the Securities Act. The offering is open only to an "accredited investor" as that term is defined in Regulation D or certain other investors who meet certain other minimum financial and other qualifications. Accordingly, each potential investor will be required to make certain representations to Lottotron in this regard and agree to certain restrictions on the transfer of the Shares.

Because each purchaser will be subject to significant restrictions on the sale, transfer or disposition of his Shares and because there is no public market for the Shares, a purchaser must be prepared to bear the economic risk of an investment in the Shares for an indefinite period of time. An investor will not be permitted to sell, transfer or otherwise dispose of the Shares unless they are first registered under the Securities Act or unless such transaction is exempt from registration under the Securities Act and other applicable securities laws and in the case of a purportedly exempt transaction, such investor provides (at his own expense) an opinion of counsel satisfactory to Lottotron that an exemption is, in fact, available. Certificates representing the Shares will bear a legend relating to such restrictions on disposition. Lottotron is the only person which can register the Shares under the Securities Act and the Company has no intention or obligation to do so.

Investor Suitability

An investment in the Shares involves substantial risks and possible loss by investors of their entire investment. The Shares will be sold only to prospective investors who:

(1) represent, among other things, that they are acquiring the Shares for their own account, for investment only and not with a view toward the resale or distribution thereof, (2) that they are aware that the Shares have not been registered under the Securities Act and that their transfer rights are restricted by the Securities Act, applicable state securities laws and the absence of a public market and (3) are either an “Accredited Investor” or are a “General Qualified Investor” as such terms are defined below:

An Accredited Investor for purposes of this offering is:

- (1) A director, or Executive Officer of the Company; or
- (2) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000; or
- (3) A natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- (4) An entity in which all of the equity owners fall within at least one of the foregoing categories.

As used above, the term “net worth” means the excess of total assets over total liabilities. In determining income, an investor should add to his or her adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

For any person not qualifying as an Accredited Investor, who wishes to acquire Shares, he or she must represent that he or she is a “General Qualified Investor” who meets the following criteria:

- (1) The individual has a net worth (i.e. total assets, exclusive of house, furnishings and automobiles, in excess of total liabilities) of four times the purchase price of each Share purchased (prorated for fractional shares); OR such individual has a gross annual income of at least \$100,000 if he purchases one Share (prorated for fractional shares) and \$200,000 if he purchases two (2) or more Shares; and

- (2) His or her overall commitment to investments which are not readily marketable is not disproportionate to his or her net worth, and his or her investment in the Subject Share(s) will not cause his or her overall commitment to become excessive; and
- (3) He or she has adequate means of providing for his or her current needs and personal family contingencies and has no need for liquidity in his or her investments in the Subject Share(s); and
- (4) He or she is acquiring the Share(s) for his or her own account for investment purposes and not with a view to resale or distribution; and
- (5) Immediately prior to his or her purchase, he or she has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment, and has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment.

The suitability standards referred to above represent minimum suitability requirements for prospective investors and the satisfaction of such standards by a prospective investor does not necessarily mean that the Shares are a suitable investment for such prospective investor. Lottotron may make further inquiry and obtain additional information as it deems appropriate with regard to the suitability of prospective investors. Lottotron reserves the right to modify, increase or decrease the suitability standards and minimum investment with respect to certain investors, in order to comply with any applicable state or local laws, rules, regulations or otherwise.

**THE SUITABILITY STANDARDS DISCUSSED ABOVE REPRESENT
MINIMUM SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS.
EACH PROSPECTIVE INVESTOR SHOULD DETERMINE WHETHER THIS
INVESTMENT IS APPROPRIATE FOR SUCH INVESTOR**

Subscription Agreement and Procedures

All subscriptions must be made by the execution and delivery of a Subscription Agreement in the form accompanying this Memorandum. By executing the Subscription Agreement, each subscriber will represent, among other things, that (a) he will acquire the Shares for his own account, for investment purposes and not with a view towards resale or distribution and (b) immediately prior to his purchase, he satisfies the suitability requirements set forth in this Memorandum. Lottotron reserves the right to reject an offer to subscribe.

