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FORM D

SEC MAIL PROCESSING SECTION RECEIVED APR - 8 2005 WASH., D.C. 213

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

OMB APPROVAL
[redacted]

05050655

DATE RECEIVED

FORM D*

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

Name of Offering (☐ check if this is an amendment and name has changed, and indicate change.)
DrugRisk Solutions, LLC Equity Unit Offering [1]

Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☑ Rule 506 ☐ Section 4(6) ☐ ULOE

Type of Filing: ☐ New Filing ☑ Amendment

PROCESSED APR 12 2005 THOMSON FINANCIAL

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.)
DrugRisk Solutions, LLC

Address of Executive Offices	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code)
12 Spring Street	Schuylerville, NY 12871	(518) 695-6390
Address of Principal Business Operations (if different from Executive Offices)	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code)
Same		Same

Brief Description of Business
Development and sale of proprietary tools to rapidly and effectively monitor substance abuse. Operations include the creation and development of testing techniques, products and services to monitor and reduce substance abuse and marketing and sale of such products.

Type of Business Organization
☐ corporation ☐ limited partnership, already formed ☑ other (please specify): limited liability company
☐ business trust ☐ limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization: Month 05 Year 00 ☑ 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) DE

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 the 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 to the notice constitutes a part of this notice and must be completed.

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 unless such exemption is predictated on the filing of a federal notice.

* This Form D amends and restates a previous Form D filed with the SEC in May 2001.

[1] See attached Annex for description of offering.

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)
Brill, David H., MD, MA, MPH

Business or Residence Address (Number and Street, City, State, Zip Code)
12 Spring Street, Schuylerville, NY 12871

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

Full Name (Last name first, if individual)
Dickson, Joe

Business or Residence Address (Number and Street, City, State, Zip Code)
12 Spring Street, Schuylerville, NY 12871

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

Full Name (Last name first, if individual)
Eden, III, Thomas M.

Business or Residence Address (Number and Street, City, State, Zip Code)
800 Shades Creek Parkway, Suite 400, Birmingham, AL 35209

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

Full Name (Last name first, if individual)
Sheeler, Larry

Business or Residence Address (Number and Street, City, State, Zip Code)
97 North Main Street, Gloversville, NY 12078

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

Full Name (Last name first, if individual)
Hopper, Kenneth

Business or Residence Address (Number and Street, City, State, Zip Code)
155 Bay Street, Glens Falls, NY 12801

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

Full Name (Last name first, if individual)
Opalka, Chester

Business or Residence Address (Number and Street, City, State, Zip Code)
6 Heather Ridge, Averill Park, NY 12018

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

Full Name (Last name first, if individual)
Cummins, Douglas

Business or Residence Address (Number and Street, City, State, Zip Code)
214 Woodlawn Avenue, Saratoga Springs, NY 12866

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

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)
Kershner, Thomas

Business or Residence Address (Number and Street, City, State, Zip Code)
480 Broadway, Saratoga Springs, NY 12866

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

Full Name (Last name first, if individual)
Saratoga Venture Capital, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)
68 Kaydeross Park Road, Saratoga Springs, NY 12866

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

Full Name (Last name first, if individual)
Empire State Development Small Business Technology Investment Fund

Business or Residence Address (Number and Street, City, State, Zip Code)
30 S. Pearl Street, 6th Floor, Albany, NY 12245

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

Full Name (Last name first, if individual)
Silipigno, Chris

Business or Residence Address (Number and Street, City, State, Zip Code)
31 West 89th Street, Apt. 3B, New York, NY 10024

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)

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)

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

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

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

2. What is the minimum investment that will be accepted from any individual? $ See Annex

		Yes	No
3.	Does the offering permit joint ownership of a single unit?	☒	☐

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.

Full Name (Last name first, if individual)
Clapp, Andrew

Business or Residence Address (Number and Street, City, State, Zip Code)
301 Edgewater Place, Suite 425, Wakefield, MA 01880

Name of Associated Broker or Dealer
Federal Street Capital, Inc.

