



August 21, 2007

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303

Subject: File Number S7-11-07

Dear Ms. Morris:

Pink Sheets LLC ("Pink Sheets") appreciates this opportunity to comment on the recent proposal by the Securities and Exchange Commission (the "Commission") to amend Rules 144 and 145 under the Securities Act of 1933 (the "Securities Act").

Pink Sheets is the leading provider of pricing and financial information for the over-the-counter (OTC) securities markets and, among other things, operates an Internet-based, real-time quotation service for OTC equities and bonds for market makers and other broker-dealers registered under the Exchange Act. Pink Sheets also operates "The Pink Sheets News Service," an Internet repository where issuers of unregistered securities can publish disclosures, and all issuers can publish news releases, concerning their operations and securities that are freely available to investors, securities regulators and other interested persons.

Pink Sheets strongly supports the current proposal. We believe that the proposed reductions in the holding period requirements under Rule 144 will lower the cost of capital for smaller issuers without sacrificing investor protection. For similar reasons, we support elimination of the volume, manner of sale and Form 144 filing requirements of the Rule for non-affiliates of the issuer. At the same time, we strongly support retention of these requirements for affiliates. Most of the abuses in transactions involving unregistered securities are, in our experience, attributable to sales and purchases by affiliates of the issuer. We strongly support codification of the view expressed by the staff in a letter to the NASD that Rule 144 is not available for the sale of securities issued by shell companies, whether registered or unregistered, as most micro-cap frauds result from the purchase and sale of securities issued by shell companies.



Pink Sheets nonetheless believes that the proposed Rule could be improved considerably by clarifying the means by which issuers that are not subject to Exchange Act reporting can make current information publicly available. We also believe that the disclosure requirements of the Rule 144(c)(2) should be integrated with the disclosure requirements for private offerings in reliance on Regulation D of the Securities Act of 1933 (the "Securities Act"). Moreover, the integrated information requirements contemplated in private offerings should drive the disclosure requirements of Rule 15c2-11 under the Securities Exchange Act of 1934 (the "Exchange Act"), thereby providing the touchstone for whether adequate current information is being provided to market participants, as well as the obligations of quoting broker-dealers. Finally, Pink Sheets believes that Form 144 should be filed electronically and made available on EDGAR and that certain information, in addition to the items proposed, should be required in the Form.

Disclosure Requirements under Rule 144(c)(2)

The current safe harbor of Rule 144 is not available for sales of securities unless adequate current information is publicly available with respect to the issuer of the securities. This requirement is satisfied under Rule 144(c)(1) if an issuer has been subject to the reporting requirements of Section 13 of the Exchange Act for at least 90 days immediately prior to the sale of securities, and the issuer is current in its reporting requirements for the preceding 12 months or such shorter time as the issuer has been subject to the reporting requirements. For non-reporting issuers, Rule 144(c)(2) requires the issuer to make publicly available the information contained in Exchange Act Rule 15c2-11, paragraphs (a)(5)(i) through (xiv) and (a)(5)(xvi).

Rule 144(c)(2) suffers from two glaring deficiencies that should be addressed in amendments to Rule 144. First, the information required under Rule 144(c)(2) is not adequate to protect investors when insiders are selling or buying in the market. Second, the Rule fails to state the means by which the information is to be made publicly available. These deficiencies call attention to the need to fully integrate the information required to be provided to purchasers in private offerings relying on Regulation D under the Securities Act with the information provided to market participants under Rule 144(c)(2) of the Securities Act and Rule 15c2-11 under the Exchange Act.

It is worth noting that the Commission's concerns about the adequacy of information produced under Rule 144(c)(2) has caused it to make some invidious distinctions in the current proposal. For example, investors in a reporting shell company are permitted to sell securities in reliance on Rule 144 ninety days after the company has ceased to be a shell. Investors in non-reporting shell companies are never permitted to sell their securities in reliance on Rule 144. It



is difficult to justify this restraint when considering the harm it is intended to address. After a sufficient amount of time has elapsed since an operating business has been acquired by a former shell company, the investors in that operating business cannot be rationally distinguished from investors that purchased securities of an operating business in the first instance. Moreover, many private offerings have as their goal the establishment of an operating business. When that goal is realized, there would not seem to be any legitimate reason to prevent the sale of securities by investors in that enterprise who have borne the initial risk of a start-up enterprise.

The Commission's concerns about the adequacy of information provided to investors in unregistered securities also has led it to propose a longer holding period for unaffiliated investors that purchase securities that are part of class of registered securities. We submit that adopting the information requirements of Rule 502 would ameliorate these concerns. If the Commission further required a non-reporting issuer to include audited financials in the information that is made publicly available to the market, there would be very little to distinguish reporting from non-reporting issuers for purposes of Rule 144(c)(1) and (c)(2). While we agree that there should be a longer holding period for non-reporting issuers that do not provide audited financials, we believe that investors in unregistered securities for which the adequate current information available to the public includes U.S. GAAP audited financials should have the same holding period as investors in the securities of reporting issuers.

In the case of shell companies that have acquired an operating business, we believe that the Rule should allow for unaffiliated investors to rely on Rule 144 six months after current information is made publicly available under Rule 144(c)(2), provided that the information includes U.S. GAAP audited financials of the combined operations.

The form of transactions that result in securities being held by investors should not control whether those securities ultimately can be resold in a public market without registration under Section 4(1) of the Securities Act. Appropriate amendments to improve the information required under Rule 144(c)(2) and make certain that the information is publicly available to investors in the OTC markets would obviate the necessity of adopting this confusing and impractical proposal for investors holding the securities issued by operating companies that were formerly shells.

The Information Required under Rule 144(c)(2) Is Not Adequate

Rule 144(c)(2) currently requires non-reporting issuers to make certain information specified in Rule 15c2-11 under the Exchange Act available to investors when holders of restricted and control securities are selling securities



on the public markets. Rule 15c2-11 prescribes the information that must be gathered and reviewed by a registered broker-dealer before it may initiate quotations in the market. Rule 15c2-11 is essentially a third party merit review process that places the burden of information gathering and review on broker-dealers that are often not affiliated, engaging in transactions with nor have any relationship, with the issuer. The following information is required:

- (i) the exact name of the issuer and its predecessor (if any);
- (ii) the address of its principal executive offices;
- (iii) the state of incorporation, if it is a corporation;
- (iv) the exact title and class of the security;
- (v) the par or stated value of the security;
- (vi) the number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year;
- (vii) the name and address of the transfer agent;
- (viii) the nature of the issuer's business;
- (ix) the nature of products or services offered;
- (x) the nature and extent of the issuer's facilities;
- (xi) the name of the chief executive officer and members of the board of directors;
- (xii) the issuer's most recent balance sheet and profit and loss and retained earnings statements;
- (xiii) similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence; and
- (xvi) whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such person, and the basis for



any exemption under the federal securities laws for any sales of such securities on behalf of such person.

In contrast, non-reporting issuers that sell securities under Securities Act Rules 505 or 506 are generally required to provide the same information to unaccredited investors that would be required in a registration statement under the Securities Act, except for audited financial statements that would require unreasonable effort and expense to produce. Issuers are not required to provide any particular information to accredited investors on the assumption that in private offerings accredited investors can fend for themselves by demanding information they consider material from the issuer prior to making an investment. It must be assumed that many of the investors purchasing securities in secondary market transactions under Rule 144 are unaccredited investors. In any event, very few investors, whether or not accredited, purchasing securities available in the OTC market will have the power to require additional disclosures from the issuer when the resale transactions contemplated by Rule 144 take place.

As a result, the market disclosures required under Rule 144(c)(2) are deficient in the many respects and in the case of sales by affiliates, we believe do not satisfy the information requirements demanded by Exchange Act Rule 10b-5. Securities Act Rule 502 would require considerably more disclosure to unaccredited investors in offerings that rely on Rule 505 and 506. At a minimum, Rule 144(c)(2) should be amended to require additional disclosure in the following areas, which are not required under the existing regime, but are inexpensive to produce, of great value to investors and would be required under Rule 502:

1. Market participants interested in the securities of smaller public companies are particularly concerned about the qualifications and reputations of the management teams responsible for managing their investments. The Rule currently requires an issuer to disclose only the names of the chief executive officer and members of the board of directors. Investors should also be provided with the names of the other executive officers of the issuer and large shareholders. The employment and regulatory history of an issuer's insiders are highly material to an investment decision, as well as any relationships that may exist among the issuer's insiders, related party transactions, excessive executive compensation agreements and conflicts of interest.
2. With this universe of companies, material agreements are frequently the difference between astonishing results and complete catastrophe. Yet, the current rule requires no disclosures regarding material agreements.