Subscriptions are not binding on Lottotron until accepted by Lottotron. Lottotron may reject any subscription by giving written notice to the subscriber by personal delivery or

first-class mail. In its sole discretion, Lottotron may establish a limit on the purchase of Shares by a particular purchaser.

In order to subscribe for the Shares, a prospective investor must deliver the following documents to Lottotron:

- (1) One executed copy of the Subscription Agreement (included in the subscription documents delivered with this Memorandum) with signatures properly acknowledged;
- (2) One completed Investor Suitability Questionnaire (included in the subscription documents delivered with this Memorandum); and
- (3) One executed Internal Revenue Service Form W-9.

A check payable to "Lottotron, Inc." in the full amount of the subscription price of \$25,000.

THE SHARES OF COMMON STOCK SUBSCRIBED FOR BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE SECURITIES LAWS AND TRANSFER OF THE SHARES IS RESTRICTED BY THE TERMS OF THIS AGREEMENT, THE PRIVATE PLACEMENT MEMORANDUM, AND BY APPLICABLE LAW.

SUBSCRIPTION AGREEMENT

SHARES OF COMMON STOCK OF LOTTOTRON, INC.

December 2, 2002

To: Joseph A. Fiscella, President
Lottotron, Inc.
207 Lodi Street
Hackensack, New Jersey 07601

Re: Lottotron, Inc., a New Jersey corporation

You have informed me that Lottotron, Inc. is a privately held New Jersey corporation (the "**Company**"). The Company owns four (4) United States patents for telephone and computer wagering systems, as more fully described in the Confidential Private Placement Memorandum dated December 2, 2002 (the "**Memorandum**").

The Company is offering to each investor the opportunity to invest \$25,000 in the Company. In exchange for the \$25,000 investment, each investor will receive that number of shares of common stock of the Company that would equal one-third of one percent (0.333%) of the total aggregate number of shares of common stock of the Company outstanding at the close of this offering (the "**Common Stock**"). The maximum amount that the Company will raise in this offering is \$825,000. This offering shall remain open until December 16, 2002, after which no further subscriptions shall be accepted by the Company in connection with this offering.

Upon the expiration of this offering, the Company shall (i) determine the aggregate amount of investments received pursuant to this offering, (ii) calculate the number of shares to be issued to each investor, and (iii) calculate the price per share at which each share has been acquired. Once such calculations have been completed, the Company will issue a stock certificate to each investor which shall represent the number of shares of common stock of the Company purchased by such investor pursuant to this offering. In addition, the Company will deliver to

each investor a statement certifying the price per share with respect to each share of common stock issued pursuant to this offering.

1. **Receipt of Confidential Private Placement Memorandum, Exhibits and Schedules.**

The undersigned (“**Purchaser**”) hereby acknowledges receipt of one copy of the Memorandum, including all Exhibits and Schedules referred to therein. All of the terms and provisions of the Memorandum are hereby incorporated herein by reference as though fully set forth at length; and Purchaser acknowledges that Purchaser has read the same.

2. **Subscription.**

- (a) In exchange for his or her \$25,000 investment, Purchaser hereby subscribes for and agrees to purchase the number of shares of common stock of the Company that would equal one-third of one percent (0.333%) of the total aggregate number of shares of common stock of the Company outstanding at the close of this offering (the “**Subject Share(s)**”) and irrevocably tenders this Subscription Agreement, together with a check in the amount of \$25,000 representing payment of the purchase price amount (the “**Subscription Price**”) for the Subject Share(s). Alternatively, a Purchaser may wire-transfer the Subscription Price. To send a wire, please notify Joseph A. Fiscella by email at jfiscella@lottotron.com, and request wiring instructions.
- (b) It is understood and agreed that the Company, in its sole discretion and for any reason whatsoever, shall have the right to accept or reject this Subscription Agreement, in whole or in part, and that the same shall be deemed to be accepted by the Company only when it is signed by a responsible officer of the Company.
- (c) Purchaser agrees that this Subscription Agreement is and shall be irrevocable, but in the event that the Company rejects part or all of this subscription, the obligations of Purchaser hereunder will terminate. If this offering is terminated, this Subscription Agreement shall then be of no further force and effect.