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 the 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.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	$ 0.00	$ 0.00
Equity [2]	$ 10,000,000.00	$ 5,616,592.00
☑ Common ☑ Preferred		
Convertible Securities (including warrants)	$ 0.00	$ 0.00
Partnership Interests	$ 0.00	$ 0.00
Other (Specify ______)	$ 0.00	$ 0.00
Total	$ 10,000,000.00	$ 5,616,592.00

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	94	$ 5,616,592.00
Non-accredited Investors	0	$ 0.00
Total (for filings under Rule 504 only)	N/A	$ N/A

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, in 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	$ 0.00
Regulation A	0	$ 0.00
Rule 504	0	$ 0.00
Total	0	$ 0.00

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 insurer. 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	☑	$ 0.00
Printing and Engraving Costs	☑	$ 1,315.00
Legal Fees	☑	$ 46,786.00
Accounting Fees	☑	$ 1,000.00
Engineering Fees	☑	$ 0.00
Sales Commissions (specify finders' fees separately)	☑	$ 0.00
Other Expenses (identify) mailing/shipping	☑	$ 3,012.00
Total	☑	$ 52,113.00

[2]The offering and sales numbers include the sale of approximately $768,954 in Series B Preferred Units in the form of exchange of common units for Series B Preferred Units. These numbers also include the exchange of approximately $1,806,877 in common units for Series A Preferred Units, which amount was the aggregate offering price of the Series A Preferred Units.

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

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." .... $ 9,947,887.00

5. Indicate below the amount of the adjusted gross proceed 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	☑ $ 696,251.0C	☑ $ 462,292.00
Purchase of real estate	☐ $ 0.00	☐ $ 0
Purchase, rental or leasing and installation of machinery and equipment	☐ $ 0.00	☑ $ 1,309,540.00
Construction or leasing of plant buildings and facilities	☐ $ 0.00	☑ $ 74,068.00
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)	☐ $ 0.00	☐ $ 0.00
Repayment of indebtedness	☐ $ 0.00	☑ $ 1,026,130.00
Working capital	☐ $ 0.00	☑ $ 6,379,606.00
Other (specify):	☐ $ 0.00	☐ $ 0.00
	☐ $ 0.00	☐ $ 0.00
Column Totals	☑ $ 696,251.00	☑ $ 9,251,636.00
Total Payments Listed (column totals added)	☑ $ 9,947,887.00	

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)	Signature	Date
DrugRisk Solutions, LLC		3/14/08
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
David Brill, MD, MPH, MA	President and CEO	

ATTENTION

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

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? .... Yes ☐ No ☒

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed a notice on Form D (17 CFR 239.500) at such times as required by state law.

3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.

4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)	Signature	Date
DrugRisk Solutions, LLC	[signature]	3/12/05
Name (Print or Type)	Title (Print or Type)	
David Brill, MD, MPH, MA	President and CEO	

Instruction:
Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No	Equity Units	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL		X	$2,500,000	3	$30,120.00	0	$0.00		X
AK									
AZ									
AR									
CA									
CO									
CT		X	$1,500,000	1	$2,925.00	0	$0.00		X
DE									
DC									
FL		X	$3,100,000	2	$4,875.00	0	$0.00		X
GA									
HI		X	$4,500,000	1	$9,999.00	0	$0.00		X
ID									
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN		X	$4,500,000	1	$19,999.00	0	$0.00		X
MS									

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	**Yes**	**No**	Equity Units	**Number of Accredited Investors**	**Amount**	**Number of Non-Accredited Investors**	**Amount**	**Yes**	**No**
MO									
MT									
NE									
NV									
NH									
NJ		X	$4,500,000	2	$102,299.0	0	$0.00		X
NM									
NY		X	$10,000,000	61	$5,002,521.	0	$0.00		X
NC		X	$1,600,000	1	$12,500.00	0	$0.00		X
ND									
OH		X	$5,000,000	1	$9,000.00	0	$0.00		X
OK									
OR		X	$300,000	1	$10,001.00				X
PA		X	$5,000,000	6	$119,499.0				X
RI									
SC		X	$10,000,000	13	$290,492.0	0	$0.00		X
SD									
TN									
TX									
UT									
VT									
VA									
WA		X	$6,500,000	1	$10,001.00	0	$0.00		X
WV									
WI									

APPENDIX										
1	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	**Yes**	**No**	Equity Units	**Number of Accredited Investors**	**Amount**	**Number of Non-Accredited Investors**	**Amount**	**Yes**	**No**
WY									
PR									

ANNEX

For convenience and ease of understanding, the DrugRisk Solutions, LLC ("DRS") Equity Unit Offering is broken down as described below.

A. Past Offering

Common Units – generally, a minimum investment requirement of $5000 was in effect for the offering of Common Units

From May to August, 2000 DRS offered approximately $50,000 of Common Units at a price of $0.15 per Unit. During this time period, DRS sold 134,000 Common Units, aggregating a total investment of approximately $20,100. These investments were rendered effective as of Jan 1, 2001.

In November, 2000 DRS offered approximately $50,250 of Common Units at a price of $0.67. During this time period, DRS sold 75,000 Common Units, aggregating a total investment of approximately $50,250.