3. The Rule currently requires disclosure only of the securities outstanding as of the end of the issuer's most recent fiscal year. However, for purposes of determining whether to trade with an affiliate of the issuer, investors need to know about all of the securities issued and other dilutive events by an issuer that occurred during a relevant time period, which usually means two years. Otherwise, an investor may be unfairly surprised by additional securities coming to market and causing a fall in the market price.

It is our experience that issuers rarely provide information to comply with Rule 144(c)(2), but when they do, often make very limited responses to the information requirements specified in Rule 15c2-11 under the Exchange Act. As a result, Pink Sheets has found it necessary to produce guidelines for issuers providing disclosure in the Pink Sheets News Service that is intended to comply with the Rule to provide more expansive responses. By and large, the Pink Sheets Disclosure Guidelines have been taken or derived from the more expansive information requirements of Regulations S-B and S-K.¹ The Commission should either issue guidance for issuers providing information under Rule 144(c)(2) or adopt the disclosure requirements required by Securities Act Rule 502, which generally reference Regulations S-B or S-K for which abundant guidance is already available.

Integration of Securities Act and Exchange Act Requirements

Rule 144(c)(2) and Exchange Act Rule 15c2-11 hearken back several decades to the time prior to the integration of Securities Act and Exchange Act disclosure requirements, when market disclosure requirements were much less comprehensive and useful than disclosures required in public offerings of securities. We now more clearly understand that the markets need as much, if not more, information than is delivered to purchasers in a public offering.

The information provided in connection with sales of securities under Rule 144(c)(2) should also be coordinated with the requirements for disclosure in Exchange Act Rule 10b-5. It seems fundamental that affiliates in possession of material information about a non-reporting issuer should not be permitted to purchase or sell securities in the public markets unless adequate current information about the issuer of the securities is publicly available.

The disclosure standards under Securities Act Rule 502 therefore should be harmonized with Rule 144(c)(2) and Exchange Act Rules 10b-5 and 15c2-11. This approach would eliminate the need to provide special updates to Rule

¹ The Pink Sheets Disclosure Guidelines are attached as Exhibit A.



144(c)(2) or Exchange Act Rule 15c2-11 to respond to changes in technology and market practices because amendments to Regulations S-B and S-K without further Commission action would by reference result in amendments to the requirements of Rule 144(c)(2) and Exchange Act Rule 15c2-11, as is currently the case with Securities Act Rule 502.

Moreover, the requirements of Rule 144 should also control the conduct of broker-dealers dealing in OTC Equity Securities. Exchange Act Rule 15c2-11 currently requires broker-dealers to obtain the information required under Rule 144(c) and verify its accuracy prior to entering a quotation in an inter-dealer quotation system. However, for unaffiliated securities holders, the proposed amendments to Rule 144 would no longer require that adequate current information be publicly available as a condition for reliance on the rule. Similar relief should also flow through to broker-dealers that are not affiliated with the issuer or who make markets on behalf of unaffiliated securities holders.

At present, Rule 15c2-11 requires quoting broker-dealers to obtain the information required under Rule 144(c),² confirm its accuracy and then place it in their files. Broker-dealers are required to provide the information to a customer on request, but it is our experience that it is extremely rare for broker-dealer to receive such a request. It goes without saying that information locked in a broker-dealer's files is not useful to anyone and rapidly grows stale in any case. This is information that should be made available to the market and updated by the issuer. It is other market participants, after all, who will be purchasing or selling the securities from the quoting broker-dealer. It is fundamental that this information, which may be non-public while locked away in a broker-dealer's file cabinet, should be made available to the public markets by issuers.

A broker-dealer entering a quotation on behalf of a control person, or that is itself an affiliate of the issuer, should have no difficulty obtaining the information required under Rule 15c2-11 and confirming its accuracy. On the other hand, a broker-dealer that is not affiliated with an issuer, or that accepts orders from a customer who is not affiliated with an issuer, cannot obtain any more information from an issuer than the issuer wishes to provide and is in no position to confirm its accuracy. That is why re-proposals of Rule 15c2-11 have foundered.

Without the cooperation of the issuer, an unaffiliated broker-dealer has limited information gathering ability. An unaffiliated broker-dealer often has trouble obtaining a simple balance sheet, revenue statements and other financials or the number of shares of its outstanding common stock. As an outsider they cannot obtain, under current rules, material agreements, history of offerings, the names

² Although technically it is true that the information requirements are listed in Rule 15c2-11, the reality is that the information under Rule 144 is the same as that required under Rule 15c2-11.



and employment histories of the issuer's executive officers or directors. Moreover, lacking any relationship with the issuer, it is not clear how an unaffiliated broker-dealer is supposed to verify the information gathered, or how that verification will benefit investors. Notwithstanding the market's need for information, imposing additional information gathering and review requirements on unaffiliated broker-dealers would appear to be a pointless exercise, doomed to futility and providing little if any benefit to investors.

The proposal correctly distinguishes affiliated investors, who can cause the issuer to make information available, and unaffiliated investors, who lack the ability to influence the issuer. The policy established under Rule 144 should also flow through to Exchange Act Rule 15c2-11. Rule 144 is applicable to insiders of issuers who have access to and the ability to create disclosure that is far superior to any information that can be gathered by unaffiliated broker-dealers. It follows that Rule 144 should require better disclosure than currently required under Rule 15c2-11 be provided by affiliates who are in a position to cause its production. At the same time, the information requirements of Rule 144 should not apply to unaffiliated investors, who cannot cause its production, and the information gathering and verification requirements of Rule 15c2-11 should for similar reasons not apply to unaffiliated broker-dealers.

As a matter of disclosure policy, the proposal raises an issue of regulatory consistency. Rule 144 sets forth the Commission's views as to the circumstances under which information must be made available to the public before an investor can sell securities in an anonymous marketplace. We think the proposal strikes the correct balance. When affiliated investors purchase and sell in the marketplace, it is essential that the adequate current information required under rule 144(c) should also be made publicly available for all purposes, including Rule 15c2-11. Otherwise, uninformed investors will be victimized by the affiliate's access to superior information. In contrast, unaffiliated investors lack information about the issuer and the means to require its public availability. Their purchases from and sales to other uninformed investors in the marketplace may not be efficient, but are at least fair. The same balance should be applied in Rule 15c2-11. Accordingly, if Rule 144(c) does not require adequate current information to be made publicly available by the issuer, then a quoting broker-dealer should not be required to obtain it or review it under Rule 15c2-11.

The Control of Control Persons

It is our experience that most of the frauds that occur in the OTC Equity Securities markets involve purchases and sales of securities by control persons into the public markets. In seeking to deter fraud in the OTC markets, the



Commission should therefore pay special attention to the regulation of control persons.

While the Commission generally does not have regulatory authority over control persons, the conduct of control person in the OTC markets can be regulated indirectly through the regulation of broker-dealers with control person customers and transfer agents. We believe that Rule 15c2-11 review should focus on broker-dealers accepting orders from control persons, whether or not they publish quotations or engage in market making activity. Rule 144 should be amended to provide that control persons may not rely on the rule unless the transfer agent for the securities is registered with the Commission. In turn, registered transfer agents should be prohibited from transferring securities that contain a restrictive legend or removing restrictive legends from securities owned by control persons, unless they receive an opinion from the issuer's counsel that the securities may be sold in reliance on Rule 144. It is our understanding that there are transfer agents registered with the Commission that currently do not require an opinion of counsel to remove legends from securities, and this practice places responsible transfer agents at a competitive disadvantage.

Making Rule 144(c)(2) Information Publicly Available

In a recent speech to the American Enterprise Institute, Commission Chairman Cox pointed out that despite the revolution in technology, financial information is still derived from the "printed page of the Guttenberg press of the 15th century." We wholeheartedly agree with Chairman Cox: "What we need is something that will give individuals faster access to better information that they can easily use and understand. We need to make searches for information easier. It should be easy to call up information about any company you choose."³ Unfortunately, many small public companies remain in the dark ages.

No definition is provided for the term "publicly available" in Rule 144(c)(2). In Securities Act Release No. 6099 (August 2, 1979), the Staff initially expressed the view that information would be publicly available if the issuer made the information available on an ongoing and continuous basis (e.g., through the issuance of annual and quarterly reports) to security holders, market makers, brokers, financial statistical services, and any other interested persons. Thereafter, the Commission periodically issued no-action letters confirming this guidance. See DASI, Inc. (July 26, 1982). In 1990, the Staff reconsidered its earlier positions on the grounds that whether information was publicly available involved a factual determination that the Staff was unable to verify. ANADAC

³ C. Cox, "The Interactive Data Revolution: Improved Disclosure for Investors, Less Expensive Reporting for Company," Speech before the American Enterprise Institute, Washington DC (May 30, 2006).



No-Action Letter (March 15, 1990). Accordingly, non-reporting issuers and their advisors at the present time cannot rely on any guidance from the Staff, even from the “Guttenberg” era, that any particular method of distributing information to the public is sufficient to satisfy the standard of public availability under Rule 144(c)(2).

In the absence of guidance from the Commission, the salutary public information requirements of Rule 144(c)(2) are most often honored in their breach. Because issuers cannot determine how to make information publicly available under Rule 144(c)(2), little or no information is being provided. As a result, Pink Sheets believes that affiliates of non-reporting issuers generally are selling the securities of non-reporting issuers without making any serious effort to achieve compliance with Rule 144(c)(2). The Staff’s unwillingness to provide guidance as to public availability has opened the door for fraudulent operators to take advantage of the lack of information with respect to non-reporting issuers by supplying false and misleading information to fill the void. The Internet and other technologies enable miscreants to distribute fraudulent information to millions of investors at incredibly low cost. The Commission should use the current opportunity to amend Rule 144 to provide clear rules that will result in the dissemination of accurate information to investors.

The Commission has long recognized that providing appropriate disclosures to the market where securities trade is an acceptable method of providing information to investors who purchase and sell the securities on that market. For example, in a rule promulgated prior to the advent of EDGAR, with respect to securities traded on a national securities exchange, prospectus delivery can be accomplished by delivering copies to the exchange for redelivery to its members. See Securities Act Rule 153.

Moreover, in the reproposal of its proposed amendments to Exchange Act Rule 15c2-11⁴, the Commission proposed to designate an entity, upon written application, as an information repository to foster access to information about issuers that do not file periodic reports to the Commission. In determining to grant or deny such a designation, the Commission proposed to consider the following factors regarding whether the entity:

- Collects information about a substantial segment of issuers of securities subject to the Rule;
- Maintains current and accurate information about such issuers;

⁴ Publication or Submission of Quotations Without Specified Information, Release No. 34-41110 (February 25, 1999).



- Has effective acquisition, retrieval, and dissemination systems;
- Places no inappropriate limits on the issuers from or about which it will accept or request information;
- Provides access to the documents deposited with it to anyone willing and able to pay the applicable fees; and
- Charges reasonable fees.

The Commission has also acknowledged that electronic methods of information disclosure are an acceptable substitute for the delivery of paper documents under certain circumstances. For example, an issuer can limit a public offering to those persons willing to accept electronic delivery of documents. See "Use of Electronic Media," SEC Release No. 33-7856 (May 4, 2000). In the case of a non-reporting issuer without a general obligation to disclose, we submit that posting the information in an Internet site managed by the primary venue where its securities trade is an acceptable means to ensure that investors who trade these securities have access to the information.

To improve the quality of information available to investors in securities of non-reporting issuers, Pink Sheets established the Pink Sheets News Service, an Internet-based information repository that provides a means for issuers to disclose current information to investors. The Pink Sheets News Service would appear to satisfy the requirements of an information repository described in the Commission reproposal of Exchange Act Rule 15c2-11. For a modest fee, participating issuers post information in a secure environment to an issuer information repository, www.otciq.com. Current information posted by issuers in the repository is then displayed on Pink Sheets' Internet site, www.pinksheets.com. Investors, regulators and other interested persons may access issuer information through Pink Sheet's Internet site free of charge.

Pink Sheets is far and away the primary venue for the public trading of the securities of non-reporting issuers. Investors interested in such securities search Pink Sheets' website for current trading information about such securities and naturally expect that any information that is available about their issuers would be found there. Information posted by a non-reporting issuer on Pink Sheets' website therefore is likely to be discovered by interested investors and can be accessed by such investors free of charge.

The following table provides data published by Hitwise (www.hitwise.com) tracking U.S. Internet users by visits and length of visit. The data clearly shows that www.pinksheets.com has a larger presence with U.S. based Internet users than any of the regulatory disclosure services or non-U.S. exchanges seeking to



provide investment information regarding securities issued by non-reporting issuers to U.S. investors.

U.S. Internet Users Visits and Usage of Securities Market Internet Sites

Monthly rankings for the month of June, 2007 » Ranks by 'Visits'

Rank	Name	Domain	Market Share	May	April	March
1	Nasdaq Stock Market	www.nasdaq.com	41.15%	1	1	1
2	New York Stock Exchange U.S. Securities and Exchange Commission	www.nyse.com	14.18%	2	2	2
3		www.sec.gov	11.82%	3	3	3
4	Pink Sheets	www.pinksheets.com	10.38%	4	4	5
5	OTC Bulletin Board	www.otcbb.com	5.81%	6	6	6
6	TSX Group	www.tsx.com	5.55%	5	5	4
7	The American Stock Exchange	www.amex.com	4.06%	7	7	7
8	NASD	www.nasd.com	3.41%	8	8	8
9	Australian Stock Exchange	www.asx.com.au	1.30%	9	9	9
10	London Stock Exchange	www.londonstockexchange.com	1.26%	10	10	10
11	www.sedar.com	www.sedar.com	0.27%	12	11	12
12	Singapore Exchange	www.sgx.com	0.20%	13	13	11
13	EuroNext	www.euronext.com	0.18%	11	12	14
14	www.bovespa.com.br	www.bovespa.com.br	0.17%	19	0	15
15	SWX	www.swx.com	0.11%	16	19	19
16	OMX Corporate	www.omxgroup.com	0.08%	14	14	16
17	New Zealand Exchange	www.nzx.com	0.04%	15	16	17
18	Archipelago Exchange	www.archipelago.com	0.02%	18	17	20
19	Tokyo Stock Exchange	www.tse.or.jp	0.01%	17	15	13
20	The Stock Exchange of Hong Kong	www.sehk.com.hk	0.01%	0	18	18

Monthly rankings for the month of June, 2007 » Ranks by 'Average session duration'

Rank	Name	Domain	Time (seconds)	May	April	March
1	Pink Sheets	www.pinksheets.com	607	2	3	1
2	SWX U.S. Securities and Exchange Commission	www.swx.com	561	13	1	17
3		www.sec.gov	483	8	8	4
4	Tokyo Stock Exchange	www.tse.or.jp	480	18	18	13
5	Nasdaq Stock Market	www.nasdaq.com	446	6	5	5
6	OTC Bulletin Board	www.otcbb.com	412	5	4	6
7	The Stock Exchange of Hong Kong	www.sehk.com.hk	400	0	0	18
8	TSX Group	www.tsx.com	388	1	2	3
9	London Stock Exchange	www.londonstockexchange.com	370	12	6	8
10	New York Stock Exchange	www.nyse.com	354	7	10	9
11	EuroNext	www.euronext.com	313	11	11	11



12	NASD	www.nasd.com	294	10	9	7
13	www.sedar.com	www.sedar.com	219	4	7	2
14	The American Stock Exchange	www.amex.com	205	9	15	15
15	www.bovespa.com.br	www.bovespa.com.br	183	3	0	14
16	Australian Stock Exchange	www.asx.com.au	154	16	13	12
17	New Zealand Exchange	www.nzx.com	132	14	16	10
18	OMX Corporate	www.omxgroup.com	118	15	14	19
19	Singapore Exchange	www.sgx.com	9	19	12	16
0	Archipelago Exchange	www.archipelago.com	0	17	17	0

We therefore propose that Rule 144(c)(2) be amended to clarify that information posted by an issuer in an information repository, such as the Pink Sheets News Service, that satisfies the five requirements for an information repository under proposed Exchange Act Rule 15c2-11, would be deemed “publicly available” within the meaning of Rule 144(c)(2).

Form 144 Requirements

The current Commission proposal would coordinate the filing requirements of Rule 144 for affiliates of a reporting issuer with Form 4 filings required under Section 16 of the Exchange Act. We believe this coordination would be useful to investors who could then view all pertinent information in one place. However, the information currently required in Form 4 would be especially important and material to investors in unregistered securities, which are often very thinly traded. In the case of unregistered securities, there is no Form 4 requirement; so Form 144 needs to provide all of the disclosure that would otherwise be contained in a Form 4. We therefore propose that Form 144 should be used to disclose actual purchases and sales, as well as the present intent to purchase and sell.⁵

For the same reasons, we propose that Form 144 be amended to require affiliates to disclose the total amount of the issuer’s securities currently held by the affiliate. This is extremely useful disclosure to investors in thinly traded securities because securities held by affiliates represent an “overhang” of securities that may be sold in a way that will affect market prices.

We also believe that Form 144 should require disclosure for non-exchange listed securities the primary inter-dealer quotation system on which the securities are quoted.

⁵ A present intention to purchase or sell is indicated when action is taken to remove a restricted securities legend from the certificates representing the securities. A Form 144 should therefore be filed in connection with that event.



It is imperative that the information provided under the Rule be publicly available to the investing public. For this reason, we strongly support the Commission's proposal to combine Form 144 with Form 4 and require it to be filed electronically in the EDGAR system.

Conclusion

We strongly support the Commission's proposed revisions of Rule 144, which we believe will improve the ability of smaller public companies to raise capital efficiently from qualified investors. Nevertheless, we believe that some simple amendments would also provide great benefits to the markets in which the securities for smaller companies trade by improving the disclosures available to market participants.

We submit that the ultimate pragmatic goal of the Commission's proposal is to improve the liquidity of securities issued in private offerings, which will reduce the cost of raising capital for smaller companies. However, the removal of restrictions is necessary, but not sufficient, to enable initial purchasers to sell these securities. Liquidity also requires a receptive marketplace. But, without adequate current information, public investors are disadvantaged, or demand a substantial risk premium for making the investment, thereby defeating the purpose of limiting the restrictions in the first place.

We believe the Commission should change the market disclosure requirements of control persons from being based on the limited information that a non-affiliate broker-dealer can be expected to collect under Rule 15c2-11 to what is needed for the public markets to have adequate current information.

The Rule as proposed therefore would be considerably improved by clarifying the method by which information for non-reporting issuers can be made publicly available and modernizing the substantive disclosures required under the Rule. It goes without saying that, in this post-Gutenberg era, this information should be freely available to investors in an Internet site maintained by the trading venue where investors would expect to find it. Investors will then have access to information that will better allow them direct their investment dollars. This small change in the proposal will vastly improve the small business capital formation process and increase the efficiency of OTC markets.



Please don't hesitate to call if you have any questions or if we can be of further assistance to you on this matter.

Very truly yours,

/s/ R. CROMWELL COULSON

R. Cromwell Coulson
Chief Executive Officer

CC: Chairman Christopher Cox
Commissioner Paul S. Atkins
Commissioner Annette L. Nazareth
Commissioner Kathleen L. Casey
John W. White, Esq., Director, Division of Corporation Finance
Gerry LaPorte, Chief, Office of Small Business, Division of Corporation Finance
Dr. Erik R. Sirri, Director, Division of Market Regulation
Robert L.D. Colby, Esq., Deputy Director, Division of Market Regulation
James A. Brigagliano, Esq., Associate Director, Office of Trading Practices and Processing, Division of Market Regulation



EXHIBIT A

GUIDELINES FOR PROVIDING ADEQUATE CURRENT INFORMATION

Pink Sheets encourages all issuers of OTC equity securities to make *adequate current information* available to the public markets. Pink Sheets believes that federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934, as amended from time to time (“Exchange Act”), and Rule 144 of the Securities Act of 1933, as amended from time to time (“Securities Act”), and state Blue Sky laws require issuers to provide adequate current public information. With a view to encouraging compliance with these laws, Pink Sheets has created these Guidelines for Providing Adequate Current Information (“Guidelines”) in order to assist issuers with understanding their disclosure obligations.⁶

Pink Sheets believes *adequate current information* **must** be publicly available when an issuer’s securities are quoted by a broker-dealer under the following circumstances:

- At the time of initial quotation in public markets;
- At any time corporate insiders or other affiliates of the issuer are offering, buying or selling the issuer’s securities in the OTC market;
- During any period when a security is the subject of ongoing promotional activities having the effect of encouraging trading of the issuer’s securities in the OTC market;
- At the time securities initially sold in a private placement become freely tradable in the OTC market; or
- At any time the issuer’s securities are quoted on OTCQX, or included in the Pink Sheets Emerging Equities List or Current Information categories. (*This does not include issuers listed on International OTCQX, as such issuers either (i) have a class of their securities registered with the Securities and Exchange Commission (“SEC”) under Section 12(g) of the*

⁶ This is not legal advice, and Pink Sheets cannot assure anyone that compliance with our disclosure requirements will satisfy any legal requirements.



Exchange Act and are current in their SEC reporting obligations or (ii) are non-U.S. issuers that are exempt from registration pursuant to Exchange Act Rule 12g3-2(b) and make their home country filings available in English to the public via the Pink Sheets News Service).

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General Considerations

An issuer preparing responses to the following items shall consider the purpose of adequate disclosure. Current and potential investors in the issuer's securities should be provided with all "material" information — the information available to the issuer necessary for the investor to make a sound investment decision. The disclosure should enable an investor of ordinary intelligence and investment skills to understand the issuer's business and prospects.

The disclosure must therefore present the issuer's business plan and include a full and clear picture of the issuer's assets, facilities, properties, investments, management and other resources, as well as a complete description of how they will be used to make profits. The issuer's business plan should clearly describe the competition, regulatory environment and other risks to the issuer's business, as well as the issuer's plans for confronting these challenges.

It is also important for an investor to understand how the issuer raises capital and treats investors. At a minimum, the issuer must describe the ways it has raised capital by issuing shares in the past – to whom and the amount of consideration involved. The investor should also be provided with market information, including the past price history of any transactions in the issuer's shares.

Finally, the disclosure should use plain English.⁷ This means using short sentences, avoiding legal and technical jargon and providing clear descriptions. Your goal, as an issuer, should be to give the investor the information you would wish the investor to supply if your positions were reversed. You don't need to be Shakespeare; you must, though, have a sincere desire to inform.

Instructions relating to initial, quarterly and current disclosure statements:

Issuers shall provide information pursuant to each item and sub-item of the Guidelines and shall include in their response (i) whether a particular item is not applicable or unavailable and (ii) the reason it is not applicable or unavailable. The disclosure shall be provided in the

⁷ For tips, you may wish to consult the SEC's Plain English Handbook, available for free on the SEC's website, at <http://www.sec.gov>.



format listed below. Issuers may incorporated by reference financial statements and other exhibits that are posted elsewhere on Pink Sheets News Service or on SEC's EDGAR system, as long as the incorporated documents are current, and as long as issuers clearly explain where the incorporated documents can be found.



Section One: Issuers' Initial Disclosure Obligations

Part A General Company Information

Item I The exact name of the issuer and its predecessor (if any).

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Item II The address of the issuer's principal executive offices.

In answering this item, please also provide (i) the telephone and fax number of the issuer's principal executive offices, (ii) if applicable, the URL of each website maintained by or on behalf of the issuer, and (iii) if applicable, the name, phone number, email address, and mailing address of the person responsible for the issuer's investor relations.

Item III The state and date of the issuer's incorporation or organization.

Provide the issuer's state of incorporation or state of organization (if the issuer is not a corporation) and the date on which it was incorporated or organized.

Item IV The name and address of the transfer agent*.

In answering this item, please also provide the telephone number of the transfer agent, indicate whether or not the transfer agent is registered under the Exchange Act, and state the appropriate regulatory authority of the transfer agent.

*To be included in OTCQX, Pink Sheets' Emerging Equities Category or Pink Sheets' Current Information Category, the issuer's transfer agent *must* be registered under the Exchange Act.

Item V The nature of the issuer's business.

In describing the issuer's business, please provide the following information:

A. Business Development. Describe the development of the issuer and material events during the last three years so that a potential investor can clearly understand the history and development of the business. If the issuer has not been in business for three years, provide this information for any predecessor company. This business development description must also include:

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);
2. the year that the issuer (or any predecessor) was organized;
3. the issuer's fiscal year end date;
4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;
5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;
6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;
7. any change of control;
8. any increase in 10% or more of the same class of outstanding equity securities;

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;
10. any delisting of the issuer's securities by any securities exchange or NASDAQ or deletion from the OTC Bulletin Board; and
11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

B. Business of Issuer. Describe the issuer's business so a potential investor can clearly understand it. To the extent material to an understanding of the issuer, please also include the following:

1. the issuer's primary and secondary SIC Codes;
2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;
3. if the issuer is considered a "shell company" pursuant to Securities Act Rule 405;
4. the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure document;

5. the effect of existing or probable governmental regulations on the business;
6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;
7. costs and effects of compliance with environmental laws (federal, state and local); and
8. the number of total employees and number of full-time employees.

For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required. Contact Pink Sheets for more information.

Item VI The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

- A. principal products or services, and their markets;
- B. distribution methods of the products or services;
- C. status of any publicly announced new product or service;
- D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition;



- E. sources and availability of raw materials and the names of principal suppliers;
- F. dependence on one or a few major customers;
- G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and
- H. the need for any government approval of principal products or services and the status of any requested government approvals.

Item VII The nature and extent of the issuer's facilities.

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Part B Share Structure and Issuance History

Item VIII The exact title and class of securities outstanding.

In answering this item, provide the exact title and class of each class of outstanding securities. In addition, please provide the CUSIP and trading symbol.



Item IX Description of the security.

A. *Par or Stated Value.* Provide the par or stated value for each class of outstanding securities.

B. *Common or Preferred Stock.*

1. For common equity, describe any dividend, voting and preemption rights.
2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.
3. Describe any other material rights of common or preferred stockholders.
4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

Item X The number of shares or total amount of the securities outstanding for each class of securities outstanding.

In answering this item, provide the information below for each class of securities authorized. Please provide this information (i) as of the end of the issuer's most recent fiscal quarter and (ii) as of the end of the issuer's last two fiscal years. (The goal of this item is to identify changes in securities outstanding. If this information is not available for the most recent fiscal quarter end ("FQE") and last two fiscal year ends ("FYE"), or if the most recent FQE is the same as the FYE, please provide it for at least two alternative time periods.)

- (i) Period end date;
- (ii) Number of shares authorized;
- (iii) Number of shares outstanding;



- (iv) Freely tradable shares (public float);
- (v) Total number of beneficial shareholders; and
- (vi) Total number of shareholders of record.

Item XI List of securities offerings and shares issued for services in the past two years.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer (1) within the two-year period ending on the last day of the issuer's most recent fiscal year and (2) since the last day of the issuer's most recent fiscal year.

The list shall include all offerings of securities, whether private or public, and shall indicate:

- (i) The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- (ii) Any jurisdictions where the offering was registered or qualified;
- (iii) The number of shares offered;
- (iv) The number of shares sold;
- (v) The price at which the shares were offered, and the amount actually paid to the issuer;
- (vi) The trading status of the shares; and
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

The list shall also include all shares or any other securities or options to acquire such securities issued for services in the past two fiscal years and any interim periods, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.



With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however,* that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than five percent (5%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

Part C Management and Control Structure

Item XII The name of the chief executive officer, members of the board of directors, as well as control persons.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Officers and Directors. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement:

1. Full name;
2. Business address;
3. Employment history (which must list all previous employers for the past 10 years, positions held, responsibilities and employment dates);
4. Board memberships and other affiliations;
5. Compensation by the issuer; and
6. Number and class of the issuer's securities beneficially owned by each such person.



B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Certain Relationships. Describe any relationships existing among and between the issuer's officers, directors and shareholders.

To the extent not otherwise disclosed, describe all relationships and affiliations among and between the shareholders and the issuer, its predecessors, its present and prior officers and directors, and other shareholders.

D. Disclosure of Conflicts of Interest. Describe any related party transactions or conflicts of interests. Provide a description of the circumstances, parties involved and mitigating factors for any related party transactions or executive officer or director with competing professional or personal interests.



Item XIII Beneficial Owners.

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Item XIV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker
2. Promoters
3. Counsel
4. Accountant or Auditor - the information shall clearly (i) describe if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and a description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.
5. Public Relations Consultant(s)
6. Investor Relations Consultant



7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation - the information shall include the telephone number and email address of each advisor.

Part D Financial Information

Item XV Financial information for the issuer's most recent fiscal period.

The issuer shall include the financial statements listed below in the disclosure document and provide a list in the disclosure document describing the financial statements.

The issuer shall provide the following financial statements for the most recent fiscal period (whether fiscal quarter or fiscal year).

- 1) balance sheet;
- 2) statement of income;
- 3) statement of cash flows;
- 4) statement of changes in stockholders' equity;
- 5) financial notes; and
- 6) audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with generally accepted accounting principles (GAAP)⁸ by persons with sufficient financial skills.

Information contained in annual financial statements will not be considered current more than 90 days after the end of the issuer's fiscal year immediately following the fiscal year for which such statement are provided, or with respect to quarterly financial statements, more than 45 days after the end of the quarter immediately following the quarter for which such statements are provided.

⁸ Foreign private issuers that have furnished information to the Securities and Exchange Commission pursuant to Rule 12g3-2(b) under the Exchange Act can provide those same financial statements as an alternative to U.S. GAAP. For information regarding U.S. GAAP, see <http://cpaclass.com/gaap/gaap-us-01a.htm>.



Item XVI Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Please provide the financial statements described in Item XV above for the issuer's two preceding fiscal years.

Item XVII Management's Discussion and Analysis or Plan of Operation.

Instructions to Item XVII

Issuers that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure document, shall provide the information in paragraphs A and C of this item. All other issuers shall provide the information in paragraphs B and C of this item.

The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.

Issuers are not required to supply forward-looking information. This is distinguished from presently known data that will impact upon future operating results, such as known future increases in costs of labor or materials. This latter data may be required to be disclosed.

A. Plan of Operation.

1. Describe the issuer's plan of operation for the next twelve months. This description should include such matters as:
 - i. a discussion of how long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;
 - ii. a summary of any product research and development that the issuer will perform for the term of the plan;

- iii. any expected purchase or sale of plant and significant equipment; and
- iv. any expected significant changes in the number of employees.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

1. *Full fiscal years.* Discuss the issuer's financial condition, changes in financial condition and results of operations for each of the last two fiscal years. This discussion should address the past and future financial condition and results of operation of the issuer, with particular emphasis on the prospects for the future. The discussion should also address those key variable and other qualitative and quantitative factors that are necessary to an understanding and evaluation of the issuer. If material, the issuer should disclose the following:

- i. Any known trends, events or uncertainties that have or are reasonably likely to have a material impact on the issuer's short-term or long-term liquidity;
- ii. Internal and external sources of liquidity;
- iii. Any material commitments for capital expenditures and the expected sources of funds for such expenditures;
- iv. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations;
- v. Any significant elements of income or loss that do not arise from the issuer's continuing operations;
- vi. The causes for any material changes from period to period in one or more line items of the issuer's financial statements; and

- vii. Any seasonal aspects that had a material effect on the financial condition or results of operation.

2. *Interim Periods.* Provide a comparable discussion that will enable the reader to assess material changes in financial condition and results of operations since the end of the last fiscal year and for the comparable interim period in the preceding year.

C. Off-Balance Sheet Arrangements.

1. In a separately-captioned section, discuss the issuer's off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the issuer's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. The disclosure shall include the items specified in paragraphs C(1)(i), (ii), (iii) and (iv) of this Item XVII to the extent necessary to an understanding of such arrangements and effect and shall also include such other information that the issuer believes is necessary for such an understanding.

- i. The nature and business purpose to the issuer of such off-balance sheet arrangements;
- ii. The importance to the issuer of such off-balance sheet arrangements in respect of its liquidity, capital resources, market risk support, credit risk support or other benefits;
- iii. The amounts of revenues, expenses and cash flows of the issuer arising from such arrangements; the nature and amounts of any interests retained, securities issued and other indebtedness incurred by the issuer in connection with such arrangements; and the nature and amounts of any other obligations or liabilities (including contingent obligations or liabilities) of the issuer arising from such arrangements that are or are reasonably likely to become material and the triggering events or circumstances that could cause

them to arise; and

- iv. Any known event, demand, commitment, trend or uncertainty that will result in or is reasonably likely to result in the termination, or material reduction in availability to the issuer, of its off-balance sheet arrangements that provide material benefits to it, and the course of action that the issuer has taken or proposes to take in response to any such circumstances.

2. As used in paragraph C of this Item XVII, the term off-balance sheet arrangement means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the issuer is a party, under which the issuer has:

- i. Any obligation under a guarantee contract that has any of the characteristics identified in paragraph 3 of FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (November 2002) ("FIN 45"), as may be modified or supplemented, and that is not excluded from the initial recognition and measurement provisions of FIN 45 pursuant to paragraphs 6 or 7 of that Interpretation;
- ii. A retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets;
- iii. Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, except that it is both indexed to the issuer's own stock and classified in stockholders' equity in the issuer's statement of financial position, and therefore excluded from the scope of FASB Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (June 1998), pursuant to paragraph 11(a) of that Statement, as may be modified or

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supplemented; or

- iv. Any obligation, including a contingent obligation, arising out of a variable interest (as referenced in FASB Interpretation No. 46, Consolidation of Variable Interest Entities (January 2003), as may be modified or supplemented) in an unconsolidated entity that is held by, and material to, the issuer, where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with, the issuer.

Instructions to paragraph C of Item XVII

- i. No obligation to make disclosure under paragraph C of this Item XVII shall arise in respect of an off-balance sheet arrangement until a definitive agreement that is unconditionally binding or subject only to customary closing conditions exists or, if there is no such agreement, when settlement of the transaction occurs.
- ii. Issuers should aggregate off-balance sheet arrangements in groups or categories that provide material information in an efficient and understandable manner and should avoid repetition and disclosure of immaterial information. Effects that are common or similar with respect to a number of off-balance sheet arrangements must be analyzed in the aggregate to the extent the aggregation increases understanding. Distinctions in arrangements and their effects must be discussed to the extent the information is material, but the discussion should avoid repetition and disclosure of immaterial information.
- iii. For purposes of paragraph C of this Item XVII only, contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.
- iv. Generally, the disclosure required by paragraph C of this Item XVII shall cover the most recent fiscal year. However, the discussion should address changes from the previous year where such discussion is necessary to an

understanding of the disclosure.

In satisfying the requirements of paragraph C of this Item XVII, the discussion of off-balance sheet arrangements need not repeat information provided in the footnotes to the financial statements, provided that such discussion clearly cross-references to specific information in the relevant footnotes and integrates the substance of the footnotes into such discussion in a manner designed to inform readers of the significance of the information that is not included within the body of such discussion.

Part E Exhibits

The following exhibits must be either described in or attached to the disclosure document:

Item XVIII Material Contracts.

A. Every material contract, not made in the ordinary course of business, that will be performed after the disclosure document is posted on the Pink Sheets News Service or was entered into not more than two years before such posting. Also include the following contracts:

- 1) Any contract to which directors, officers, promoters, voting trustees, security holders named in the disclosure document, or the Designated Advisor for Disclosure are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price;
- 2) Any contract upon which the issuer's business is substantially dependent, including but not limited to contracts with principal customers, principal suppliers, and franchise agreements;
- 3) Any contract for the purchase or sale of any property, plant or equipment for consideration exceeding 15 percent of such assets of the issuer; or



- 4) Any material lease under which a part of the property described in the disclosure document is held by the issuer.

B. Any management contract or any compensatory plan, contract or arrangement, including but not limited to plans relating to options, warrants or rights, pension, retirement or deferred compensation or bonus, incentive or profit sharing (or if not set forth in any formal document, a written description thereof) in which any director or any executive officer of the issuer participates shall be deemed material and shall be included; and any other management contract or any other compensatory plan, contract, or arrangement in which any other executive officer of the issuer participates shall be filed unless immaterial in amount or significance.

C. The following management contracts or compensatory plans need not be included:

- 1) Ordinary purchase and sales agency agreements;
- 2) Agreements with managers of stores in a chain organization or similar organization;
- 3) Contracts providing for labor or salesmen's bonuses or payments to a class of security holders, as such; and
- 4) Any compensatory plan that is available to employees, officers or directors generally and provides for the same method of allocation of benefits between management and non-management participants

Item XIX Articles of Incorporation and Bylaws.

A. A complete copy of the issuer's articles of incorporation or in the event that the issuer is not a corporation, the issuer's certificate of organization. Whenever amendments to the articles of incorporation or certificate of organization are filed, a complete copy of the articles of



incorporation or certificate of organization as amended shall be filed.

B. A complete copy of the issuer's bylaws. Whenever amendments to the bylaws are filed, a complete copy of the bylaws as amended shall be filed.

Item XX Issuer's Certifications.

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, [identify the certifying individual], certify that:

1. I have reviewed this [specify either annual or quarterly disclosure statement] of [identify issuer];
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date:

[Signature]

[Title]



Part F Miscellaneous

Item XXI Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

A. In the following tabular format, provide the information specified in paragraph (B) of this Item XXI with respect to any purchase made by or on behalf of the issuer or any "Affiliated Purchaser" (as defined in paragraph (C) of this Item XXI) of shares or other units of any class of the issuer's equity securities.

ISSUER PURCHASES OF EQUITY SECURITIES				
Period	Column (a) Total Number of Shares (or Units) Purchased	Column (b) Average Price Paid per Share (or Unit)	Column (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Column (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month #1 (identify beginning and ending dates)				
Month #2 (identify beginning and ending dates)				
Month #3 (identify beginning and ending dates)				
Total				

B. The table shall include the following information for each class or series of securities for each month included in the period covered by the report:

1. The total number of shares (or units) purchased (Column (a)). Include in this column all issuer repurchases, including those made pursuant to publicly announced plans or programs and those not made pursuant to publicly announced plans or programs. Briefly disclose, by footnote to the table, the number of shares purchased other than through a publicly announced plan or program and the nature of the transaction (e.g., whether the purchases were made in open-market transactions, tender offers, in satisfaction of the company's obligations upon exercise of outstanding put options issued by the company, or other transactions).
2. The average price paid per share (or unit) (Column (b)).
3. The total number of shares (or units) purchased as part of publicly announced repurchase plans or programs (Column (c)).
4. The maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (Column (d)).

Instructions to paragraphs (B)(3) and (B)(4) of this Item XXI:

- a. In the table, disclose this information in the aggregate for all plans or programs publicly announced.
- b. By footnote to the table, indicate:
 - i. The date each plan or program was announced;
 - ii. The dollar amount (or share or unit amount) approved;
 - iii. The expiration date (if any) of each plan or program;
 - iv. Each plan or program that has expired during the period covered by the table; and



- v. Each plan or program the issuer has determined to terminate prior to expiration, or under which the issuer does not intend to make further purchases.

C. For purposes of this Item XXI, "Affiliated Purchaser" means:

1. A person acting, directly or indirectly, in concert with the issuer for the purpose of acquiring the issuer's securities; or
2. An affiliate who, directly or indirectly, controls the issuer's purchases of such securities, whose purchases are controlled by the issuer, or whose purchases are under common control with those of the issuer; *provided, however,* that "Affiliated Purchaser" shall not include a broker, dealer, or other person solely by reason of such broker, dealer, or other person effecting purchases on behalf of the issuer or for its account, and shall not include an officer or director of the issuer solely by reason of that officer or director's participation in the decision to authorize purchases by or on behalf of the issuer.



Section Two: Issuers' Continuing Disclosure Obligations

Issuers are considered to have adequate current information publicly available to the extent such information is updated to reflect new developments after the publication of the initial issuer disclosure statement. In general, an issuer shall provide updates to the most recent balance sheet, income statement and statement of cash flows, as required under Item XV above, as well as disclose changes in any other of the above disclosure items no later than 45 days after the end of any fiscal quarter ("Quarterly Updates") and 90 days after the end of any fiscal year ("Annual Updates"). Issuers shall also provide updates ("Current Updates") within 10 business days in the event that any of the information contained in the disclosure statement (including information contained in any prior Update) has become materially inaccurate or incomplete, or upon the occurrence of certain events described under the Current Reporting Obligations section. The specific requirements for Quarterly, Annual and Current Updates are set forth below.

Insiders, affiliates and control persons of issuers shall be aware that Rule 144 under the Securities Act requires that adequate current information be publicly available if they wish to sell any of their securities in the public secondary markets.

Quarterly Reporting Obligations

In order to be considered as having adequate current information publicly available, issuers must publish Quarterly Updates to their disclosure statements on the Pink Sheets News Service, no later than 45 days after the end of each fiscal quarter. Quarterly Updates should contain responses to the following items, and should follow the format below.

Item I Exact name of the issuer and the address of its principal executive offices.

In answering this item, the issuer shall provide the information required by Items I and II of the requirements for initial disclosure statements in Section One of these Guidelines. The issuer may state "No Change" if there has been no change to the information previously provided.



Item 2 Shares outstanding.

In answering this item, the issuer shall provide the information required by Item X of Section One of these Guidelines with respect to the fiscal quarter end.

Item 3 Interim financial statements.

The issuer shall include financial statements for the most recent fiscal quarter, which quarterly financial statements shall meet the requirements of Item XV of Section One of these Guidelines.

Item 4 Management's discussion and analysis or plan of operation.

The issuer shall provide the information required by Item XVII of Section One of these Guidelines.

Item 5 Legal proceedings.

The issuer shall provide the information required by Item V(a)(11) of Section One of these Guidelines, to the extent not already disclosed in a prior disclosure statement.

Item 6 Defaults upon senior securities.

If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the issuer exceeding 5% of the total assets of the issuer, (i) identify the indebtedness and (ii) state the nature of the default, the amount of the default and the total arrearage as of a recent date.



If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the issuer, give the title of the class and state the nature of the arrearage or delinquency. In the case of a default in the payment of dividends, state the amount and the total arrearage as of a recent date.

The issuer need not respond to this item with respect to any class of securities all of which is held by, or for the account of, the issuer or its totally held subsidiaries. Issuers need not repeat information that has been previously disclosed in a prior disclosure statement, although the issuer shall provide updates regarding previously reported defaults.

Item 7 Other information.

The issuer shall include here responses to any items that the issuer would be required include in a Current Update. See the Current Update section below regarding the information required to be in a Current Update.

Item 8 Exhibits.

The issuer shall either describe or attached any exhibits that are required under Items XVIII and XIX of Section One, and which have not already been described or attached in any prior disclosure statement, except that the issuer must describe or attach any amendments to any previously described or attached exhibits. The issuer shall also include current certifications, meeting the requirements contained in Item XX of Section One, relating to the Quarterly Update.

Annual Reporting Obligations

In order to be considered as having adequate current information publicly available, issuers must also publish Annual Updates to their disclosure statements on the Pink Sheets News Service, no later than 90 days after the end of each fiscal year. Each Annual Update must contain complete responses to all of the items required by Section One of these Guidelines, even if no changes have occurred since the last Annual Update.

Current Reporting Obligations

Important: The following is a description of events that may be material to the issuer and its securities and that shall be made publicly available by the issuer. Persons with knowledge of such events would be considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public.

If not included in the issuer's previous public disclosure documents or if any of the following events occur after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a press release within 10 business days following their occurrence, and posting such press release in the Pink Sheets News Service:

1. Entry into a Material Definitive Agreement.

(a) If the issuer has entered into a material definitive agreement not made in the ordinary course of business of the issuer, or into any amendment of such agreement that is material to the issuer, the issuer shall disclose the following information:

(1) the date on which the agreement was entered into or amended, the identity of the parties to the agreement or amendment and a brief description of any material relationship between the issuer or its affiliates and any of the parties, other than in respect of the material definitive agreement or amendment; and

(2) a brief description of the terms and conditions of the agreement or amendment that are material to the issuer.



(b) A “material definitive agreement” means an agreement that provides for obligations that are material to and enforceable against the issuer, or rights that are material to the issuer and enforceable by the issuer against one or more other parties to the agreement, in each case whether or not subject to conditions.

2. Termination of a Material Definitive Agreement.

(a) If a material definitive agreement which was not made in the ordinary course of business of the issuer and to which the issuer is a party is terminated otherwise than by expiration of the agreement on its stated termination date, or as a result of all parties completing their obligations under such agreement, and such termination of the agreement is material to the issuer, the issuer shall disclose the following information:

- (1) the date of the termination of the material definitive agreement, the identity of the parties to the agreement and a brief description of any material relationship between the issuer or its affiliates and any of the parties other than in respect of the material definitive agreement;
- (2) a brief description of the terms and conditions of the agreement that are material to the issuer;
- (3) a brief description of the material circumstances surrounding the termination; and
- (4) any material early termination penalties incurred by the issuer.

3. Completion of Acquisition or Disposition of Assets.

If the issuer or any of its majority-owned subsidiaries has completed the acquisition or disposition of a significant amount of assets, otherwise than in the ordinary course of business, the issuer shall disclose the following information:

- (a) the date of completion of the transaction;
- (b) a brief description of the assets involved;
- (c) the identity of the person(s) from whom the assets were acquired or to whom they were sold and the nature of any material relationship, other than in respect of the transaction, between such person(s) and the issuer



or any of its affiliates, or any director or officer of the issuer, or any associate of any such director or officer;

(d) the nature and amount of consideration given or received for the assets and, if any material relationship is disclosed pursuant to paragraph 3(c) above, the formula or principle followed in determining the amount of such consideration; and

(e) if the transaction being reported is an acquisition and if any material relationship is disclosed pursuant to paragraph 3(c) above, the source(s) of the funds used.

4. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of an Issuer.

(a) If the issuer becomes obligated on a direct financial obligation that is material to the issuer, the issuer shall disclose the following information:

(1) the date on which the issuer becomes obligated on the direct financial obligation and a brief description of the transaction or agreement creating the obligation;

(2) the amount of the obligation, including the terms of its payment and, if applicable, a brief description of the material terms under which it may be accelerated or increased and the nature of any recourse provisions that would enable the issuer to recover from third parties; and

(3) a brief description of the other terms and conditions of the transaction or agreement that are material to the issuer.

(b) If the issuer becomes directly or contingently liable for an obligation that is material to the issuer arising out of an off-balance sheet arrangement, the issuer shall disclose the following information:

(1) the date on which the issuer becomes directly or contingently liable on the obligation and a brief description of the transaction or agreement creating the arrangement and obligation;

(2) a brief description of the nature and amount of the obligation of the issuer under the arrangement, including the material terms whereby it may become a direct obligation, if applicable, or may be accelerated or increased and the nature of any recourse provisions that would enable the issuer to recover from third parties;

(3) the maximum potential amount of future payments (undiscounted) that the issuer may be required to make, if different; and

(4) a brief description of the other terms and conditions of the obligation or arrangement that are material to the issuer.

5. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

(a) If a triggering event causing the increase or acceleration of a direct financial obligation of the issuer occurs and the consequences of the event are material to the issuer, the issuer shall disclose the following information:

(1) the date of the triggering event and a brief description of the agreement or transaction under which the direct financial obligation was created and is increased or accelerated;

(2) a brief description of the triggering event;

(3) the amount of the direct financial obligation, as increased if applicable, and the terms of payment or acceleration that apply; and

(4) any other material obligations of the issuer that may arise, increase, be accelerated or become direct financial obligations as a result of the triggering event or the increase or acceleration of the direct financial obligation.

(b) If a triggering event occurs causing an obligation of the issuer under an off-balance sheet arrangement to increase or be accelerated, or causing a contingent obligation of the issuer under an off-balance sheet arrangement to become a direct financial obligation of the issuer, and the consequences of the event are material to the issuer, the issuer shall disclose the following information:

(1) the date of the triggering event and a brief description of the off-balance sheet arrangement;

(2) a brief description of the triggering event;

(3) the nature and amount of the obligation, as increased if applicable, and the terms of payment or acceleration that apply; and

(4) any other material obligations of the issuer that may arise, increase, be accelerated or become direct financial obligations as a result of the triggering event or the increase or acceleration of the obligation under the off-balance sheet arrangement or its becoming a direct financial obligation of the issuer.

(c) A “triggering event” is an event, including an event of default, event of acceleration or similar event, as a result of which a direct financial obligation of the issuer or an obligation of the issuer arising under an off-balance sheet arrangement is increased or becomes accelerated or as a result of which a contingent obligation of the issuer arising out of an off-balance sheet arrangement becomes a direct financial obligation of the issuer.

6. Costs Associated with Exit or Disposal Activities.

If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not required, commits the issuer to an exit or disposal plan, or otherwise disposes of a long-lived asset or terminates employees under a plan of termination described in paragraph 8 of the Financial Accounting Standards Board's *Statement of Financial Accounting Standards No. 146*, “Accounting for Costs Associated with Exit or Disposal Activities”, under which material charges will be incurred under generally accepted accounting principles applicable to the issuer, the issuer shall disclose the following information:

(a) the date of the commitment to the course of action and a description of the course of action, including the facts and circumstances leading to the expected action and the expected completion date;

(b) for each major type of cost associated with the course of action (for example, one-time termination benefits, contract termination costs and other associated costs), an estimate of the total amount or range of amounts expected to be incurred in connection with the action;

(c) an estimate of the total amount or range of amounts expected to be incurred in connection with the action; and

(d) the issuer's estimate of the amount or range of amounts of the charge that will result in future cash expenditures.

7. Material Impairments.

If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not



required, concludes that a material charge for impairment to one or more of its assets, including, without limitation, impairments of securities or goodwill, is required under generally accepted accounting principles applicable to the issuer, the issuer shall disclose the following information:

(a) the date of the conclusion that a material charge is required and a description of the impaired asset or assets and the facts and circumstances leading to the conclusion that the charge for impairment is required;

(b) the issuer's estimate of the amount or range of amounts of the impairment charge; and

(c) the issuer's estimate of the amount or range of amounts of the impairment charge that will result in future cash expenditures.

8. Sales of Equity Securities.

If the issuer sells equity securities in a transaction that has not been previously described in any prior disclosure statement, the issuer shall provide the information required by Item XI of Section One of these Guidelines with respect to any such securities offering(s).

9. Material Modification to Rights of Security Holders.

(a) If the constituent instruments defining the rights of the holders of any class of securities of the issuer have been materially modified, the issuer shall disclose the date of such modification and the title of the class of securities involved and briefly describe the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of securities have been materially limited or qualified by the issuance or modification of any other class of securities by the issuer, the issuer shall briefly disclose the date of such issuance or modification and the general effect of such issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

10. Changes in Issuer's Certifying Accountant.

(a) If an independent accountant who was previously engaged as the principal accountant to audit the issuer's financial statements, or an independent accountant upon whom the principal accountant expressed reliance in its report regarding a significant subsidiary, resigns (or indicates that it declines to stand for re-appointment after completion of the current audit) or is dismissed, the issuer shall state:

(1) Whether the former accountant resigned, declined to stand for re-election or was dismissed and the date of such resignation, refusal to stand for re-election or dismissal;

(2) Whether the accountant's report on the financial statements for either of the past two years contained an adverse opinion or disclaimer of opinion, or was modified as to uncertainty, audit scope, or accounting principles, and also describe the nature of each such adverse opinion, disclaimer of opinion or modification;

(3) Whether the decision to change accountants was recommended or approved by the board of directors or an audit or similar committee of the board of directors; and

(4) (A) Whether there were any disagreements with the former accountant, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the former accountant's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report; or

(B) if applicable, whether the former accountant advised the issuer that:

(1) Internal controls necessary to develop reliable financial statements did not exist;

(2) Information has come to the attention of the former accountant which made the accountant unwilling to rely on management's representations, or unwilling to be associated with the financial statements prepared by management; or

(3) The scope of the audit shall be expanded significantly, or information has come to the accountant's attention that the accountant has concluded will, or if further investigated may, materially impact the fairness or reliability of a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the fiscal period(s) subsequent to the date of the most recent audited financial statements (including information that might preclude the issuance of an unqualified audit report), and the issue was not resolved to the accountant's satisfaction prior to its resignation or dismissal; and

(C) The subject matter of each such disagreement or event identified in response to paragraph (4)(A) above;

(D) Whether any committee of the board of directors, or the board of directors, discussed the subject matter of the disagreement with the former accountant; and

(E) Whether the issuer has authorized the former accountant to respond fully to the inquiries of the successor accountant concerning the subject matter of each of such disagreements or events and, if not, describe the nature of and reason for any limitation.

(b) If a new accountant has been engaged as either the principal accountant to audit the issuer's financial statements or as the auditor of a significant subsidiary and on whom the principal accountant is expected to express reliance in its report, the issuer shall identify the new accountant. If the conditions in paragraphs (b)(1) through (b)(3) below exist, the issuer shall describe the nature of the disagreement or event and the effect on the financial statements if the method of the former accountants had been followed (unless that method ceases to be generally accepted because of authoritative standards or interpretations issued after the disagreement or event):

(1) In connection with a change in accountants subject to paragraph (b) above, there was any disagreement or event as described in paragraph (a)(4)(A) above;

(2) During the fiscal year in which the change in accountants took place or during the later fiscal year, there have been any transactions or events similar to those involved in such disagreement or event; and

(3) Such transactions or events were material and were accounted for or disclosed in a manner different from that which the former accountants would have likely concluded was required.

11. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

(a) If the issuer's board of directors, a committee of the board of directors or the officer or officers of the issuer authorized to take such action if board action is not required, concludes that any previously issued financial statements covering the last three fiscal years or interim periods since the end of the last fiscal year shall no longer be relied upon because of an error in such financial statements as addressed in Accounting Principles Board Opinion No. 20, as may be modified, supplemented or succeeded, the issuer shall disclose the following information:

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(1) the date of the conclusion regarding the non-reliance and an identification of the financial statements and years or periods covered that shall no longer be relied upon;

(2) a brief description of the facts underlying the conclusion to the extent known to the issuer at the time of filing; and

(3) a statement of whether the audit committee, or the board of directors in the absence of an audit committee, or authorized officer or officers, discussed with the issuer's independent accountant the matters disclosed in the press release issued pursuant to this paragraph 11.

(b) If the issuer is advised by, or receives notice from, its independent accountant that disclosure shall be made or action shall be taken to prevent future reliance on a previously issued audit report or completed interim review related to previously issued financial statements, the issuer shall disclose the following information:

(1) the date on which the issuer was so advised or notified;

(2) identification of the financial statements that shall no longer be relied upon;

(3) a brief description of the information provided by the accountant; and

(4) a statement of whether the audit committee, or the board of directors in the absence of an audit committee, or authorized officer or officers, discussed with the independent accountant the matters disclosed in the press release issued pursuant to this paragraph 11.

12. Changes in Control of Issuer.

(a) If, to the knowledge of the issuer's board of directors, a committee of the board of directors or authorized officer or officers of the issuer, a change in control of the issuer has occurred, the issuer shall furnish the following information:

(1) the identity of the person(s) who acquired such control;

(2) the date and a description of the transaction(s) which resulted in the change in control;



(3) the basis of the control, including the percentage of voting securities of the issuer now beneficially owned directly or indirectly by the person(s) who acquired control;

(4) the amount of the consideration used by such person(s); and

(5) the source(s) of funds used by such person(s).

13. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(a) If a director has resigned or refuses to stand for re-election to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the issuer, known to an executive officer of the issuer on any matter relating to the issuer's operations, policies or practices, or if a director has been removed for cause from the board of directors, the issuer shall disclose the following information:

(1) the date of such resignation, refusal to stand for re-election or removal;

(2) any positions held by the director on any committee of the board of directors at the time of the director's resignation, refusal to stand for re-election or removal; and

(3) a brief description of the circumstances representing the disagreement that the issuer believes caused, in whole or in part, the director's resignation, refusal to stand for re-election or removal.

(b) If the issuer's principal executive officer, president, principal financial officer, principal accounting officer, principal operating officer or any person performing similar functions retires, resigns or is terminated from that position, or if a director retires, resigns, is removed, or refuses to stand for re-election (except in circumstances described in paragraph (a) above), the issuer shall disclose the fact that the event has occurred and the date of the event.

(c) If the issuer appoints a new principal executive officer, president, principal financial officer, principal accounting officer, principal operating officer or person performing similar functions, the issuer shall disclose the following information with respect to the newly appointed officer:

(1) the name and position of the newly appointed officer and the date of the appointment;



- (2) the information described in Item XI above; and
- (3) a brief description of the material terms of any employment agreement between the issuer and that officer.

14. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

(a) If an issuer amends (i) its articles of incorporation or in the event that the issuer is not a corporation, its certificate of organization, or (ii) its bylaws, the issuer shall disclose the following information:

- (1) the effective date of the amendment; and
- (2) a description of the provision adopted or changed by amendment and, if applicable, the previous provision.

(b) If the issuer decides to change its fiscal year, the issuer shall disclose the date of such decision and the date of the new fiscal year end.

15. Amendments to the Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

(a) The issuer shall briefly describe the date and nature of any amendment to a provision of the issuer's code of ethics that applies to the issuer's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

(b) If the issuer has granted a waiver, including an implicit waiver, from a provision of the code of ethics to an officer or person described in paragraph 15(a) above, the issuer shall briefly describe the nature of the waiver, the name of the person to whom the waiver was granted, and the date of the waiver.