3. **Representations and Warranties of Purchaser.**

Recognizing that the Company will be relying on the information and on the representations and warranties set forth herein, Purchaser hereby

acknowledges, represents and warrants to and covenants with the Company as follows:

- (a) Purchaser is acquiring the Subject Share(s) solely for his or her own account for investment with Purchaser's own funds and not with a view to resale or distribution in whole or in part thereof, and Purchaser will not distribute any of the Subject Share(s) in violation of the Securities Act of 1933, as amended (the "**Securities Act**"), or any rule or regulation promulgated thereunder. Purchaser's financial condition is such that Purchaser has no foreseeable need for liquidity for the funds used to purchase the Subject Share(s). Purchaser is financially able to hold the Subject Share(s) on a long-term basis. No person other than Purchaser has a direct or indirect beneficial interest in the Subject Shares or the Class A Shares.
- (b) In formulating the decision to acquire the Subject Share(s), Purchaser has relied solely upon Purchaser's own independent investigation of the Company's business and upon material delivered by the Company to Purchaser, including the Memorandum. Purchaser has consulted, at Purchaser's own expense, with Purchaser's own legal, financial and tax advisors with respect to this Subscription Agreement and the nature of the purchase of the Subject Share(s). Purchaser has been advised by the Company to consult with Purchaser's own personal tax advisor to determine the effect of a purchase of the Subject Share(s) on Purchaser's income tax status; Purchaser has not acted upon the basis of any representation or warranty other than those contained in this Subscription Agreement, the Memorandum and in the Schedules and Exhibits hereto or thereto annexed, or on the basis of any information other than that obtained as a result of the independent investigation referred to above.
- (c) Purchaser has, by virtue of his or her own business acumen, business experience or independent financial and tax advice, the ability to evaluate the risks and merits of purchasing the Subject Share(s), and Purchaser's own independent decision to buy the Subject Share(s) was based upon Purchaser's own independent analysis of the Company, Purchaser's own financial objectives, and advice from Purchaser's own business and tax advisors. Purchaser acknowledges that the offering and sale of the Subject Share(s) are intended to be exempt from registration under the Securities Act by virtue of Regulation D of the Securities Act.

- (d) Purchaser is aware that none of the Subject Share(s) are registered under the Securities Act, that they must be held indefinitely unless subsequently registered or an exemption from such registration is available and that the Company is under no obligation to register any of the Subject Share(s) under the Securities Act. Purchaser further recognizes that none of the Subject Share(s) are registered under any state securities law because this offering is intended to be a non-public, private placement offering pursuant to Regulation D of the Securities Act. The sale of the Subject Share(s) has not been approved or disapproved by the local security authorities and/or reviewed by them for the accuracy or adequacy of this Subscription Agreement or the Memorandum.
- (e) There is no public market for any of the Common Stock or the Subject Share(s), and none is expected to develop; such shares may not be easily transferred, and Purchaser is prepared to bear the risk of holding such shares for an indefinite period.
- (f) Purchaser acknowledges that:
 - (i) The information contained in Purchaser's "**Investor Suitability Questionnaire**", attached hereto, is true, complete and accurate;
 - (ii) Purchaser has received a copy of the Memorandum in connection with the purchase of the Subject Share(s) and has read and understood it;
 - (iii) Without limiting the generality of the foregoing, Purchaser is aware that the fundamental risks and possible financial hazards of purchasing the Subject Share(s) are described in the "Risk Factors" section of the Memorandum, and Purchaser has considered all of them;
 - (iv) Purchaser has used the Memorandum as a basis for Purchaser's own investigation and understands that the Memorandum does not purport to be complete and comprehensive;
 - (v) Purchaser is able to bear the substantial economic risks of ownership of the Subject Share(s) for an indefinite period;
 - (vi) At the present time, Purchaser can afford a complete loss of the funds used for the purchase of the Subject Share(s);