From April, 2001 to June, 2002, DRS offered approximately $1,600,000 of Common Units at a price of $1.25 per Unit. During this time period, DRS sold 850,000 Common Units, aggregating an investment of approximately $1,062,500.

From August to December 2002, DRS offered approximately $700,000 of Common Units at a price of $1.50 per Unit. During this time period, DRS sold 453,333 Common Units, aggregating an investment of approximately $680,000.

From January to November, 2003, with an extension through December 2003, DRS offered approximately $5,000,000 of Common Units at a price of $1.80 per Unit. During this time period, DRS sold 1,034,993 Common Units, aggregating an investment of approximately $1,862,987.

In December, 2003, DRS offered approximately $1,000,000 of Common Units at a price of $2.00 per Unit. During this time period, DRS sold 81,000 Common Units, aggregating an investment of approximately $162,000.

From January to July, 2004 DRS offered approximately $3,000,000 of Common Units at a price of $2.25 per Unit. During this time period, DRS sold 130,333 Common Units, aggregating an investment of approximately $293,249.

Common Units with Warrants

From August to October, 2004, DRS offered approximately $400,000 of Common Units with Warrants at a price of $2.25 per Unit. During this time period, DRS sold 164,225 Common Units with Warrants, aggregating an investment of approximately $369,506. The Warrants associated with the Common Units allowed the purchasers thereof to purchase Common Units in an amount equal to 20% of their Common Units purchased with Warrants at a price of $2.25 per Unit.

Series A Units

In July of 2003, as a negotiated condition for re-investment, DRS issued Series A equity, and allowed its previous investors of $100,000 or more to convert their holdings of Common equity into Series A Preferred on a 1:1 basis without charge or fees. Series A Units are convertible into Common Units.

In August, 2003, several investors exchanged 1,178,376 of their Common Units for Series A Units in addition to purchasing an additional 83,333 units, a total of 1,261,709 Series A Units with an aggregate purchase price of approximately $1,781,877 (based, where applicable, upon the investors' original purchase price of the Common Units exchanged).

In March, 2004, DRS sold 277,778 Series A units for a total investment of $500,000.

B. <u>Rights Offering</u>

DRS recently conducted a Rights Offering, in which existing members were given the right to purchase common units in DRS based upon the number of equity units in DRS they owned as of a specified "record date." The aggregate offering price in the Rights Offering was $1,500,000. As of the date of this filing, the amount sold pursuant to the Rights Offering is $616,000. The Rights Offering commenced on December 2, 2004 and terminated on December 31, 2004. The rights offering has been reactivated and is currently ongoing.

C. <u>Series B Offering</u>

Commencing simultaneously with the Rights Offering described in Paragraph B above, DRS is offering up to $3,000,000 in Series B Units, which are convertible into Common Units. The Series B Unit offering thus far has been an exchange offering, in which existing holders of Common Units, participants in the Rights Offering, and certain persons who have made loans to DRS were permitted, subject to certain conditions and requirements, to exchange their Common Units for Series B Units. For further details concerning the "exchange offering," please see Paragraph D below. The remainder of the Series B Units has been or will be sold to existing or new investors who will invest "new" money in DRS. The Series B Units are being sold at a rate of $2.25 per Unit, with adjustments to be made for anti-dilution rights that certain of the Series B Unitholders enjoy pursuant to the Third Amended and Restated Operating Agreement of DRS.

D. <u>Exchange Offering</u>

As part of the Series B Offering described in Paragraph C, certain persons who hold Common Units in DRS will be permitted to exchange their holdings to Series B Units subject to certain terms and conditions. Common Unitholders as of December 2, 2004 were permitted to exchange their Common Units for Series B Units provided they exchanged not less than $250,000 of Common Units and invested at least $100,000 of additional money in DRS. Certain investors who purchased Common Units with Warrants after July 1, 2004 were permitted to exchange their Common Units with Warrants for Series B Units regardless of the amount they wished to exchange and without being subject to any additional investment requirement. In no case, however, shall the aggregate amount of the Series B Offering, including any exchanges described herein, exceed $3,000,000. At the time of this filing, $768,954 in Series B Units has been sold as a result of Common Unit exchanges.

As part of the Series A Offering as more particularly described in Paragraph A, approximately $1,806,877 in Common Units were exchanged for Series A Units. These exchanges took place in August 2003. Pursuant to the antidilution and preemptive rights provisions enjoyed by Series A and Series B investors in DRS, certain investors received additional Series A or Series B Units, as applicable, in lieu of the Common Units they would have received as a result of their participation in the Rights Offering or the Series B Offering. However, the purchase price figures for such transactions are captured in Paragraphs B and C.