



**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  
     
 Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual?..... \$None
3. Does the offering permit joint ownership of a single unit?..... Yes No
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.

.....**NONE**

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**

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.” ..... \$ 495,000

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,<br>Directors, & Affiliates | Payments To Others |
|--|-----|--|--------------------|
| Marketing and sales .....  | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Salaries and fees .....  | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Product development .....  | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Purchase, rental or leasing and installation of machinery and equipment .....  | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets of securities of another issuer pursuant to a merger) ..... | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Repayment of indebtedness .....  | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Working capital .....  | [ ] | \$ _____ [X]                                     | \$ <b>495,000</b>  |
| Other: .....   | [ ] | \$ _____ [ ]                                     | \$ _____           |
| Column totals .....  | [ ] | \$ _____ [ X ]                                   | \$ <b>495,000</b>  |
| Total payments listed (column totals added) .....  |     | [ X ] \$ <b>495,000</b>                          |                    |

**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)<br><b>PRACTICAL INSTRUMENTS, INC.</b> | Signature <i>Braden E Hines</i>                                   | Date <i>1/19/2006</i> |
| Name of Signer (Print or Type)<br><b>BRADEN E. HINES</b>     | Title of Signer (Print or Type)<br><b>CHIEF EXECUTIVE OFFICER</b> |                       |

**Attention**

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

**APPENDIX**

| 1<br>State | 2<br>Intend to Sell<br>To non-<br>accredited<br>investors in State<br>(Part B-Item 1) |    | 3<br>Type of Security<br>and aggregate<br>offering price<br>offered in state<br>(Part C-Item 1) | 4<br>Type of investor and<br>amount purchased in State<br>(part C-Item 2) |                                      |        |  | 5<br>Disqualification<br>under State ULOE<br>(if yes, attach<br>explanation of<br>waiver granted)<br>(Part E- Item 1) |     |
|------------|---|----|---|---|--------------------------------------|--------|--|---|-----|
|            | Yes   | No |   | Convertible<br>Notes and<br>Warrants                                      | Number of<br>Accredited<br>Investors | Amount | Number of<br>Non-Accredited<br>Investors | Amount  | Yes |
| AL         |   |    |   |   |                                      |        |  |   |     |
| AK         |   |    |   |   |                                      |        |  |   |     |
| AZ         |   |    |   |   |                                      |        |  |   |     |
| AR         |   |    |   |   |                                      |        |  |   |     |
| CA         |   | X  | \$10,000  | 1   | \$10,000                             | N/A    | N/A                                      |   | X   |
| CO         |   | X  | \$5,000   | 1   | \$5,000                              | N/A    | N/A                                      |   | X   |
| CT         |   | X  | \$25,000  | 1   | \$25,000                             | N/A    | N/A                                      |   | X   |
| DE         |   |    |   |   |                                      |        |  |   |     |
| DC         |   |    |   |   |                                      |        |  |   |     |
| FL         |   |    |   |   |                                      |        |  |   |     |
| GA         |   |    |   |   |                                      |        |  |   |     |
| HI         |   |    |   |   |                                      |        |  |   |     |
| ID         |   |    |   |   |                                      |        |  |   |     |
| IL         |   |    |   |   |                                      |        |  |   |     |
| IN         |   | X  | \$15,000  | 1   | \$15,000                             | N/A    | N/A                                      |   | X   |
| IA         |   |    |   |   |                                      |        |  |   |     |
| KS         |   |    |   |   |                                      |        |  |   |     |
| KY         |   |    |   |   |                                      |        |  |   |     |
| LA         |   |    |   |   |                                      |        |  |   |     |
| ME         |   |    |   |   |                                      |        |  |   |     |
| MD         |   |    |   |   |                                      |        |  |   |     |
| MA         |   |    |   |   |                                      |        |  |   |     |
| MI         |   | X  | \$25,000  | 1   | \$25,000                             | N/A    | N/A                                      |   | X   |
| MN         |   |    |   |   |                                      |        |  |   |     |
| MS         |   |    |   |   |                                      |        |  |   |     |
| MO         |   |    |   |   |                                      |        |  |   |     |
| MT         |   |    |   |   |                                      |        |  |   |     |
| NE         |   |    |   |   |                                      |        |  |   |     |