- (vii) The Company will not pay dividends in the foreseeable future, if ever;
 - (viii) It is at present unclear whether the Company will be able to sustain profitable operations; and
 - (ix) Should the Company be unable to sustain profitable operations, it is likely that the purchase of the Subject Share(s) will result in a complete loss.
- (g) The Company has made available to Purchaser, or to persons specifically designated by Purchaser, the opportunity to (a) obtain any additional information requested necessary to verify the accuracy of the contents of the Memorandum, (b) ask questions of the Company's officers and directors, and (c) acquire such additional information about the Company's business and financial condition as Purchaser has requested, which additional information has been satisfactorily received. All documents, records and books pertaining to the possible purchase of the Subject Share(s) have been made available for inspection by Purchaser, and Purchaser understands that the books and records of the Company will be available upon reasonable notice, for inspection by Purchaser during reasonable business hours at its principal place of business.
- (h) The Company will engage in a speculative business, and the Company has not given to Purchaser any assurance that the Company will be able to operate profitably or in accordance with the Company's projections or that the Subject Share(s) will have any value in the future; the Company has advised Purchaser of fundamental risks and possible financial hazards of investing in the Company, and Purchaser has considered all of them; a purchase of the Subject Share(s) involves a HIGH DEGREE OF RISK.
- (i) No assurances are or have been made regarding financial or tax advantages that may inure to the benefit of any holder of the Subject Share(s), nor has any assurance been made that existing laws and regulations will not be modified in the future.
- (j) Each of this Subscription Agreement and the Memorandum constitutes a valid and legally binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms except as enforcement may be limited by bankruptcy or other similar laws affecting the enforcement to creditors' rights generally and by limitations on the availability of equitable remedies.

- (k) No consent of any person, firm or corporation and no consent of any governmental authority, is or was required to be obtained or made by Purchaser in connection with the execution, delivery or performance by Purchaser of this Subscription Agreement.
- (l) No proceeding or investigation is pending, or to Purchaser's knowledge is threatened, against Purchaser or any other person, firm or corporation, that questions execution, delivery, validity, performance or enforceability of this Subscription Agreement, or any action taken or to be taken hereunder, or the outcome of which could be reasonably expected to materially adversely affect the financial position, business, operations or prospects of Purchaser or, to Purchaser's knowledge, the Company.
- (m) Purchaser's execution, delivery and performance of this Subscription Agreement and Purchaser's consummation of the transactions contemplated hereby will not:
 - (i) Conflict with, or result in the breach of, or termination of, or constitute a default under (whether with notice or lapse of time or both), or accelerate or permit the acceleration of the performance required by, any contract or any order, judgment or decree, to which Purchaser is a party or by which any of Purchaser's properties is bound or subject;
 - (ii) Constitute a violation of any law applicable to Purchaser; or
 - (iii) Result in the creation of any lien or other encumbrance upon any of the Subject Share(s).
- (n) The address set forth by Purchaser's name on the signature page of this Subscription Agreement is Purchaser's true and correct residence, and Purchaser has no present intention of becoming a resident of any other state or jurisdiction.
- (o) Purchaser is at least twenty-one (21) years of age and legally competent to enter into this Subscription Agreement, and the transactions contemplated hereby.
- (p) In accordance with Purchaser's representations and warranties as set forth in the Investor Suitability Questionnaire, Purchaser is either an "Accredited Investor" OR a "Qualified General Investor."

- (q) The officers and directors of the Company shall not be liable, responsible or accountable in damages or otherwise to Purchaser for any act or omission performed or omitted by such officers or directors who acted in good faith on behalf of the Company and in a manner reasonably believed by such officers and directors to be within the scope of the authority granted to the officers and directors by this Subscription Agreement, the Memorandum and/or the Bylaws of the Company and in the best interests of the Company, provided that such officers and directors were not guilty of gross negligence, willful misconduct or fraud with respect to such acts or omissions.
- (r) Purchaser may not assign any of his rights under this Subscription Agreement without the prior written consent of the officers or directors of the Company and any attempted assignment without such consent shall be void and without effect.

4. **Special Provisions According to Residence.**

- (a) North Carolina. Purchasers residing in the State of North Carolina hereby acknowledge the following notification:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

- (b) Georgia. Purchasers residing in the State of Georgia hereby acknowledge and consent to the placement of a legend on the stock certificate, if any, representing the Subject Share(s), which legend will be in substantially the following form:

“THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE GEORGIA SECURITIES ACT OF 1973, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.”

- (c) Pennsylvania. Purchasers residing in the State of Pennsylvania are hereby entitled to rescind this Subscription Agreement subject to the following provisions:

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A MEMORANDUM WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(2) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF YOUR BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER YOU MAKE THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED, TO WITHDRAW YOUR ACCEPTANCE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL OF ACCEPTANCE WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR PLACEMENT AGENT IF ONE IS LISTED ON THE FRONT PAGE OF THE OFFERING MEMORANDUM) INDICATING YOUR INTENTION TO WITHDRAW.

- (d) Florida. Purchasers residing in the State of Florida are hereby entitled to rescind this Subscription Agreement subject to the following provisions:

THE SECURITIES IN THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED IN THE STATE OF FLORIDA. PURSUANT TO THE FLORIDA SECURITIES ACT, EACH PERSON WHO ACCEPTS THIS OFFER TO PURCHASE SECURITIES HAS THE RIGHT TO VOID HIS ACCEPTANCE, WITHOUT INCURRING ANY LIABILITY TO THE COMPANY OR ANY OTHER PERSON, WITHIN THREE BUSINESS DAYS, IN WHICH CASE ALL FUNDS WILL BE REFUNDED WITHOUT INTEREST OR DEDUCTION AS REQUIRED BY SECTION 517.061(11)(a)(5), FLA. STAT. EACH PERSON ENTITLED TO EXERCISE THE RIGHT TO WITHDRAW GRANTED BY SECTION 517.061(11)(a)(5) WHO WISHES TO

EXERCISE SUCH RIGHT MUST, WITHIN THREE BUSINESS DAYS AFTER MAKING PAYMENT FOR A SHARE OR SHARES, CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO JOSEPH A. FISCELLA SUCH LETTER OR TELEGRAM MUST BE SENT AND POSTMARKED ON OR PRIOR TO THE AFOREMENTIONED THIRD BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY (IN PERSON OR BY TELEPHONE TO JOSEPH A. FISCELLA AT (201) 883-1444) YOU SHOULD ASK FOR WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED.

- (e) Connecticut. Purchasers residing in the State of Connecticut hereby acknowledge the following notification:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

5. **Indemnification by Purchaser.**

Purchaser acknowledges that he understands the meaning and legal consequences of the representations and warranties in Section 3 hereof; Purchaser hereby agrees to indemnify and hold harmless the Company, its affiliates, officers, directors, employees and agents, and each of their respective heirs, legal representatives, successors and assigns, from and against any and all loss, damage or liability due to or arising out of any untruth, inaccuracy or breach of any of such representations or warranties or any claim by any broker or finder engaged by Purchaser. Notwithstanding the foregoing, however, no representation, warranty, acknowledgment or agreement made herein by Purchaser shall in any manner be deemed to constitute a waiver of any rights granted to him under Federal or State securities laws. Purchaser shall pay for all fees and expenses of Purchaser's own counsel, accountants and other advisors in connection with the preparation, review, execution and delivery of this Subscription Agreement and all reasonable costs and expenses (including attorney's fees, interests and penalties) incurred by the Company in

connection with any proceeding, demand, assessment or judgment incident to any of the matters indemnified against in this Section 5.

6. **Release by Purchaser.**

Except for the terms and provisions of this Subscription Agreement, Purchaser does hereby release and discharge the Company, its affiliates, officers, directors, employees and agents, and each of their respective heirs, legal representatives, successors and assigns, from any and all claims for damages or demands of any nature whatsoever with respect to all matters arising from or relating to their relations with each other as the Company's officers, directors, employees and agents that they or any of them have or might have against the others or any of them, in law or in equity, that have accrued to the date of execution of this Subscription Agreement, other than as specifically agreed to or undertaken by the Company in this Subscription Agreement. The aforesaid release of the Company's officers and directors shall be operative in the event and to the extent only that the applicable law authorizes, permits and empowers them to do so, and further excepting therefrom any matter or matters where the same constitute a criminal act on the part of such party.

7. **Other Provisions.**

- (a) The foregoing representations and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the closing of this offering, and shall survive such closing. If, in any respect, such representations shall not be true and accurate prior to or upon the closing of this offering, the undersigned shall give written notice of such fact to the Company, specifying which representations are not true and accurate and the reasons therefor.
- (b) This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey (without giving effect to the principles of conflicts of laws).
- (c) When the context in which words are used in this Subscription Agreement indicates that such is the intent, singular words shall include the plural and vice versa and masculine words shall include the feminine and neuter genders and vice versa.
- (d) Except as to the contents of the Memorandum, this Subscription Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof. The provisions of this

Subscription Agreement may not be modified or waived except in writing and signed by the party to be charged.

- (e) The undersigned agrees that this Subscription Agreement shall be binding upon the undersigned's heirs, executors, administrators, successors and permitted assigns. THE UNDERSIGNED HEREBY AGREES AND UNDERSTANDS THAT HIS OR HER SIGNATURE ON THIS SUBSCRIPTION AGREEMENT CONSTITUTES EXECUTION OF THE SUBSCRIPTION AGREEMENT SUBJECT TO ACCEPTANCE OF THIS SUBSCRIPTION BY THE COMPANY IN THE SOLE AND ABSOLUTE DISCRETION OF THE COMPANY, and he agrees that he will execute such other documents, including any amendment to this Subscription Agreement necessary to complete the transactions contemplated hereby, and agrees to be bound by all of the terms and provisions of such agreements and to perform all of his obligations thereunder with respect to the Subject Share(s) to be purchased.

[SUBSCRIPTION CONFIRMATION PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned executes and agrees to be bound by this Subscription Agreement as of this ___ day of _____, 2002.

Witness:

Purchaser:

Name:

Name:

Additional Purchaser Information

Social Security Number

Title (if applicable)

Residence Address:

**Total Amount of Subscription:
\$25,000**

Mailing Address (if different):

Telephone: _____

Acceptance by the Company

The above subscription is hereby accepted as of _____, 2002:

LOTTOTRON, INC.

Name:
Title:

ACKNOWLEDGMENT

STATE OF :
COUNTY OF :

I HEREBY CERTIFY that on this day personally appeared before me, _____, who did certify and swear to me that he/she executed the within instrument for the purposes therein expressed and in the capacity therein stated.

WITNESS my hand and official seal at _____, this the ___ day of _____, 2002.

NOTARY PUBLIC _____

My Commission Expires: _____

INVESTOR SUITABILITY QUESTIONNAIRE

Purchaser, for the purposes of subscribing to the Subject Share(s) in Lottotron, Inc. (the "Company"), hereby represents and warrants to the Company, that the undersigned qualifies either as an "Accredited Investor," OR as a "General Qualified Investor." If you are qualifying as an "Accredited Investor," please check the appropriate description below such title that applies to you, OR if you are qualifying as a "General Qualified Investor," please check the box next to such title which will indicate that all five statements associated with such qualification are true:

Accredited Investor

___ If a natural person, has at the time of purchase, either individually or jointly with his spouse, a net worth, including home, furnishings and automobiles, in excess of \$1,000,000; or

___ If a natural person, has had income in each of the two most recent years prior to the time of subscription in excess of \$200,000 (or combined income with his or her spouse in excess of \$300,000) and reasonably expects to receive income in excess of \$200,000 (or combined income with his or her spouse in excess of \$300,000) in the current year; or

___ Is an entity all of the equity owners of which meet the conditions set forth in (1) or (2) above; or

___ Is a corporation, business trust or a partnership not formed to make an investment in the Company which has assets in excess of \$5,000,000.

General Qualified Investor

1. The individual has a net worth (i.e., total assets, exclusive of house, furnishings and automobiles, in excess of total liabilities) of four times the purchase price of each Subject Share purchased (prorated for fractional shares); OR such individual has a gross annual income of at least \$100,000 if he purchases one Subject Share (prorated for fractional shares) and \$200,000 if he purchases two (2) or more Subject Shares; AND

2. His overall commitment to investments which are not readily marketable is not disproportionate to his net worth, and his investment in the Subject Share(s) will not cause his overall commitment to become excessive; AND

3. He has adequate means of providing for his current needs and personal family contingencies and has no need for liquidity in his investments in the Subject Share(s); AND

4. He is acquiring the Subject Share(s) for his own account for investment purposes and not with a view to resale or distribution; AND

5. Immediately prior to his purchase, he has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, OR he and his "Purchaser Representative," as that term is defined in Regulation D, together have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment.

Signature of Purchaser

Name: