



Nasdotc

“Global Merchant Banking Partnerships”

www.nasdotc.com



OTC Markets

Nasdaq

NYSE





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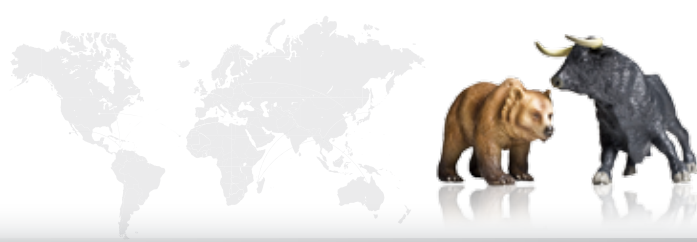
NASDOTC VISION

OUR VISION is to Provide Merchant Banking Partnerships to Build 10 Profitable SME a Year from OTC to Nasdaq and to Ultimately Merge Nasdotc into a existing NASDAQ Corporation by December 2016.

15 Merchant Banking Services

- 1) Acquisition of OTC, NASDAQ and NYSE
- 2) Reporting SEC Compliances
- 3) Engaging Market Makers
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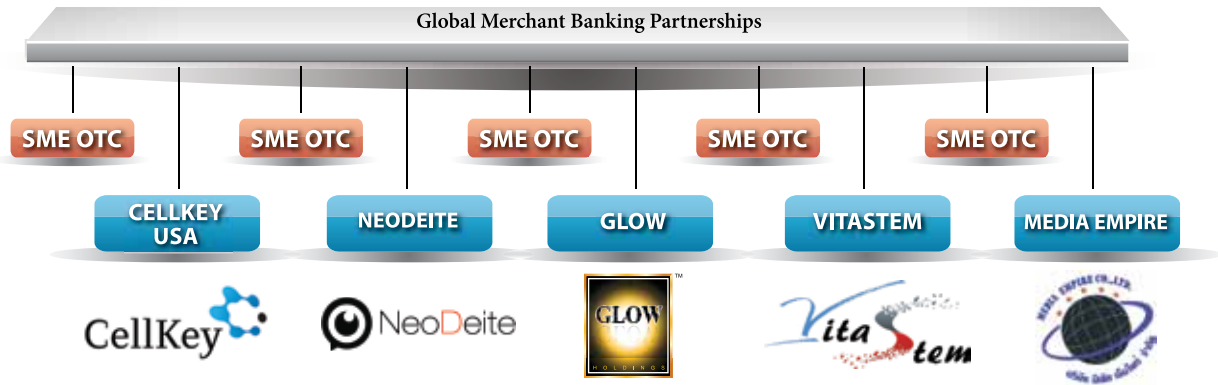




10 OTC Companies by Sept 2016

Nasdaq

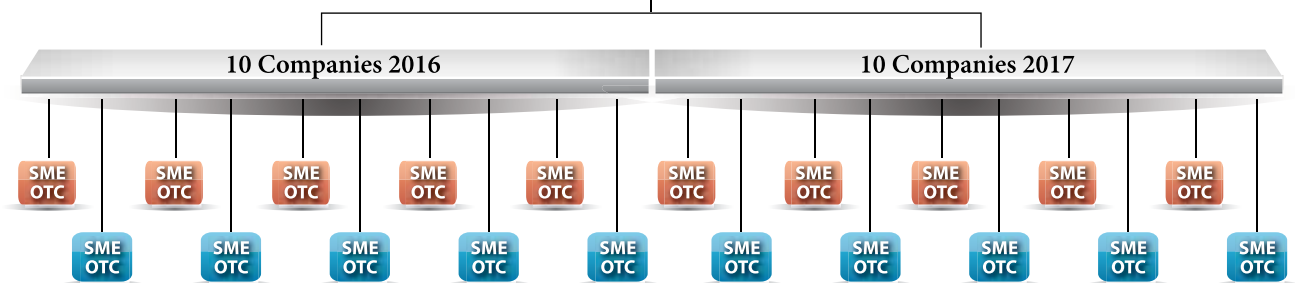
Global Merchant Banking Partnerships



20 OTC Companies by Dec 2017

Nasdaq

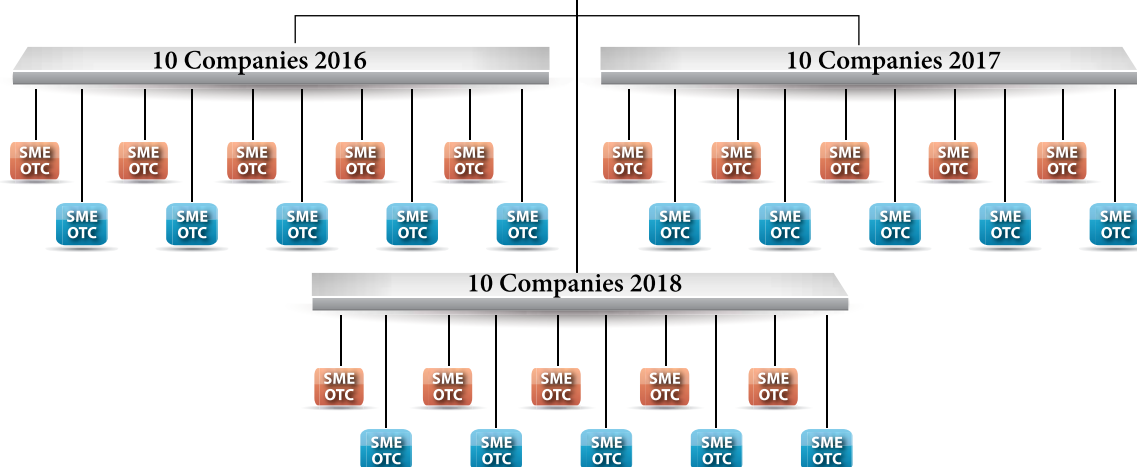
Global Merchant Banking Partnerships

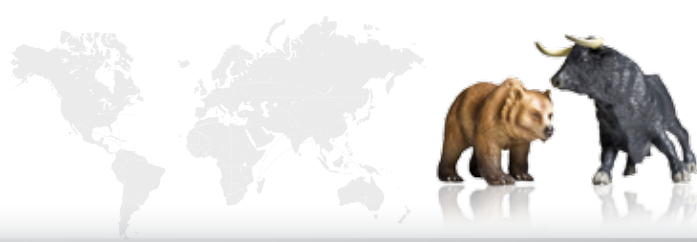


30 OTC Companies by Dec 2018

Nasdaq

Global Merchant Banking Partnerships





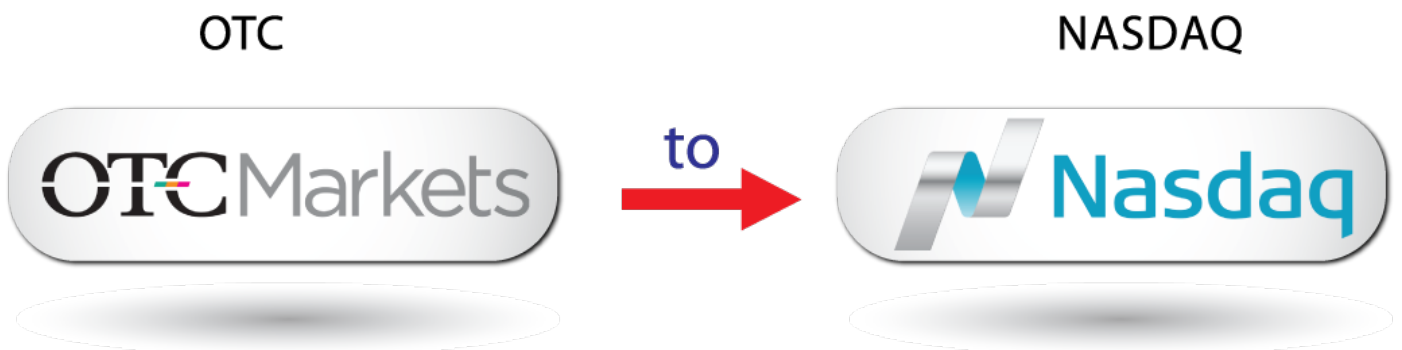
NASDOTC MISSION

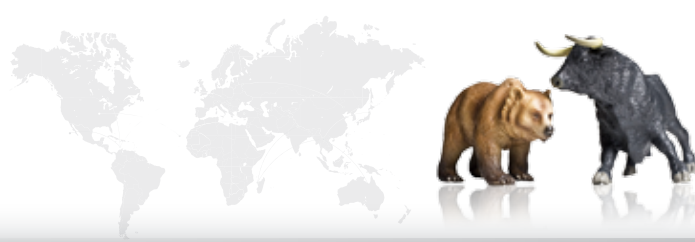
OUR MISSION is to Partner SME to NASDAQ
by Synergising Profitable SME, Nasdotc Merchant Banking,
OTC and Capital Placement
to Achieve Hyper Profit Business Model within 2 Years.
Simultaneously Raising US\$10 Million Private Placement Capital
for the Nasdaq Excercise.

Nasdotc Partnership Combining 4 Partners



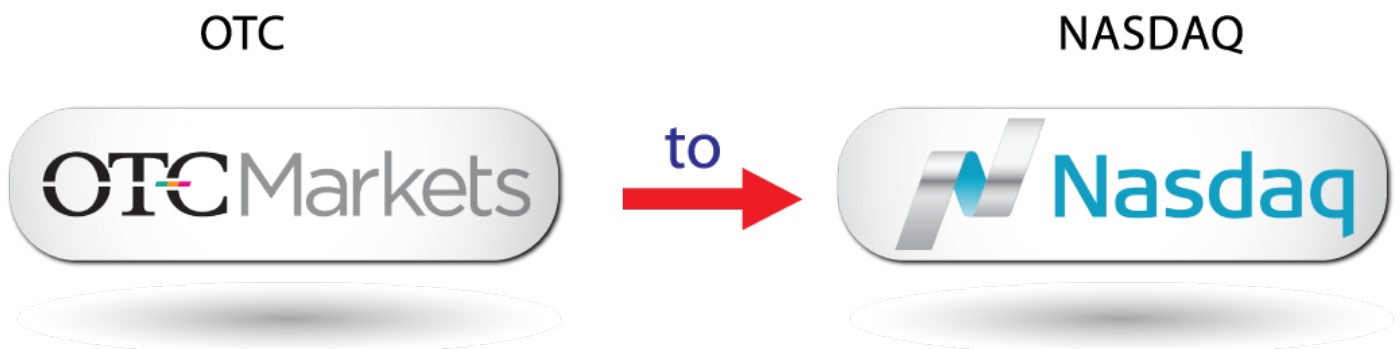
Making Hyper Profit from





NASDOTC BUSINESS MODEL

Achieving Hyper Profit Over 1000% in 2 Years by Building a 2nd Board Company and Merging into an existing Main Board Company, i.e From OTC to NASDAQ.



3 Ways Road To Nasdaq

1) IPO (Initial Public Offering)

New Listing Company
US\$75 million Market Capitalization &
US\$11 million Net Profit in 3 years

2) Acquisition

Back Door Listing or Reverse Takeover.
US\$20 million to Acquire
Existing Nasdaq Company

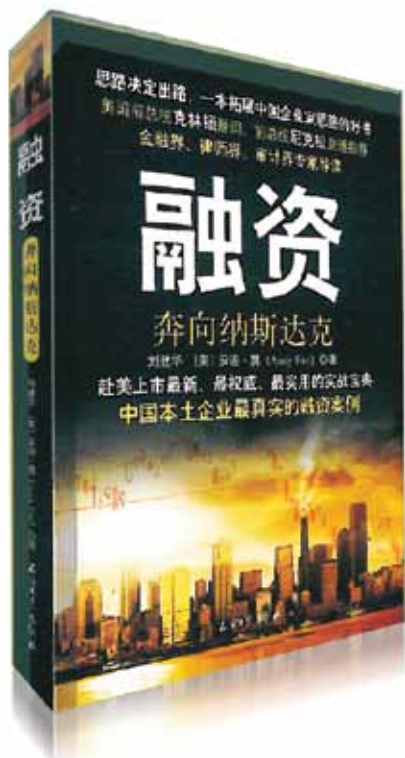
3) Merger

Be Profitable & High Future Growth
Merger into Existing Nasdaq Company

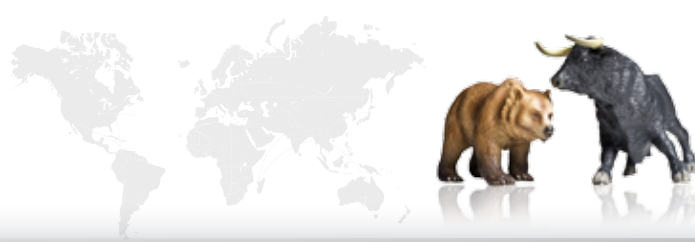


HYPRO BUSINESS PROVEN SUCCESS

Many
China Companies
Successfully
Upgraded from
OTC to NASDAQ



2007-02-01	泰富电气获准升板NASDAQ
2007-03-14	宇信易诚升板NASDAQ
2007-05-03	圣元奶粉从OTCBB升板NASDAQ
2007-09-17	大连傅氏升板NASDAQ
2007-11-01	安防科技(中国)升板NYSE
2007-11-08	万得汽车从OTCBB转板NASDAQ
2008-01-11	河南众品乳业升板NASDAQ
2008-01-23	中国神舟矿业获准登陆AMEX
2008-05-05	中强能源升板NASDAQ
2008-05-16	中华地产成功从OTCBB转板NASDAQ并正式开始交易
2008-07-01	智远天下从OTCBB转板NASDAQ
2008-07-16	江苏华瑞国际集团从OTCBB转板到AMEX
2008-07-28	北大千方NASDAQ上市申请获批
2008-07-28	青岛中油从OTCBB成功转板到NASDAQ
2008-08-13	河南盛润由OTCBB转板到NASDAQ
2008-10-23	上海双金生物科技有限公司成功从OTCBB转板NASDAQ
2009-03-09	西安鼎天集团成功从OTCBB转板NYSE
2009-06-05	西蓝天然气股份由OTCBB转板到NASDAQ
2009-06-15	中国东北石油控股由OTCBB转板到AMEX
2009-06-26	西安天星生物药业由OTCBB转板到NASDAQ
2009-06-26	中国生物能源由OTCBB转板到NASDAQ
2009-06-30	中国汽车物流由OTCBB转板到NASDAQ
2009-07-13	绿诺科技由OTCBB转板到NASDAQ
2009-07-17	德尔集团由OTCBB转板到NASDAQ
2009-07-20	中国教育集团由OTCBB转板到NASDAQ
2009-08-03	瑞达国际由OTCBB转板到NASDAQ
2009-08-07	协诺科技由OTCBB转板到NASDAQ
2009-08-10	中国海产品集团由OTCBB转板到NASDAQ
2009-08-27	隆赫达食品由OTCBB转板到NYSE
2009-09-03	永业生物集团由OTCBB转板到NASDAQ
2009-09-08	山东绿润食品集团由OTCBB转板到NYSE

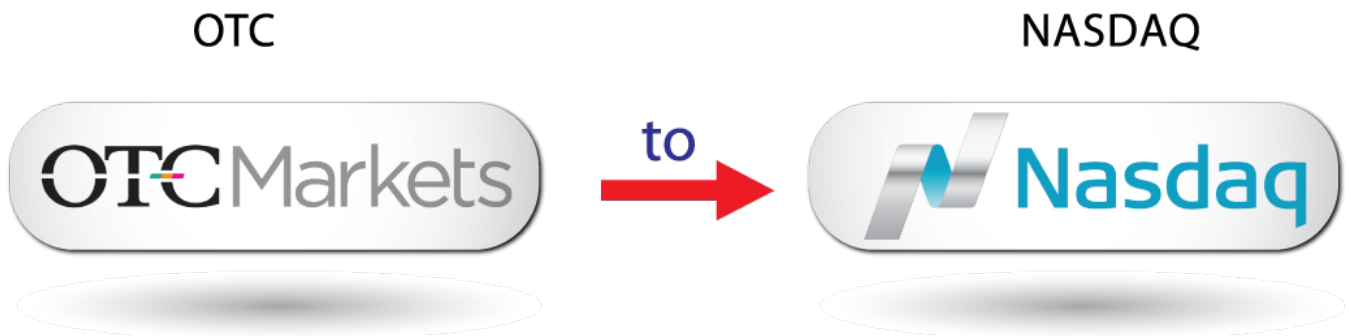


HYPER BUSINESS MODEL

HYPER PROFIT STOCKS HAVE GAINED OVER 1000%

From 2009 to 2015,
Some 45 stocks have been increased by
10 times their value or 1,000%

Source: Bespoke Investment Group and FactSet.



Top 10 Hyper Profit Companies 2009 to 2015

COMPANY	RISE IN % SINCE 3/9/09
REGNERON PHARMACEUTICALS	3,322 %
SIRIUS XM	2,482 %
SEAGATE TECHNOLOGY	1,667 %
LIBERTY INTERACTIVE	1,445 %
PRICELINE	1,422 %
KEURIG	1,394 %
BAIDU	1,255 %
ALEXION	1,050 %
TRACTOR SUPPLY	1,049 %
NETFLIX	1,032 %

Source: FACTSET

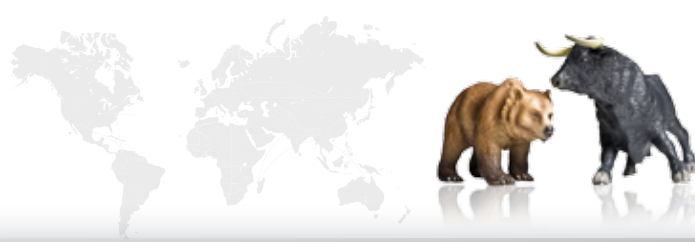
Nasdaq

Global Merchant Banking Partnerships



Nasdaq Partnerships Inc.





HYPER BUSINESS MODEL

Top 10 Hyper Profit Stocks of the Past 20 Year

1) KANSAS CITY SOUTHERN (KSU)	= 19,030 %
2) MIDDLEBY (MIDD)	= 14,330 %
3) II-VI (Two-Six) (IIVI)	= 10,423 %
4) EMC CORPORATION (EMC)	= 9,624 %
5) QUALCOMM (QCOM)	= 9,232 %
6) ORACLE (ORCL)	= 8,571 %
7) DIODES (DIOD)	= 8,601 %
8) BIOGEN IDEC (BIIB)	= 6,334 %
9) CELGENE CORP. (CELG)	= 6,244 %
10) ASTRONIC (ATRO)	= 6,004 %

APPLE'S SHARE RISE 23,639 %



Apple Inc. made history when its
Stock Price at **\$119.30**,

Becoming the 1st US Company
with **market value of over \$700 billion**

The company market value has **risen more than 50,800%**

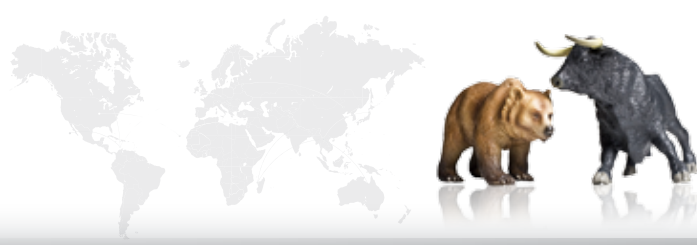
Source: Factsheet



NASDOTC PARTNERSHIPS INC.

2575, McCabe Way, Irvine, 92614 CA, USA.





NASDOTC PARTNERSHIPS MANAGEMENT



Paul Harris
CTO



Steve SeeKuyTan
CEO



Kate Johnston
Corporate Secretary





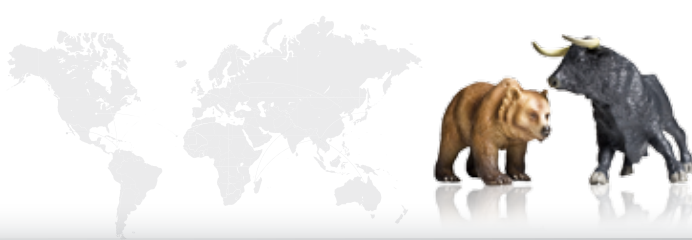
NASDOTC PARTNERSHIPS FINANCIAL

1st Year Financial Budget

For the Professional Management of the Quality OTC Company preparing to merge into a existing Nasdaq Company, we require an elaborate budget estimates for 1st Whole Year (starting with an initial US\$500,000)

1) To Acquire 90% of a Fully Audited OTC Company	US\$400,000
2) Lawyer, Accountant and Auditor for all Acquisition Agreement and reporting to SEC/FINRA Accounting by PCAOB Accountant and Auditor. Accounting Standards - GAAP (Generally Acceptable Accounting Practice)	US\$60,000/year
3) Additional Appointments, Mergers and Acquisitions Agreements, SEC S1 Submission, Private Placement Memorandum	US\$60,000/year
4) Formation of US Corporation, Association, Authorize Capital and other Business Licenses	US\$4,000/one time
5) OTC News Services to Upload Quarterly Reports and regular News Announcement	US\$4,800/year
6) 300 Million Authorized Share Capital Fee	US\$35,000/one time
7) Certified Company Valuation Report	US\$15,000/year
8) Market Consultant	US\$136,000/year
9) Transfer Agent	US\$36,000/year
10) Remuneration for 3 years contract for a professionally qualified Chairman, 1,000,000 Shares (Issued periodically upon completion of services) plus US\$3,000 a month (Paid quarterly US\$9,000)	US\$36,000/year
11) Directors/Officers US\$2,000,000 Liability Insurance premium	US\$30,000
12) Investor Relation Public Relation Consultant	US\$60,000/year
13) Online News Media Advertising/ Promotion	US\$60,000/year
14) USA Corporate Security Managements	US\$60,000/year
15) Miscellaneous and other	US\$33,200

TOTAL US\$1,000,000
for the 1st year



Hanover Federal Capital Corporation - Merchant Banker
A Member of: The EMCO/ Hanover Group

December 15, 2015

Nasdotc Partnerships Inc.

2575 McCabe Way

Irvine, California 92614,

USA.

Re: Corporate FMV Valuation: Nasdotc Partnerships Inc.

Gentlemen:

At the Company' request, ***Hanover Federal Capital Corporation***, a member of ***The EMCO/Hanover Group***, collectively referred as "EMCO/Hanover", has determined what Fair Market Value ("FMV") should be assigned to the common shares of ***Nasdotc Partnerships Inc.*** (referred to herein as "Nasdotc" or the "Company"; see also: ***www.nasdotc.com***), as of December 15, 2015. This is based on the Company's Business Model as defined as of November 30, 2015 for the pricing for the determination of what Fair Market Value ("FMV") should be assigned to the Company in order for its to raise \$1.0 million in equity capital. Herein is presented EMCO/Hanover's opinion.

Hanover Federal Capital Corporation

Merchant Bankers

BASIS FOR THE ASSIGNED NASDOTC FMV VALUATION

Based on the prior below outlined 30% profit retention policy, this would drive an enterprise value of US\$10,000,000 as calculated below – using an average fee revenue transaction factor of \$ 1 million and a conservative 50% estimate for transaction closure.

30% x \$1,000,000 x50% x 10 clients = US\$15,000,000 but reduced by the standard discount of 35% as a non-publicly-trading business since Nasdotc corporate status would be that of a privately-held business = **US\$10 million (rounded).**

Refer to 14pages Report in Appendix



Reverse Merger Transaction

Reverse Merger Transaction

- 1) Due diligence (or creation) of private company – about 1 week - \$3,500 flat fee (includes discussion of proper public company vehicle requirements so the proper shell can be identified)
- 2) Prepare public company requirements sheet and review profile sheets on possible public shell companies – about 1 week - \$1,500 (billed hourly)
- 3) Due diligence of qualified public company once promising one is identified – about 1 week - \$2,500 flat fee each (hopefully will only need to review one, but could be more if we uncover something with a shell that we don't like in the due diligence review).
- 4) Draft letter of intent and escrow agreement to put deposit down on the shell – about 1 week \$1,500 to \$2,500 (billed hourly) – this gives us exclusivity over the shell while in-depth due diligence is completed, typically with a \$50K deposit being put down.
- 5) Complete in-depth due diligence, structure transaction and draft deal documents and close transaction – about 3 weeks - billed hourly (estimate is \$8,500-\$12,500)

To get to this point, legal fees are about \$20,000 to \$25,000 and then there is the cost of the public vehicle. There will also be the cost of the audit of the private company.

After the transaction closes and private company controls the public vehicle the following filings will be required for a '34 Act reporting company if the pubco was a '34 Act reporting company and a shell at the time of the purchase:

- 1) A "Form-10" (Super) 8-K, which will contain Form 10-disclosure about the private company – about 2 weeks to prepare from a legal standpoint – \$15,000 flat fee (note, audited financial statements of private company will be required with the Super 8-K, which must be completed by a PCAOB-approved auditor – it is tough to estimate auditor fees as they vary greatly from audit firm to audit firm and are also based on a variety of factors related to the company being audited – the audit can be a time consuming process and should be started as soon as possible). The filing is due 4 business days after the close of the shell purchase transaction.
- 2) Director, owner of 10% or more of the company's voting securities) due within 10 days after they person becomes an insider. Then any transactions in the company's stock that occur by those insiders (buying, selling shares, getting options, warrants, etc.) must be reported on a Form 4 within 2 days of each transaction. Legal fees are flat fee of \$400 each. Section 16 filings are under the insider trading/beneficial ownership rules.
- 3) Form 13Ds and 13Gs, report the acquisition by any person of 5% or more of a public company's stock. These filings are different than Section 16 filings. They are completely separate filings. These are \$750 each. There is an ongoing obligation to report additional transactions in the company's stock by amending the 13D/or 13G, but that would not likely come into play for you, at least in the near future. With the legal fees of \$20,000 to \$25,000 and then these fees, it's about \$40,000 to \$50,000 in legal fees to close the transaction and get the immediate filings completed. The ongoing expenses are discussed below.

If the private company were to purchase a shell that is a '34 Act reporting company, but not truly a shell (it has operations, etc. at the time of closing the transaction – and there are a variety of reasons that you may purchase a shell with operations, and a variety of reasons why you may not want to):

- 1) A "Form 10" 8-K is not required, but a regular 8-K is (material definitive agreement, change of control, new management, etc.) is due in four (4) business days, and audited financial statements of the private company are due 75 days after closing the transaction and not when original Form 8-K is filed. Please note that although a "Form 10 content" is not required in the Form 8-K, it is a good idea to file that type of information in that filing so the public knows about the operations/management, etc. of the private company.
- 2) Section 16 filings required
- 3) Form 13Ds and 13Gs required

If the private company were to purchase a shell that is not a mandatory '34 Act reporting company (but is making '34 Act filings as a voluntary filer), then I would still do a Super 8-K, but Section 16 filings, 13Ds and 13Gs, the 14-C process mentioned below are not required, however, the private company may want to make the company '34 Act reporting and comply with those requirements to make investors feel better about the company.

(Please note, there are numerous variations regarding shells and their status and not all those can be captured here, but I have tried to capture a few different scenarios).

Direct Public Offering Transaction (DPO)

There are two variations of going public via what is broadly called a DPO (basically a management driven process that does not involve underwriters):

(these are also generically the steps to follow if you buy a non-reporting shell (not filing '34 Act reports), except you wouldn't necessarily do the Friends and Family round or the PPM, unless the company needs the money as it should get a shareholder base from the public company, but the company would still need/want to file a registration statement, etc.)

Here is the broad steps in the first process:

- 1) Corporate due diligence/formation/restructuring: This step involves reviewing the current company structure and then either forming a new corporation with the idea it will go public or restructuring an existing corporation to go public (normally between \$2,500 and \$3,500 in legal fees, plus costs to file with the state of incorporation, about 1 week in time). Founders have shares after this step.
- 2) Friends/Family round: Many companies then sell to close family and friends. Typically only to 5-10 people the company and its officers/directors know very well and that know the company very well, etc. Normally done with a stock purchase agreement with the goal of raising some initial capital to fund next steps and get another 10 or so shareholders. Typically done through a stock purchase agreement with risk factors. (normally around \$3,500 in legal fees and about 1 week to prepare stock purchase agreement. There will also be costs to make state blue sky filings with the state of residence of the investors).
- 3) Larger investment round: Normally done through a private placement memorandum (PPM) with the goal of raising additional capital and getting at least 50 to 60 total additional investors (all accredited investors). Cost in legal fees to draft, review, revise and complete PPM, subscription agreement and investor questionnaire, as well as blue sky research, is \$18,500 flat fee and timing is about 2-3 weeks to prepare the PPM and then normally 30-60 days for the offering. There are additional costs involved with state blue sky filings fees and Form D filings.
- 4) S-1 Registration Statement. Typically done as a resale S-1 where the shares sold in steps 2&3 are registered for resale. The legal fees for the S-1 are \$40,000 fee with \$25,000 due up front, \$10,000 due when the S-1 is filed with the SEC, and \$5,000 due when the S-1 goes effective with the SEC. This fee includes preparing, drafting, revising, etc. the S-1, as well as reviewing, responding to and revising the S-1 through the SEC comment review process, and the legal opinion required for the shares to be re-issued free trading by the transfer agent. Timing is about 2-3 weeks to prepare (note, the company must have audited financial statements for last 2 years or since inception if less than 2 years old, done by a PCAOB-approved auditor) and then it takes about 3 months to through comments and revisions with the SEC.



5) 15c2-11 Filing. This is an application for a quotation filed with FINRA by a market maker after the S-1 goes effective. The legal fees are a flat \$8,500 to prepare the application and materials for the market maker, but there will be other costs associated with this filing, which can be up to \$10,000 to \$15,000 more. Timing is about 3 weeks to prepare (typically prepared during end of S-1 review process but can't be filed until S-1 goes effective with the SEC) and takes about 1-2 months to go through FINRA process.

6) DTC-eligibility. This is an application to DTC filed by a clearing firm through a broker. Legal cost is about \$3,500 and there are additional \$10,000 or fees or so to broker/clearing firm and timing is about 4-6 weeks.

After step 5 the company would get a ticker symbol and be listed on the OTCBB. The total cost of legal fees for steps 1-6 is approximately \$85,000 and the timing is about 7-9 months or so. An audit also must be completed and there are additional costs such as edgar fees, transfer agent fees, filing fees, etc.

Here is the broad steps in the second process:

1) Corporate due diligence/formation/restructuring: This step involves reviewing the current company structure and then either forming a new corporation with the idea it will go public or restructuring an existing corporation to go public (normally between \$1,500 and \$2,500 in legal fees, plus costs to file with the state of incorporation, about 1 week in time). Founders have shares after this step.

2) Friends/Family round: Many companies then sell to close family and friends. Typically only to 5-10 people the company and its officers/directors know very well and that know the company very well, etc. Normally done with a stock purchase agreement with the goal of raising some initial capital to fund next steps and get another 10 or so shareholders. Typically done through a stock purchase agreement with risk factors. (normally around \$2,500 in legal fees and about 1 week to prepare stock purchase agreement. There will also be costs to make state blue sky filings with the state of residence of the investors).

3) S-1 Registration Statement. Typically done as a primary offering S-1 where the shares are registered to be sold by management after the S-1 goes effective with the SEC. The legal fees for the S-1 are \$50,000 fee (this fee is higher than the first process above because the S-1 is not following on the heels of a PPM) with \$25,000 due up front, \$15,000 due when the S-1 is filed with the SEC, and \$10,000 due when the S-1 goes effective with the SEC. This fee includes preparing, drafting, revising, etc. the S-1, as well as reviewing, responding to and revising the S-1 through the SEC comment review process and the legal opinion for the transfer agent to issue the shares free trading. Timing is about 2-3 weeks to prepare (note, the company must have audited financial statements for last 2 years or since inception if less than 2 years old, done by a PCAOB-approved auditor) and then it takes about 3 months to through comments and revisions with the SEC.

4) Public offering of the S-1 registered shares. Management of the company then goes out and sells some or all of the shares registered in the S-1. Ideally selling to at least 50 different investors. Legal cost is about \$5,000 and timing is dependent upon time it takes to complete the offering.

5) 15c2-11 Filing. This is an application for a quotation filed with FINRA by a market maker after the S-1 offering has been completed. The legal fees are a flat \$8,500 to prepare the application and materials for the market maker, but there will be other costs associated with this filing, which can be up to \$10,000 to \$15,000 more. Timing is about 3 weeks to prepare (typically prepared during end of S-1 review process but can't be filed until S-1 goes effective with the SEC) and takes about 1-2 months to go through FINRA process.

6) DTC-eligibility. This is an application to DTC filed by a clearing firm through a broker. Legal cost is about \$3,500 and there are additional \$10,000 or fees or so to broker/clearing firm and timing is about 6-8 weeks.

After step 5 the company would get a ticker symbol and be listed on the OTCBB. The total cost of legal fees for steps 1-6 is approximately \$80,000 to \$85,000 and the timing is about 7-9 months or so. An audit also must be completed and there are additional costs such as edgar fees, transfer agent fees, filing fees, etc.

The big downside to the second DPO process is that the company hasn't raised the funds from the PPM to pay for the S-1, audit, etc., which may or may not be a big deal depending on the company's financial situation. Also, if it can't raise the funds it has found that out through a costly, public S-1 process not through a private PPM.

Post-Public Costs and Expenses

As we discussed, normally investors that may be putting the money up to fund some or all of the going public process, whether it's a reverse merger or a DPO, will want the company to set funds aside in escrow to pay for the public company's reporting obligations for at least one year. Here is a brief overview of those costs:

1) Form 10-Qs due within 45 days of the end of each fiscal quarter that is not the company's fiscal year end. Legal fees are \$3,750 each (these require a "review" by a PCAOB-approved auditor – cost varies greatly).

2) Form 10-K due within 90 days of the end of the fiscal year. Legal fees are \$10,500 each (these require an audit by a PCAOB-approved auditor – cost varies greatly).

3) Form 8-Ks to report a variety of actions that the company may undertake each year, such as entry into material definitive agreements, change of officers and directors, change in auditors, etc. These are \$650 each unless they are extraordinary Form 8-Ks for big transactions.

4) Section 16 and Schedule 13D/G filings by insiders are covered above.

A public company that takes actions that require shareholder approval, basically a name change, stock split, stock option plan, etc. and/or hold a shareholder meeting may require a Schedule 14-A or Schedule 14-C filing (if they are mandatory '34 Act filers) and take about 45-55 days to complete (due to built-in waiting periods). This must also be mailed to all shareholders as part of the process (so there are copy and mailing costs). The Schedule 14-C is the filing done with the SEC to notify everyone of the change. The change itself is effected by the state of incorporation through the filing of an amendment to the company's articles of incorporation (drafting of this covered in flat fee, but there is a state filing fee, normally a few hundred dollars but varies by state), and a filing fee for FINRA – typically around \$1,500 – (the entity that runs the OTC Bulletin Board) through what is called a 6490 application. The 14-C, articles of incorporation and FINRA 6490 application are all covered under a \$8,500 flat fee for legal services, but will have a few thousand dollars of extra fees for copies and mailing of the document to the shareholders. This is the filing and process that must be completed the change the name and/or recapitalize the public company.

Regarding other fees:

Transfer agent fees are paid to the company's transfer agent to maintain the company's shareholder records and transactions. All public companies must have a transfer agent. They bill a monthly maintenance fee and then fees for services, such as the issuances of stock certificates (typically \$30 or so per cert), shareholder mailings, etc. The estimated annual fees are about \$5,000, but will depend on what services the company requires from the transfer agent.

Edgar fees are fees paid to an edgarization company. All public company filings are filed with the SEC electronically through what is called the EDGAR system. As company counsel I prepare the filings (10-Qs, 10-Ks, 8-Ks, 14-Cs, etc.) in Word, but then turn them over to an edgarization company that "edgarizes" the document (puts it in an electronic form to be uploaded to the SEC's system). The estimated fees \$5,000 annually, but again, it will vary depending on the number of filings a company does throughout the year.

XBRL is similar to edgarization but it applies to financial statements in a company's filings. The financial statements are "tagged" with detail regarding what each line item in the financial statements means, such as all the assets and liabilities on the balance sheet, etc. These fees are estimated to be about \$8,000 - \$10,000 per year.



NASDOTC ASSOCIATES

Merchant Banker - EmcoHanover Group



Experts in Capital - Number 1 in Performance

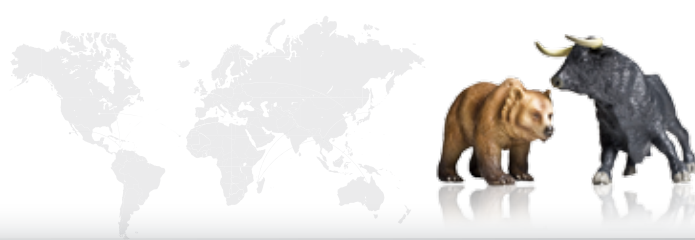
No one corporate group has enjoyed the success by having completed more transactions (in terms of dollars, in number of transactions and in diversity - both domestically and internationally) for the corporate middle market than The EMCO/Hanover Group.

As such, EMCO/Hanover is considered America's leading experts in capital in the corporate middle market, specializing in: Corporate involvements, including capital sourcing; the design and validation of executive compensation; business valuations – including fairness and 15(c)211 opinions; acting as an expert witness in litigation support – involving some two dozen industries – as qualified and accepted by the U.S. Internal Revenue Service and the Tax Court; mergers and acquisitions; plus advisement in all areas of executive management and the Board of Directors, including fiduciary responsibilities.

EMCO/Hanover's expertise has involved companies in North America, including Canada and Mexico – plus Central and South America along with Europe, the Middle and Far East plus Africa where its efforts have been recognized by commendations from the White House, The U.S. Congress along with various State Governments; the Far East, including China where its Chairman has received a number of accolades; plus other international zones (Europe, the Middle East and Africa); and by The Central American Parliament.

Since its inception in 1971, EMCO/Hanover Group members, as International Merchant Bankers, have completed in excess of \$3 billion in capital sourcing, representing more than 1000 transactions and over 200 business turnarounds representing in excess of a billion dollars in annualized payroll. In addition, The EMCO/Hanover Group does product sourcing and trade financing through its Group facilities in England, Panama and Europe. Trade financing is conducted through institutional relationships maintained from the Group's Los Angeles office.

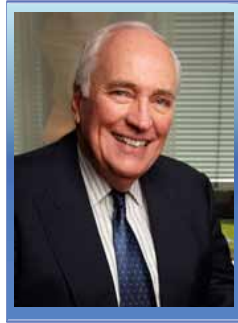
The EMCO/Hanover Group has published, as a public service to its clients and others interested in the business of Executive Management, The Management Gazette, from 1984-1996 plus maintains a glossary of financing terminology for its readers along with the listing guidelines for the major US stock markets-NYSE, AMEX and NASDAQ, titled Original Listing Guidelines, Domestic Common Stock.



EmcoHanover Group - Management



Albert Montano
Managing Director
Institutional Relations



Bruce W.D. Barren
Chairman



Shemori BoShae
Director
Operational Management/
Corporate Development



Richard Singer
Executive Director
Financial Services



Alan T. Knobloch
Managing Director
Capital Retention and
Wealth Management

15 Merchant Banking Services

- 1) Acquisition of OTC, NASDAQ and NYSE
- 2) Reporting SEC Compliances
- 3) Engaging Market Makers
- 4) Investors Relations and Public Relations
- 5) Global Private Placements
- 6) Mergers and Acquisitions
- 7) Business Valuations
- 8) Executive Compensations
- 9) Management Enhancemant
- 10) Directors and Corporate Involvements
- 11) Capital Sourcing
- 12) Investment Banker Advisors
- 13) Wealth Management
- 14) Stock Management
- 15) Mergers Excecution into Existing Nasdaq Com.



NASDOTC ASSOCIATES

Investor Relation Public Relation - Wallstreet Research



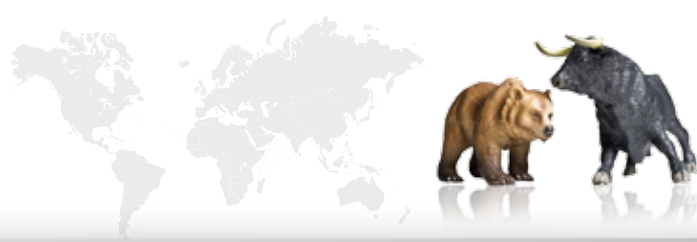
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Solutions for Emerging Companies®

WallStreet Research™ (WSR) is a top ranked independent research firm with a history spanning over three decades. WSR provides the global investment community with independent analyst research reports, corporate profiles and newsletters of selected quality emerging growth companies.

WSR Team

Alan Stone & Company, LLC with its affiliate WallStreet Research™ provides a strategic approach to enhancing shareholder value and liquidity. WSR publishes and distributes corporate profiles, newsletters and in-depth research reports on emerging small-cap companies. WallStreet Research is ranked #1 on Google, Yahoo and Bing search engines.





Wallstreet Research (WSR) - Management



John Keffalas
Director of Western Region



Alan Stone
Managing Director



Steve J. Pollack
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- **Ranked #1 in Microcap Marketplace.**
- **Annualized Portfolio Gains Exceed 80%.**
- **Special Emphasis on Market Capitalizations between \$10 and \$200 million.**
- **Top Ranked CFA's and Analysts.**

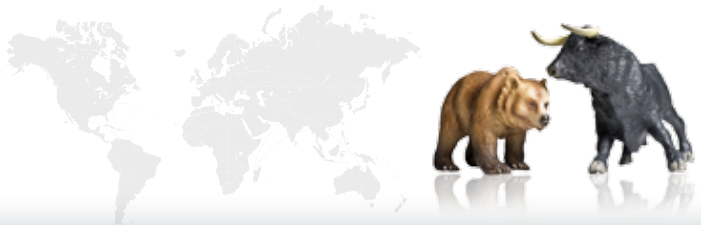


WallStreet Research™ (WSR) is a top ranked independent research firm with a history spanning over three decades. WSR provides the global investment community with independent analyst research reports, corporate profiles and newsletters of selected quality emerging growth companies.



Nasdaq

Global Merchant Banking Partnerships



Nasdaq Partnerships Inc.





NASDOTC ASSOCIATES

Lawyer - Law Office of Craig V. Butler



*Craig V. Butler
Founder*



LAW OFFICES OF CRAIG V. BUTLER

I have practiced law since 1996, specializing in corporate securities law since 2001. I am licensed to practice in the State of California, and the United States District Court for the Central and Southern Districts of California. After graduating from the University of San Diego School of Law in 1996, I began my career practicing general corporate litigation for the law firm of Lorenz, Alhadeff, Cannon & Rose, LLP, in San Diego, California. In this position I handled all aspects of litigation, including pleadings, discovery, motions, trial preparation, mediation, arbitration, and settlement negotiations. After practicing general corporate litigation for four years, in April 2000, I transitioned into transactional law by accepting the position of General Counsel for GTC Telecom Corp., a small public company providing long distance and internet service, located in Costa Mesa, California. I served as GTC Telecom's first General Counsel, started the legal department, and remained in this position until October 2001, when I accepted a position with The Lebrecht Group, APLC. Effective November 1, 2012, I founded the Law Offices of Craig V. Butler, where I specialize in representing small and middle-market clients in the following practice areas:

Initial Public Offerings

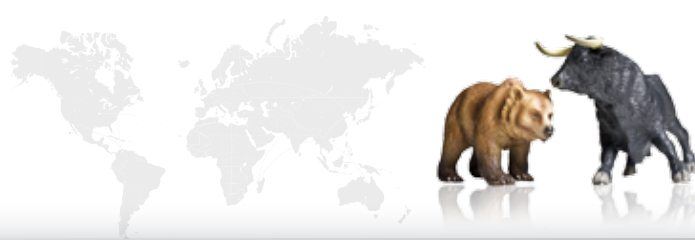
- o Reverse Mergers
- o Securities Act and Exchange Act Compliance
- o Registration Statements
- o Quarterly and Annual Reports
- o Annual Meeting Information Statements
- o Financing Transactions
- o Mergers and Acquisitions
- o DTC Eligibility
- o DTC "Chill" Removal
- o General Corporate Transactions
- o Contract Drafting and Negotiation
- o Private Placement Memorandums
- o Stock Purchase Agreements
- o Separation and Settlement Agreements

Through my background in corporate litigation and as general counsel for a publicly-traded, '34 Act-reporting company, prior to practicing corporate and securities transactional law, I bring a unique perspective to small to middle-market companies, both private and public, and the legal challenges they face. By realizing the legal needs of these clients, both in-house and externally, and the challenges of a lawsuit if one should occur, I utilize my experience to counsel clients to help them navigate complex legal transactions and moderate the inherent risks involved.

In addition to representing clients, I also speak to various groups on a wide range of topics, including the basics of corporate formation and how to properly position your company for potential Angel and venture capital financing. In the past, I have spoken at various conferences, including, "Alternate Financing Arrangements", "Access to Success/Capital and Funding: The Art of Raising Capital" and "The Basics of Corporate Formation." I have also authored articles on several different areas of corporate law, ranging from how to get DTC-eligibility to the impact of Rule 144 on "shell" companies.

Outside of work, I enjoy hiking, golf, and other recreational sports, as well as traveling. I am also an avid sports fan and enjoy attending professional football and baseball games, as well as making an annual visit to Del Mar, California to watch the horse races. I have been married to my wife, Christine, since May 2007, and we have two children, Justin and Jack.

Prior to attending law school, I attended the University of California – Santa Barbara from 1988 through 1992, where I graduated with a Bachelor of Arts – Political Science. I actively participate in and sponsor UCSB alumni events in Orange County, CA. I welcome the opportunity to speak with individuals and small to middle-market companies regarding their corporate and securities legal needs. Please feel free to contact me at (949) 484-5667 or cbutler@craigbutlerlaw.com.



NASDOTC ASSOCIATES

Broker Dealer - Glendale Securities

GLENDALE SECURITIES, INC.



Eric Flesche
Principal

During the past 25 years, Alan Stone & Company, LLC, has become one of the top ranked investment consulting firms serving emerging companies. During his career, he has been involved in a wide variety of investor relations, investment banking, corporate finance, and merger and acquisition activities and has arranged numerous \$2-\$25 million financing and merger transactions for NASDAQ, AMEX, NYSE, OTC Markets and TSX listed companies. Mr. Stone was Director of the Southern California AMEX Corporate Focus and Security Analyst Forum, a private group of investment brokers, money managers, investment bankers and analysts. Alan was an analyst and assistant portfolio manager of Merrill Lynch Asset Management's \$250 million high yield «corporate bond» fund. As one of the largest buyers of corporate stocks and bonds on Wall Street, Alan worked closely with the investment community's leading underwriters. Subsequently, he joined Merrill Lynch's brokerage subsidiary, engaging in brokerage and money management activities for wealthy individuals, corporations, pension funds and institutional investors. He was also associated with Thomson McKinnon Securities and Ladenburg, Thalmann in New York City, both well-established NYSE member firms. Alan holds a BS degree in Economics and Finance from the University of Pennsylvania's Wharton School and an MBA in Finance and Investments from New York University's Graduate School of Business and has completed advanced studies at the London School of Economics and UCLA. Mr. Stone is active in various community affairs in Westwood and Beverly Hills, California. Mr. Stone is an active member of the Penn Club in New York City and has served on the board of directors of the University of Pennsylvania Alumni Association of South Florida.

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Commission Schedule & Fees

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股票证书寄存
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OTCBB / Pink Sheets
Commission Schedule & Fees

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NASDOTC ASSOCIATES

Transfer Agent - Globex Transfer

Globex
Transfer, LLC



Michael Turner
President

The Support You Need

We want your business to succeed. You need a dedicated and professional stock transfer agent in order for your company to be successful. We focus on providing personalized stock transfer agent services to meet your needs as an issuer. We are here when you or your shareholders need us to answer questions.

Globex Transfer LLC, Advantage

Our staff has over 50 years of combined experience in the securities industry and the stock transfer agent business. In addition to our stock transfer agent experience, our management team has worked at securities dealers in departments such as front office sales, stock reorganization, P&S, stock trading, and other back office functions. This makes us familiar with the entire life cycle of a certificate from issuance at the stock transfer agent to trade settlement at a broker dealer. Globex Transfer, LLC is a Registered as a Stock Transfer Agent with the Securities Exchange Commission. We are also a member of The Securities Transfer Association, which is available only to stock transfer agents.

Transfer Procedures

When transferring stock, be sure to pay the fees for the transfer, submit the physical stock certificate(s), and provide the signatures of all registered owners, when applicable. The signatures must be Medallion Signature Guaranteed by a financial institution participating in the "Medallion Stamp Program". You may execute the stock power or you may endorse the Assignment Form located on the reverse side of the certificate. Any legal documents submitted (birth or death certificates, court appointments, etc) will not be returned. All documentation will be retained and filed with the canceled stock certificate(s) as part of our permanent record of the transfer. If you are not able to supply an original, the copy must be Medallion Signature Guaranteed. When submitting the necessary transfer documents, we recommend the use of registered or certified mail, return receipt requested. If you wish to insure the shares, we recommend 2% of their current market value, which is the cost of the replacement.



Nasdaq

Global Merchant Banking Partnerships

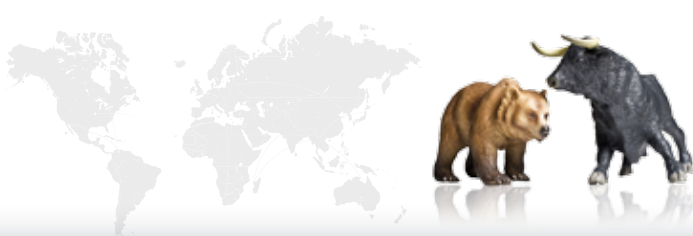


Nasdaq Partnerships Inc.



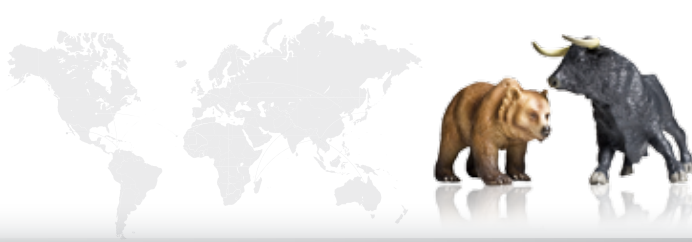
Nasdaq

Global Merchant Banking Partnerships



Nasdaq Partnerships Inc.





WHY USA STOCK EXCHANGE?

1) Biggest In The World

Market Capitalization

- OTC = US\$1.4 Trillion
- NASDAQ = US\$5 Trillion
- NYSE = US\$16 Trillion

Total US\$22.4 Trillion



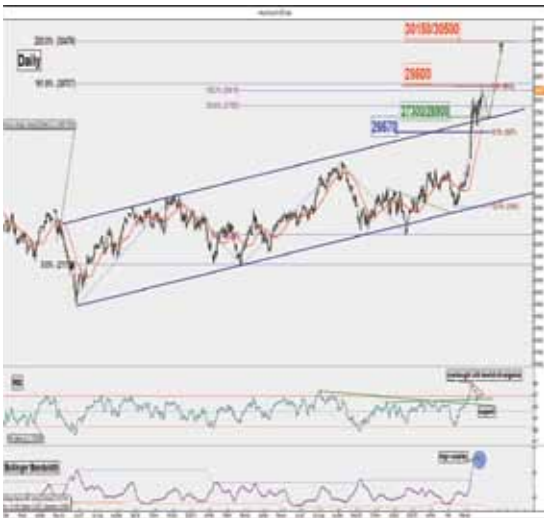
Either Google or Apple will become the worlds 1st Trillion Dollar Company in the USA Stock Exchange

2) Worldwide Investors





3) More Dynamic



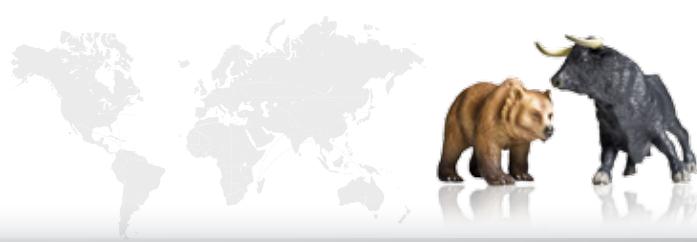
Other Exchanges
Small Ups and Down



US Stock Exchange
More Dynamic

More Dynamic - 5 Years 80% Up

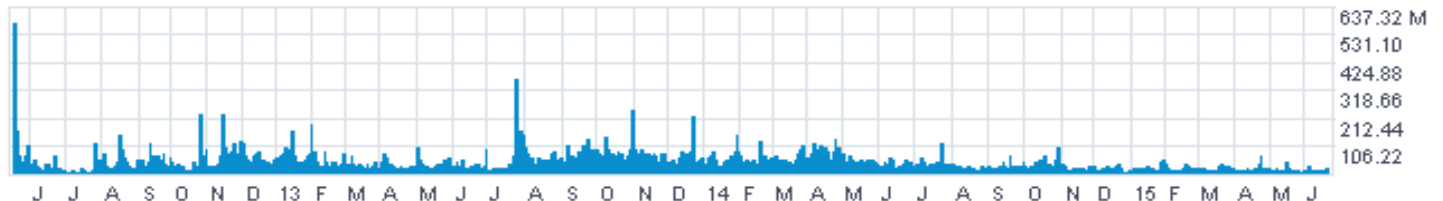




37 Month



Volume



Click on the chart to view the underlying data.

More Dynamic - FACEBOOK



IPO in USA Stock Exchange
instead of





OTC MARKETS

OTC MARKETS is REGULATED by

SEC

(Securities & Exchange Commission)

FINRA

(Financial Industry Regulatory Authority)



Financial Industry Regulatory Authority



- Full Disclosure
- Full Reporting
- Full Transparency
- Total Compliance





OTC Markets

The OTC Marketplaces

OTC Markets Group organizes securities into the OTCQX®, OTCQB® and OTC Pink® tiered marketplaces. The marketplace on which a company trades reflects the integrity of its operations, its level of disclosure, and its degree of investor engagement.

OTCQX

The Best Marketplace

Designed for investor-focused companies that meet high financial standards, are current in their disclosure and receive third party advisory. The companies found on OTCQX are distinguished by the excellence of their operations and diligence with which they convey their qualifications.

OTCQX Benefits for Investors

- Investors can see prices and access market data – OTCM sets the best price standard by broadly distributing the market data through multiple channels, including Bloomberg, Thomson Reuters, and other leading market data distributors.
- Investors can access company information – OTCM's suite of Corporate Services empowers public companies and their advisors to improve visibility and availability of information.
- Investors can trade through the broker of their choice – OTCM's technology enables investors to buy and sell securities through the institutional, retail, or online broker-dealer of their choice, making the trading experience nearly identical to that of trading NYSE or NASDAQ securities.

Key Highlights About the OTCQX Marketplace*

- 350+ world-class companies ranging from global blue chips to U.S. high growth
- \$1.4 Trillion in market capitalization
- \$36.1 Billion in annual dollar volume

*As of December 31, 2014

OTCQX Requirements & Fees

The OTCQX requirements support a transparent marketplace with high quality issuers, financial information disclosure and efficient trading for U.S. investors.

OTCQX has a baseline set of requirements for U.S. corporations and international businesses incorporated in the U.S. Companies that are incorporated outside the U.S. should follow international standards. Any issuer with proprietary priced quotations published by a market maker on OTC Link will be eligible to enter the tier for which it is qualified. Companies that meet the financial requirements of NASDAQ's Capital Market Continued Listing Standards may be eligible for the higher OTCQX U.S. Premier Tier.



OTCQX U.S.

- Ongoing operations (no shells, blank check or special purpose acquisition companies);
- A minimum bid price of \$0.10 (for preceding 90 business days);
- The company may not be subject to any bankruptcy or reorganization proceedings;
- The company must be duly organized, validly existing and in good standing under the laws of each jurisdiction in which the company is organized;
- At least 50 beneficial shareholders, each owning at least 100 shares of the Company's common stock;
- Ongoing quarterly and audited annual financial reports posted on OTCQX.com, a premier website for qualifying companies (SEC Registered issuers can use EDGAR); and
- Inclusion in the Standard & Poor's Corporation Records or Mergent Manuals (fka Moody's Manuals), which satisfies the Blue Sky requirements for secondary transactions in many states, together with a list of any other states in which the security is Blue Sky compliant and eligible to be sold by brokers in those states;
- DAD Letter of Introduction upon application process completion and quarterly and annually thereafter to OTC Markets Group Inc. confirming that the issuer has made adequate current information publicly available and meets the tier inclusion requirements.

OTCQX U.S. Premier

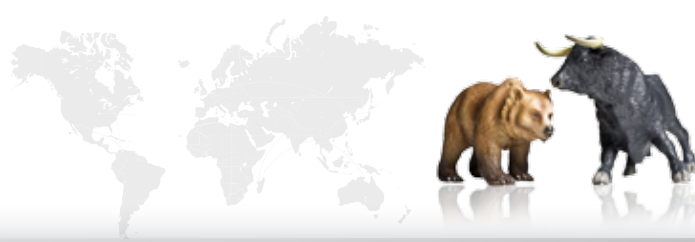
Designed to identify issuers that are of the size and quality to list on a National Stock Exchange. Additional requirements include:

- A minimum bid price of \$1 (for preceding 90 business days);
- At least 100 beneficial shareholders, each owning at least 100 shares of the company's common stock;
- The company meets the financial qualifications for continued listing on the NASDAQ Capital Market;
- Conduct Annual shareholders' meetings; and
- The company meets all of the requirements of the OTCQX U.S. Tier above.



The Venture Marketplace

The OTCQB® Venture Marketplace is for entrepreneurial and development stage U.S. and international companies. To be eligible, companies must be current in their reporting and undergo an annual verification and management certification process. These standards provide a strong baseline of transparency, as well as the technology and regulation to improve the information and trading experience for investors. Companies must meet a minimum \$0.01 bid price test and may not be in bankruptcy.



OTCQX U.S. Initial & Continued Standards

	OTCQX U.S.	OTCQX U.S. Premier
Total Assets	\$2 million	\$2 million
Bid Price	\$0.10	\$1.00
Beneficial Shareholders	50	100
Market Value of Publicly Held Shares		\$1 million
Publicly Held Shares		500,000
Conduct Annual Shareholders' Meeting		Yes
	Must also satisfy one of the below	Must also satisfy one of the below
Revenue	\$2 million	at least \$6,000,000 average for the last three years
Net Tangible Assets	\$1 million	\$2 million if in operation for at least three years, or \$5 million if in operation for less than three years
		Must also satisfy one of the below
Net Income	\$500,000	\$500,000 (in the latest fiscal year or in two of the last three fiscal years)
Stockholders' Equity		\$2.5 million
Market Value of Listed Securities	\$5 million	\$35 million
<p>Notes:</p> <p>1) All criteria must be met using data as of the most recent fiscal year except for bid price which is monitored on a daily basis.</p> <p>2) The OTCQX U.S. Premier requirements incorporate the NASDAQ Capital Market Continued Listing Standards.</p> <p>3) Publicly Held Shares are defined as total shares outstanding minus shares held by officers, directors, or beneficial owners of more than 10% of the company.</p>		

OTCQB Key Highlights

- Companies are current in their reporting to a U.S. regulator or are listed on a qualified international stock exchange.
- Minimum bid price test of \$0.01 removes companies that are most likely to be the subject of dilutive stock fraud schemes and promotion.
- Improved investor confidence through verified information, confirming that the Company Profile displayed on www.otcmarkets.com is current and complete.
- Annual management certification process to verify officers, directors, controlling shareholders, and shares outstanding.
- Greater information availability for investors through the OTC Disclosure & News Service.
- Transparent prices for investors through full-depth of book with Real Time Level 2 quotes.



OTCQB and-OTCQX Compared and Contrasted

Over the past few years, the historical Pink Sheets has undergone some considerable changes, starting with the creation of certain tiers of Issuers and culminating in its refurbished website and new URL “OTCMarkets.com”.

The new OTCMarkets.com divides Issuers into three (3) levels: OTCQX; OTCQB and PinkSheets. From a fundamental perspective, Issuers on the OTCQX must be fully reporting and current in their reporting obligations with the SEC and also undergo a quality review by industry professionals. Issuers on the OTCQB must be fully reporting and current in their reporting obligations with the SEC but do not undergo additional quality review.

OTCQB vs OTCBB

Issuers on the OTCQB are analogous to previous OTCBB listed entities. Although the OTCBB technically still exists, it is losing company quotations daily, mainly as market makers choose the full service, one stop shopping of the OTC Markets, to quote the stock of over the counter trading Issuers. OTCQB Issuers are current with their reporting requirements to the SEC pursuant to the Exchange Act of 1934. Market Makers quoting the stock of OTCQB Issuers either have a current 15c2-11 or are relying on the piggy back qualification.

OTCQX Issuers

Issuers with stock quoted on the OTCQX are not only current with their reporting obligations, but have undergone industry professional review. That is, in addition to meeting the requirements of the securities laws and SEC, these entities have opted to undergo greater scrutiny from the industry. The benefits to Investors in being able to rely on this quality review are enormous.

OTC Markets has established standardized methods for professionals to review the quality of Issuer information. In addition, OTC Markets has set forth standards for the qualifications of those responsible for undertaking the quality review. Lastly, OTC Markets maintains a strict accountability policy for securities attorneys, PCAOB auditors and other professionals who do not perform their review obligations properly and/or who do not adhere to OTC Markets standards. Issuer service providers that report false information to OTC Markets may ultimately find themselves blacklisted from the website. Consequently, it is essential that attorneys, auditors and any other professionals who submit Issuer data to OTC Markets confirm with absolute certainty that their information is correct and complete.

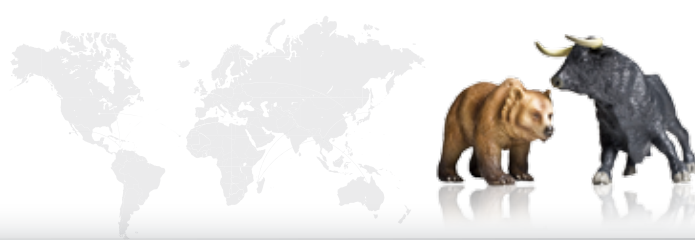
OTCQX – A Valuable Resource for Investors

Prior to the enactment of the OTCQX tier by the OTC Markets, for quality of disclosure review, Investors had to rely on either the SEC review process or analyst reports. However, these sources are not consistent and as for the later, not necessarily reliable. The SEC does not review all documents filed by all Issuers, not even close. They simply do not have the resources nor personnel to do so. Accordingly, the quality of disclosure of any given Issuer may not meet even basic legal requirements and an Investor would have no easy way of determining which filings have been reviewed and which have not.

Relying on analysts’ reports entails tremendous risk because not all of them are licensed. Many “analysts” are simply stock promoters being paid to write glowing recommendations about a particular stock. Even the most well-intentioned analysts do not always verify the information provided to them by the issuer. Many are seeking to line their own pockets by selling their shares in an inflated market after their favorable report is disseminated. Inversely, others have shorted the stock and will profit in the down market after their unfavorable report reaches the street. Ultimately, there is no easy way for an Investor to discern whether a given report is prepared by a licensed, unbiased, honest professional – until now.

OTCQX Benefits

In addition, OTCQX offers Investors and Issuers various perks usually associated with trading on an Exchange (a stock exchange, such as the NASDAQ is different than the Over the Counter Market in that they have listing standards, such as price of stock, and have ongoing governance and compliance standards, such as audit committee review). These perks include, but are not limited to, real time quotes and various computerized communication resources for investor relations.



OTC Pink

The Open Marketplace

The OTC Pink® marketplace offers trading in a wide spectrum of equity securities through any broker. This marketplace is for all types of companies that are there by reasons of default, distress or design, which is why they are further segmented based on the level of information that they provide.

If you find that a company does not provide high quality information, be extra careful and cautious. Investors are strongly advised to thoroughly and carefully research companies before making any investment decisions.

OTC Pink Provides a Base Level of Trading Efficiency

- Electronic trading (through institutional, retail and online brokers)
- Transparent prices
- Classification of companies based on the variable levels of disclosure and information availability
- Access to all types of U.S. and global companies (including ADRs, penny stocks, shells, bankruptcies, and minimally engaged companies)

OTC Pink Marketplace Segments

Because companies on OTC Pink are variable in their reporting, OTC Markets Group further segments them based on the quantity and quality of information they provide to investors: Current Information, Limited Information, and No Information

Current Information

Companies that follow the International Reporting Standard or the Alternative Reporting Standard by making filings publicly available through the OTC Disclosure & News Service pursuant to OTC Pink Basic Disclosure Guidelines. The Current Information category is based on the level of disclosure and is not a designation of quality or investment risk.



Limited Information

Designed for companies with financial reporting problems, economic distress, or in bankruptcy to make the limited information they have publicly available. The Limited Information category also includes companies that may not be troubled, but are unwilling to provide disclosure pursuant to OTC Pink Basic Disclosure Guidelines.



No Information

Indicates companies do not provide disclosure. Publicly traded companies that do not provide information to investors should be carefully researched before making any investment decision.



Pink Sheets OTC – History and Listing Requirements

What are Pink Sheets?

Pink sheets are companies which are traded in a secondary market over-the-counter (OTC). The companies bid ask quotes are published by Pink Quote instead of an exchange like the Nasdaq or New York Stock Exchange. Small companies will start out trading as a pink sheet in order to take an initial step towards being listed on one of the major exchanges, while for other large stocks which have been delisted, it becomes their final resting place.

History of Pink Sheets

In the early 1900s many brokers and investment houses traded companies over-the-counter for retail clients. Investors had a tumultuous time trying to find accurate bid ask spreads for these companies, and even when investors found a quote, it often times was delayed by days or weeks. Out of this madness arose the National Quotation Board (NQB). The early founders of the NQB set out to provide a comprehensive list for over-the-counter companies on a weekly basis. This provided investors the ability to find quotes on a large number of companies. This weekly publication was printed on pink paper, hence the term pink sheets.

Where are Pink Sheets Traded?

While pink sheets are traded over the counter, they are not part of the Over the Counter Bulletin Board (OTCBB). Transactions for pink sheets are handled by the National Quotation Bureau (NQB), while the Nasdaq handles trades over the Nasdaq.

Pink Sheets Listing Requirements

Companies listed as pink sheets have virtually no requirements to trade. These companies are not required to file with the Securities Exchange Commission (SEC), have no minimum financial requirements and are not required to release any quarterly financial reports. While pink sheets have very few regulations the trading system is only open to registered brokers who are held to the standards of the Financial Industry Regulatory Authority (FINRA).

Trading Hours of Pink Sheets

Trading for pink sheets takes place between 9:30 am – 4:00 pm EST. The trading holidays for the pink sheets are the same as the Nasdaq market.

Risks Associated with Trading Pink Sheets

Trading pink sheets is not advised by the SEC, so this is some indication of the risks associated with such a venture. The fact that there is little to know financial information on the companies, coupled with the thin trading volume, creates an environment for heavy manipulation. Even if a trader is able to look pass the thin trading volume, the bid/ask spreads on pink sheets can be anywhere from 25-75%. This would mean upon taking your position, you have already lost quite a bit of money. Aggressive speculators hope to pick a company that will someday go beyond the pink sheets and actually be listed on one of the major exchanges.

Where can I find a List of Pink Sheet Companies?

Traders can find a list of pink sheets by visiting the Pink Sheets Website.

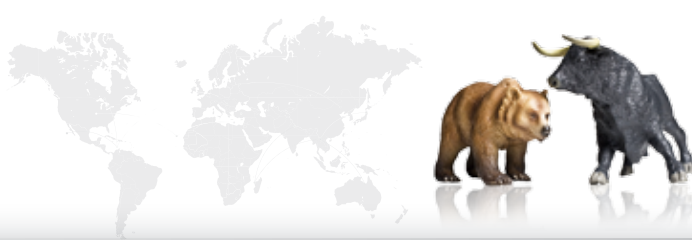
Nasdaq

Global Merchant Banking Partnerships



Nasdaq Partnerships Inc.





NASDAQ



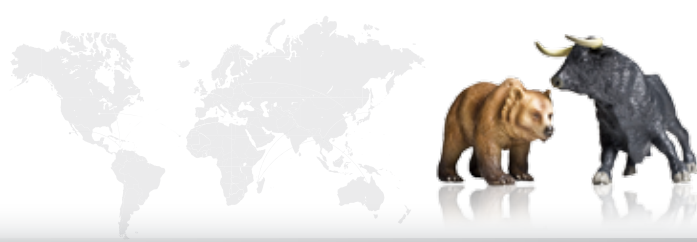
Nasdaq has evolved dramatically from its beginnings in 1971

Nasdaq began primarily as a U.S.-based equities exchange. Today, Nasdaq is recognized around the globe as a diversified worldwide financial technology, trading and information services provider to the capital markets, with more than 3,500 colleagues serving businesses and investors from over 50 offices in 26 countries across six continents – and in every capital market.

With customers in mind, Nasdaq transformed the world's capital markets by engineering precedent-setting acquisitions, achieving groundbreaking progress, and empowering people to think differently and businesses to compete more effectively.

The timeline illustrates the proud history of not only growth and achievement but also, and equally important, the tremendous strides that can be achieved through a shared commitment to the pursuit of innovation, knowledge and continuous improvement.





NASDAQ HERITAGE

Although today's Nasdaq story began more than 40 years ago, it contains a rich history of the creation of financial and capital marketplaces throughout the world.



A POWERFUL MODEL

Nasdaq strategic business development has also expanded its capabilities into most-valued services and to provide capital-markets infrastructure services to industry players.



NASDAQ BUSINESSES

Nasdaq is built strategically around four complementary business segments – Tech, Trade, Intel and List – that guide our clients as they pursue opportunities to create, or maximize, value in the world's capital markets.



RECOGNIZED EXCELLENCE

Nasdaq has and continues to be recognized for its excellence by leaders and publications throughout a variety of industries and market segments.





Nasdaq's Recent History

Year	Historical Event
1971	NASDAQ introduces the era of all-electronic trading. With this innovation, NASDAQ attracts new growth companies, such as Microsoft, Apple, Cisco, Oracle and Dell.
1987	OM, Europe's first derivatives exchange (founded in 1985) becomes the world's first exchange that is a publicly traded and listed.
1990	OM becomes the first exchange in history to transform the exchange business model by leveraging its capital markets and technology expertise to service the exchange industry. The company sold the world's first electronic exchange system for derivatives trading, commercializing its proprietary technology
2005	NASDAQ begins offering investor relations, public relations and multimedia services (technology-based monitoring, reporting and marketing) to listed companies to help promote their capital health. Today, this business represents more than 10% of total net revenue.
2007	NASDAQ merges with OMX, a leading exchange operator in the Nordics, to diversify and expand its global footprint, and changes its name to The NASDAQ OMX Group.
2013	The NASDAQ OMX Group acquires Thomson Reuters' investor relations, public relations and Multimedia Solutions businesses, expanding its corporate solutions business. The acquisition makes The NASDAQ OMX Group a leading provider of company solutions to more than 10,000 corporate clients.
2014	The NASDAQ OMX Group is now known as Nasdaq, which represents its rising global brand recognition and new brand identity.



Nasdaq Listing Requirements – NASDAQGSM

Nasdaq Global Select Market Listing Requirements				
Requirements	Standard 1	Standard 2	Standard 3	Standard 4
Pre-Tax Income	Aggregate in prior 3 fiscal years \geq \$11,000,000 and Each of the 2 most recent fiscal years \geq \$2,200,000 and Each of the prior 3 fiscal years \geq \$0	N/A	N/A	NA
Cash Flows	N/A	Aggregate in prior 3 fiscal years \geq \$27,500,000 and each of the prior 3 fiscal years \geq \$0	N/A	N/A
Revenue	N/A	Previous fiscal year \geq \$110,000,000	Previous fiscal year \geq \$90,000,000	N/A
Two Year Avg Pre-Tax Income	\$1,000,000 (2 out of 3 year)	N/A	N/A	\$75,000,000 (2 out of 3 years)
Net Tangible Assets	N/A	N/A	N/A	\$80,000,000 (in last completed fiscal year)
Market Value of Listed Securities	N/A	Average \geq \$550,000,000 over prior 12 months	Average \geq \$850,000,000 over prior 12 months	\$160,000,000
Market Value of Publicly Held Securities⁽¹⁾	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000
# of Shares Publicly Held⁽²⁾	1,250,000	1,250,000	1,250,000	1,250,000
# Public Board Lot Holders	450	450	450	450
Trading Price of Listed Securities²	\$4.00	\$4.00	\$4.00	\$4.00

Notes:

Seasoned companies currently trading on another market are required to have a market value of publicly held shares of \$110,000,000 or a market value of publicly held shares of \$100,000,000 and \$110,000,000 in shareholders' equity.

Issuers listing concurrently with an initial public offering or as a spin-off may alternatively have 2,200 total shareholders. Seasoned companies currently trading on another market or affiliated companies of listed on Nasdaq Global Select Markets may alternatively have 2,200 total shareholders or 550 total shareholders and 1,100,000 average monthly trading volumes over the last 12 months.



Nasdaq Capital Market – NASDAQCM

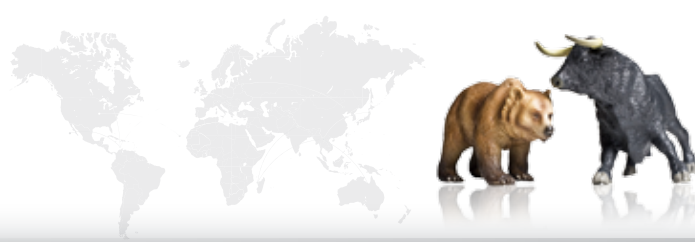
Nasdaq Capital Market Listing Requirements			
Requirements	Standard 1	Standard 2	Standard 3
Pre-Tax Income Last Year (In latest fiscal year or in 2 of last 3 fiscal years)	N/A	N/A	\$750,000
Net Tangible Assets	N/A	N/A	N/A
Mrkt Value Publicly Held Stock(1)	\$15,000,000	\$15,000,000	\$5,000,000
Market Value of Listed Securities(2)	N/A	\$50,000,000	N/A
# of Shares Publicly Held	1,000,000	1,000,000	1,000,000
# Public Board Lot Holders	300	300	300
Trading Price of Listed Securities(3)	\$4.00	\$4.00	\$4.00
Shareholders Equity	\$5,000,000	\$4,000,000	\$4,000,000
Market Makers	3	3	3
Operating History	2 years	N/A	N/A

Notes:

- Publicly held shares is defined as total shares outstanding, less any shares held directly or indirectly by officers, directors or any person who is the beneficial owner of more than 10% of the total shares outstanding of the company. Entities in which an officer, director, or 10% owner has voting and/or dispositive power, such as a typical Employee Stock Option Plan, are excluded from publicly held shares.

- The term, “listed securities”, is defined as “securities listed on NASDAQ or another national securities exchange.”

Seasoned companies (those companies already listed or quoted on another marketplace) qualifying only under the Market Value Standard must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.



Nasdaq Global Market – NASDAQGM

Nasdaq Global Market Listing Requirements				
Requirements	Standard 1	Standard 2	Standard 3	Standard 4
Pre-Tax Income Last Year (In latest fiscal year or in 2 of last 3 fiscal years)	\$1,000,000	N/A	N/A	NA
Total Assets and Total Revenue (In latest fiscal year or in 2 of last 3 fiscal years)	N/A	N/A	N/A	\$75,000,000 and \$75,000,000
Mrkt Value Publicly Held Stock (1)	\$8,000,000	\$18,000,000	\$20,000,000	\$20,000,000
Market Value of Listed Securities (2)	N/A	N/A	\$75,000,000	N/A
# of Shares Publicly Held	1,100,000	1,100,000	1,100,000	1,100,000
# Public Board Lot Holders	400	400	400	400
Trading Price of Listed Securities (3)	\$4.00	\$4.00	\$4.00	\$4.00
Shareholders Equity	\$15,000,000	\$30,000,000	N/A	N/A
Market Makers	3	3	3	3
Operating History	N/A	2 years	N/A	N/A

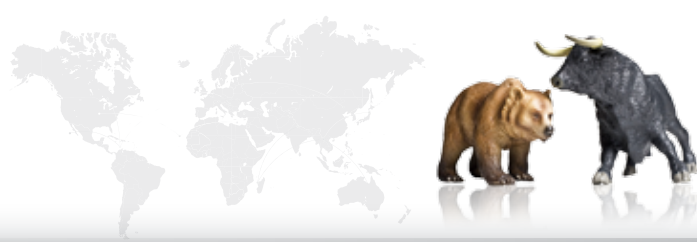
Notes:

- Publicly held shares is defined as total shares outstanding, less any shares held directly or indirectly by officers, directors or any person who is the beneficial owner of more than 10% of the total shares outstanding of the company. Entities in which an officer, director, or 10% owner has voting and/or dispositive power, such as a typical Employee Stock Option Plan, are excluded from publicly held shares.

- The term, “listed securities”, is defined as “securities listed on NASDAQ or another national securities exchange.” Seasoned companies (those companies already listed or quoted on another marketplace) qualifying only under the Market Value Standard must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.

Nasdaq

Global Merchant Banking Partnerships



Nasdaq Partnerships Inc.





NYSE

NYSE Listing Requirement

Section 1 The Listing Process

101.00 Introduction

A listing on the New York Stock Exchange is internationally recognized as signifying that a publicly owned corporation has achieved maturity and front-rank status in its industry---in terms of assets, earnings, and shareholder interest and acceptance. Indeed, the Exchange's listing standards are designed to assure that every domestic or non-U.S. company whose shares are admitted to trading in the Exchange's market merit that recognition.

The Exchange welcomes inquiries from corporate officials who wish to explore the advantages of listing with Exchange representatives. Discussions can be held at company headquarters, at the Exchange or over the telephone.

Prospective applicants for listing are invited to take advantage of the Exchange's free confidential review process to learn whether or not the company is eligible for listing and what additional conditions, if any, might first have to be satisfied. A company requesting such a review incurs no obligation whatever.

A company that has qualified for listing can normally expect its shares to be admitted to trading within four to six weeks after filing its original listing application. (See Section 7 of this Manual for details concerning listing applications.)

The Exchange has broad discretion regarding the listing of a company. The Exchange is committed to list only those companies that are suited for auction market trading and that have attained the status of being eligible for trading on the Exchange. Thus, the Exchange may deny listing or apply additional or more stringent criteria based on any event, condition, or circumstance that makes the listing of the company inadvisable or unwarranted in the opinion of the Exchange. Such determination can be made even if the company meets the standards set forth below.

102 .00 Domestic Companies

102 .01 Minimum Numerical Standards—Domestic Companies—Equity Listings

102 .01A A company must meet one of the following distribution criteria:

Companies listing in connection with an IPO:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares

400 (A)

and

Number of publicly held shares

1,100,000 shares (B)

Affiliated companies:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares

400 (A)

and

Number of publicly held shares

1,100,000 shares (B)

Companies listing following emergence from bankruptcy:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares

400 (A)

and

Number of publicly held shares

1,100,000 shares (B)

Companies listing in connection with a transfer or quotation:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares

400 (A)

or

Total stockholders

2,200 (A)

Together with average monthly trading volume

100,000 shares (for most recent 6 months)

or

Total stockholders

500 (A)



Together with average monthly trading volume

1,000,000 shares (for most recent 12 months)

and

Number of publicly held shares

1,100,000 shares (B)

(A) The number of beneficial holders of stock held in the name of Exchange member organizations will be considered in addition to holders of record. The Exchange will make any necessary check of such holdings.

(B) If the unit of trading is less than 100 shares, the requirements relating to number of publicly-held shares shall be reduced proportionately. Shares held by directors, officers, or their immediate families and other concentrated holdings of 10 percent or more are excluded in calculating the number of publicly-held shares.

102 .01B A Company must demonstrate an aggregate market value of publicly-held shares of \$40,000,000 for companies that list either at the time of their initial public offerings («IPO») (C) or as a result of spin-offs or under the Affiliated Company standard or, for companies that list at the time of their Initial Firm Commitment Underwritten Public Offering (C), and \$100,000,000 for other companies (D)(E). A company must have a closing price or, if listing in connection with an IPO or Initial Firm Commitment Underwritten Public Offering, an IPO or Initial Firm Commitment Underwritten Public Offering price per share of at least \$4 at the time of initial listing.

(C) For companies that list at the time of their IPOs or Initial Firm Commitment Underwritten Public Offering, the Exchange will rely on a written commitment from the underwriter to represent the anticipated value of the company's offering in order to determine a company's compliance with this listing standard. Similarly, for spin-offs, the Exchange will rely on a representation from the parent company's investment banker (or other financial advisor) in order to estimate the market value based upon the as disclosed distribution ratio. For purpose of this paragraph, an IPO is an offering by an issuer which, immediately prior to its original listing, does not have a class of common stock registered under the Securities Exchange Act of 1934. An IPO includes a carve-out, which is defined for purposes of this paragraph as the initial offering of an equity security to the public by a publicly traded company for an underlying interest in its existing business (which may be subsidiary, division, or business unit). For purposes of this paragraph, a company is listing in connection with its Initial Firm Commitment Underwritten Public Offering if (i) such company has a class of common stock registered under the Exchange Act, (ii) such common stock has never been listed on a national securities exchange in the period since the commencement of its current registration under the Exchange Act, and (iii) such company is listing in connection with a firm commitment underwritten public offering that is its first firm commitment underwritten public offering of its common stock since the registration of its common stock under the Exchange Act.

(D) Shares held by directors, officers, or their immediate families and other concentrated holding of 10 percent or more are excluded in calculating the number of publicly-held shares. If a company either has a significant concentration of stock, or changing market forces have adversely impacted the public market value of a company which otherwise would qualify for listing on the Exchange, such that its public market value is no more than 10 percent below \$40,000,000 or \$100,000,000, as applicable, the Exchange will generally consider \$40,000,000 or \$100,000,000, as applicable, in stockholders' equity as an alternate measure of size and therefore as an alternate basis on which to list the company.

(E) Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements. In exercising this discretion, the Exchange will determine that such company has met the \$100,000,000 aggregate market value of publicly-held shares requirement based on a combination of both (i) an independent third-party valuation (a «Valuation») of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a «Private Placement Market»). The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Any Valuation used for this purpose must be provided by an entity that has significant experience and demonstrable competence in the provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. The Exchange will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the company had diminished since the date of the Valuation and will continue to monitor the company and the appropriateness of relying on the Valuation up to the time of listing. In



particular, the Exchange will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of the Exchange's market value requirement. The Exchange may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company's likely market value.

Calculations under the Distribution Criteria.

When considering a listing application from a company organized under the laws of Canada, Mexico or the United States («North America»), the Exchange will include all North American holders and North American trading volume in applying the minimum stockholder and trading volume requirements detailed above. When listing a company from outside North America, the Exchange may, in its discretion, include holders and trading volume in the company's home country or primary trading market outside the United States in applying the applicable listing standards, provided that such market is a regulated stock exchange. In exercising this discretion, the Exchange will consider all relevant factors including: (i) whether the information is derived from a reliable source, preferably either a government- regulated securities market or a transfer agent that is subject to governmental regulation; (ii) whether there exist efficient mechanisms for the transfer of securities between the company's non-U.S. trading market and the United States; and (iii) the number of shareholders and the extent of trading in the company's securities in the United States prior to the listing. For securities that trade in the format of American Depositary Receipts («ADR's»), volume in the ordinary shares will be adjusted to be on an ADR-equivalent basis.

Amended: August 13, 2009 (NYSE-2009-80); January 21, 2010 (NYSE-2010-02); October 18, 2012 (NYSE-2012-52).

102 .01C A company must meet one of the following financial standards.

(I) Earnings Test

(1) Pre-tax earnings from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees, adjusted for items specified in (3)(a) through (3)(j) below must total (x) at least \$10,000,000 in the aggregate for the last three fiscal years together with a minimum of \$2,000,000 in each of the two most recent fiscal years, and positive amounts in all three years or (y) at least \$12,000,000 in the aggregate for the last three fiscal years together with a minimum of \$5,000,000 in the most recent fiscal year and \$2,000,000 in the next most recent fiscal year.

A company that (i) qualifies as an emerging growth company as defined in Section 2(a)(19) of the Securities Act and Section 3(a)(80) of the Exchange Act and (ii) avails itself of the provisions of the Securities Act and the Exchange Act permitting emerging growth companies to report only two years of audited financial statements, can qualify under the Earnings Test by meeting the following requirements: Pre-tax earnings from continuing operations and after minority interest, amortization and equity in the earnings or losses of investees, adjusted for items specified in (3)(a) through (3)(j) below must total at least \$10,000,000 in the aggregate for the last two fiscal years together with a minimum of \$2,000,000 in both years.

(2) Financial statements compliant with applicable SEC rules covering a period of nine to twelve months shall satisfy the requirement for the most recent fiscal year in those cases where the Company has changed its fiscal year or where there has been a significant change in the Company's operations or capital structure. Financial statements compliant with applicable SEC rules covering a period of six months shall satisfy the requirement for the most recent fiscal year in those cases where the Company has changed its fiscal year or where there has been a significant change in the Company's operations or capital structure, provided that the Company must include financial data as derived from financial statements that have been subject to an SAS 100 review in a public disclosure (either an SEC filing or a press release) prior to the date of listing that confirms that the Company continues to satisfy the applicable standard based on at least nine completed months of the current fiscal year. When qualifying companies for listing based on interim financial information from the current fiscal year, the Exchange must conclude that the Company can reasonably be expected to qualify under the regular earnings standard upon completion of its then current fiscal year. If the Company does not qualify under the regular earnings standard at the end of such current fiscal year or qualify at such time for original listing under another listing standard, the Exchange will promptly initiate suspension and delisting procedures with respect to the Company; and

(3) Adjustments (F)(G) that must be included in the calculation of the amounts required in paragraph (1) are as follows:

(a) Application of Use of Proceeds - If a company is in registration with the SEC and is in the process of an equity offering, adjustments should be made to reflect the net proceeds of that offering, and the specified intended application(s) of such proceeds to:

(i) Pay off existing debt or other financial instruments: The adjustment will include elimination of the actual historical interest expense on debt or other financial instruments classified as liabilities under generally accepted accounting principles being retired with offering proceeds of all relevant periods or by conversion into common stock at the time of an initial public offering occurring in conjunction with the company's listing. If the event giving rise to the adjustment occurred during a time-period such that pro forma amounts are not set forth in the SEC registration statement (typically, the pro forma effect of repayment of debt will be provided in the current registration statement only with respect to the last fiscal year plus any interim period in accordance with SEC rules), the company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with respect to such adjustments. Such report must be prepared in accordance with the standards established by



the American Institute of Certified Public Accountants.

(ii) Fund an acquisition:

(1) The adjustments will include those applicable with respect to acquisition(s) to be funded with the proceeds. Adjustments will be made that are disclosed as such in accordance with Rule 3-05 «Financial Statements of Business Acquired or to be Acquired» and Article 11 of Regulation S-X. Adjustments will be made for all the relevant periods for those acquisitions for which historical financial information of the acquiree is required to be disclosed in the SEC registration statement; and

(2) Adjustments applicable to any period for which pro forma numbers are not set forth in the registration statement shall be accompanied by the relevant adjusted financial data to combine the historical results of the acquiree (or relevant portion thereof) and acquiror, as disclosed in the company's SEC filing. Under SEC rules, the number of periods disclosed depends upon the significance level of the acquiree to the acquiror. The adjustments will include those necessary to reflect (a) the allocation of the purchase price, including adjusting assets and liabilities of the acquiree to fair value recognizing any intangibles (and associated amortization and depreciation), and (b) the effects of additional financing to complete the acquisition. The company must prepare the relevant adjusted financial data to reflect the adjustment to its historical financial data, and its outside audit firm must provide a report of having applied agreed-upon procedures with

respect to such adjustments. Such report must be prepared in accordance with the standards established by the American Institute of Certified Public Accountants;

(b) Acquisitions and Dispositions:

In instances other than acquisitions (and related dispositions of part of the acquiree) funded with the use of proceeds, adjustments will be made for those acquisitions and dispositions that are disclosed as such in a company's financial statements in accordance with Rule 3-05 «Financial Statements of Business Acquired or to be Acquired» and Article 11 of Regulation S-X. If the disclosure does not specify pre-tax earnings from continuing operations, minority interest, and equity in the earnings or losses of investees, then such data must be prepared by the company's outside audit firm for the Exchange's consideration. In this regard, the audit firm would have to issue an independent accountant's report on applying agreed-upon procedures in accordance with the standards established by the American Institute of Certified Public Accountants;

(c) Exclusion of Merger or Acquisition Related Costs Recorded under Pooling of Interests;

(d) Exclusion of nonrecurring Charges or Income Specifically Disclosed in the Applicant's SEC Filing for the Following -

(i) In connection with exiting an activity for the following-

(1) Costs of severance and termination benefits

(2) Costs and associated revenues and expenses associated with the elimination and reduction of product lines

(3) Costs to consolidate or re-locate plant and office facilities

(ii) Loss or gain on disposal of long-lived assets

(iii) Environmental clean-up costs

(iv) Litigation settlements;

(v) Loss or gain from extinguishment of debt prior to its maturity;

(e) Exclusion of Impairment Charges on Long-lived Assets (goodwill, property, plant, and equipment, and other long-lived assets);

(f) Exclusion of Gains or Losses Associated with Sales of a Subsidiary's or Investee's Stock;

(g) Exclusion of In-Process Purchased Research and Development Charges;

(h) Regulation S-X Article 11 Adjustments

Adjustments will include those contained in a company's pro forma financial statements provided in a current filing with the SEC pursuant to SEC rules and regulations governing Article 11 «Pro forma information of Regulation S-X Part 210-Form and Content of and Requirements for Financial Statements;»

(i) Exclusion of the Cumulative Effect of Adoption of New Accounting Standards (APB Opinion No.20)

(j) Exclusion of the income statement effects for all periods of changes in fair value of financial instruments of the company classified as liabilities, provided such financial instrument is either being redeemed with the proceeds of an offering occurring in conjunction with the company's listing or converted into or exercised for common equity securities of the company at the time of such listing.

OR

(II) Valuation/Revenue Test Companies listing under this standard may satisfy either (a) the Valuation/Revenue with Cash Flow Test or (b) the Pure Valuation/Revenue Test.

(a) Valuation/Revenue with Cash Flow Test—

(1) at least \$500,000,000 in global market capitalization,

(2) at least \$100,000,000 in revenues during the most recent 12 month period, and

(3) at least \$25,000,000 aggregate cash flows for the last three fiscal years with positive amounts in all three years, as adjusted pursuant to Paras. 102 .01C (I)(3)(a) and (b), as applicable.

A company that (i) qualifies as an emerging growth company as defined in Section 2(a)(19) of the Securities Act and Section 3(a)(80) of the Exchange Act and (ii) avails itself of the provisions of the Securities Act and the Exchange Act permitting



emerging growth companies to report only two years of audited financial statements, can qualify under the Valuation/Revenue test by meeting the requirements in (1) and (2) above and the following requirement in lieu of (3) above: at least \$25,000,000 aggregate cash flows for the last two fiscal years with positive amounts in both years, as adjusted pursuant to Paras. 102 .01C (I)(3)(a) and (b), as applicable.

Financial statements compliant with applicable SEC rules covering a period of nine to twelve months shall satisfy the requirement to demonstrate cash flows for the most recent fiscal year in those cases where the Company has changed its fiscal year or where there has been a significant change in the Company's operations or capital structure. Financial statements compliant with applicable SEC rules covering a period of six months shall satisfy the requirement for the most recent fiscal year in those cases where the Company has changed its fiscal year or where there has been a significant change in the Company's operations or capital structure, provided that the Company must include financial data as derived from financial statements that have been subject to an SAS 100 review in a public disclosure (either an SEC filing or a press release) prior to the date of listing that confirms that the Company continues to satisfy the applicable standard based on at least nine completed months of the current fiscal year. As a condition to the Exchange's reliance on the interim financial information for the nine-months period, the company will be required to demonstrate that its independent accountant has performed sufficient procedures on such information in accordance with generally accepted auditing standards or other agreed upon procedures performed at the underwriter's request. When qualifying companies for listing based on interim financial information from the current fiscal year, the Exchange must conclude that the Company can reasonably be expected to qualify under the regular valuation/revenue standard upon completion of its then current fiscal year. If the Company does not qualify under the regular valuation/revenue standard at the end of such current fiscal year or qualify at such time for original listing under another listing standard, the Exchange will promptly initiate suspension and delisting procedures with respect to the Company.

A Company must demonstrate cash flow based on the operating activity section of its cash flow statement. Cash flow represents net income adjusted to (a) reconcile such amounts to cash provided by operating activities, and (b) exclude changes in operating assets and liabilities. With respect to reconciling amounts pursuant to this Paragraph, all such amounts are limited to the amount included in the company's income statement.

In the case of companies listing in connection with an IPO or an Initial Firm Commitment Underwritten Public Offering, the company's underwriter (or, in the case of a spin-off, the parent company's investment banker or other financial advisor) must provide a written representation that demonstrates the company's ability to meet the \$500,000,000 global market capitalization requirement based upon the completion of the offering (or distribution).

Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements. In such cases, the Exchange will determine that the company has met the global market capitalization value requirement based on a combination of both (i) an independent third-party valuation (a «Valuation») of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a «Private Placement Market»). The Exchange will list a company using this approach only if it determines that such company has a global market capitalization of \$600,000,000. The Exchange will attribute a global market capitalization to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Any Valuation used for this purpose must be provided by an entity that has significant experience and demonstrable competence in the

provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. The Exchange will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the company had diminished since the date of the Valuation and will continue to monitor the company and the appropriateness of relying on the Valuation up to the time of listing. In particular, the Exchange will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of the Exchange's market value requirement. The Exchange may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company's likely market value.



(b) Pure Valuation/Revenue Test—

- (1) at least \$750,000,000 in global market capitalization, and
- (2) at least \$75,000,000 in revenues during the most recent fiscal year.

In the case of companies listing in connection with an IPO or an Initial Firm Commitment Underwritten Public Offering, the company's underwriter (or, in the case of a spin-off, the parent company's investment banker or other financial advisor) must provide a written representation that demonstrates the company's ability to meet the \$750,000,000 global market capitalization requirement based upon the completion of the offering (or distribution). For all other companies, market capitalization valuation will be determined over a three-month average. In considering the suitability for listing of a company pursuant to the provision in the immediately preceding sentence, the Exchange will consider whether the company's business prospects and operating results indicate that the company's market capitalization value is likely to be sustained or increase over time. Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements. In such cases, the Exchange will determine that the company has met the global market capitalization value requirement based on a combination of both (i) an independent third-party valuation (a «Valuation») of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a «Private Placement Market»). The Exchange will list a company using this approach only if it determines that such company has a global market capitalization of \$900,000,000. The Exchange will attribute a global market capitalization to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Any Valuation used for this purpose must be provided by an entity that has significant experience and demonstrable competence in the provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. The Exchange will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the company had diminished since the date of the Valuation and will continue to monitor the company and the appropriateness of relying on the Valuation up to the time of listing. In particular, the Exchange will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of the Exchange's market value requirement. The Exchange may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company's likely market value.

OR

(III) Affiliated Company Test

- (1) at least \$500,000,000 in global market capitalization;
- (2) at least 12 months of operating history (although a company is not required to have been a separate corporate entity for such period); and
- (3) the company's parent or affiliated company is a listed company in good standing (as evidenced by written representation from the company or its financial advisor excluding that portion of the balance sheet attributable to the new entity); and
- (4) the company's parent or affiliated company retains control of the entity or is under common control with the entity.

In the case of companies listing in connection with an IPO or an Initial Firm Commitment Underwritten Public Offering, the company's underwriter (or, in the case of a spin-off, the parent company's investment banker or other financial advisor) must provide a written representation that demonstrates the company's ability to meet the \$500,000,000 global market capitalization requirement based upon the completion of the offering (or distribution).

Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements. In such cases, the Exchange



will determine that the company has met the global market capitalization value requirement based on a combination of both (i) an independent third-party valuation (a «Valuation») of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a «Private Placement Market»). The Exchange will list a company using this approach only if it determines that such company has a global market capitalization of \$600,000,000. The Exchange will attribute a global market capitalization to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Any Valuation used for this purpose must be provided by an entity that has significant experience and demonstrable competence in the provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. The Exchange will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the company had diminished since the date of the Valuation and will continue to monitor the company and the appropriateness of relying on the Valuation up to the time of listing. In particular, the Exchange will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of the Exchange's market value requirement. The Exchange may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company's likely market value. «Control» for purposes of the Affiliated Company Test will mean having the ability to exercise significant influence over the operating and financial policies of the listing company, and will be presumed to exist where the parent or affiliated company holds 20% or more of the listing company's voting stock directly or indirectly. Other indicia that may be taken into account when determining whether control exists include board representation, participation in policy making processes, material intercompany transactions, interchange of managerial personnel, and technological dependency. The Affiliated Company Test is taken from and intended to be consistent with generally accepted accounting principles regarding use of the equity method of accounting for an investment in common stock.

OR

IV) Assets and Equity Test*

- (i) at least \$150,000,000 in global market capitalization**; and
- (ii) at least \$75,000,000 in total assets together with at least \$50,000,000 in stockholders' equity, in each case as adjusted pursuant to Sections 102.01C(I)(3)(a) and (b) as applicable.

* Acquisition companies (as such term is defined in Section 102.06) are not permitted to list under the Assets and Equity Test. Such companies will only be listed if they meet the requirements of Section 102.06.

** In considering the listing under the Assets and Equity Test of companies transferring from other markets, the Exchange will consider whether the company's business prospects and operating results indicate that the company's market capitalization value is likely to be sustained or increase over time.

In the case of companies listing in connection with an IPO or an Initial Firm Commitment Underwritten Public Offering, the company's underwriter (or, in the case of a spin-off, the parent company's investment banker or other financial advisor) must provide a written representation that demonstrates the company's ability to meet the \$150,000,000 global market capitalization requirement based upon the completion of the offering (or distribution).

Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares. Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements. In such cases, the Exchange will determine that the company has met the global market capitalization value requirement based on a combination of both (i) an independent third-party valuation (a «Valuation») of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a «Private Placement Market»). The Exchange will list a company under the Assets and Equity Test using this approach only if it determines that such company has a global market capitalization of \$180,000,000. The Exchange will attribute a global market capitalization to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Any Valuation used for this purpose must be provided by an entity that has significant experience and



demonstrable competence in the provision of such valuations. The Valuation must be of a recent date as of the time of the approval of the company for listing and the evaluator must have considered, among other factors, the annual financial statements required to be included in the registration statement, along with financial statements for any completed fiscal quarters subsequent to the end of the last year of audited financials included in the registration statement. The Exchange will consider any market factors or factors particular to the listing applicant that would cause concern that the value of the company had diminished since the date of the Valuation and will continue to monitor the company and the appropriateness of relying on the Valuation up to the time of listing. In particular, the Exchange will examine the trading price trends for the stock in the Private Placement Market over a period of several months prior to listing and will only rely on a Private Placement Market price if it is consistent with a sustained history over that several month period evidencing a market value in excess of the Exchange's market value requirement. The Exchange may withdraw its approval of the listing at any time prior to the listing date if it believes that the Valuation no longer accurately reflects the company's likely market value.

(F) Only adjustments arising from events specifically so indicated in the company's SEC filing(s) as to both categorization and amount can and must be made. Any such adjustment applies only in the year in which the event occurred except with regard to the use of proceeds or acquisitions and dispositions. Any company for which the Exchange relies on adjustments in granting clearance must include all relevant adjusted financial data in its listing application as specified in Para. 702.04, and disclose the use of adjustments by including a statement in a press release (i) that additional information is available upon which the NYSE relied to list the company and is included in the listing application and (ii) that such information is available to the public upon request. This press release must be issued concurrently with any listing announcement issued by the company or, if a listing announcement is not issued, within 30 days from the date the company lists on the NYSE.

(G) Interested parties should apply the list of adjustments in accordance with any relevant accounting literature, such as that published by the Financial Accounting Standards Board («FASB»), the Accounting Principles Board («APB»), the Emerging Issues Task Force («EITF»), the American Institute of Certified Public Accountants («AICPA»), and the SEC. Any literature is intended to guide issuers and investors regarding the affected adjustment listed. If successor interpretations (or guidelines) are published with respect to any particular adjustment, the most recent relevant interpretations (or guidelines) should be consulted.

Aside from the minimum numerical standards listed above, other factors are taken into consideration. The company must be a going concern or be the successor to a going concern. Although the amount of assets and earnings and the aggregate market value are considerations, greater emphasis is placed on such questions as the degree of national interest in the company, the character of the market for its products, its relative stability and position in its industry, and whether or not it is engaged in an expanding industry with prospects for maintaining its position.

Income deposit securities to be traded as a unit will as a general matter be listed if each of the component parts of the unit meets the applicable requirements for listing.

The Exchange is also concerned with such matters as voting rights of shareholder, voting arrangements and pyramiding of control, and related party transactions.

When there is an indication of a lack of public interest in the securities of a company evidenced, for example, by low trading volume on another exchange, lack of dealer interest in the over-the-counter market, unusual geographic concentration of holders of shares, slow growth in the number of shareholders, low rate of transfers, etc., higher distribution standards may apply. In this connection, particular attention will be directed to the number of holders of from 100 to 1,000 shares and the total number of shares in this category.

Amended: November 2, 2009 (NYSE-2009-109); January 21, 2010 (NYSE-2010-02); May 15, 2012 (NYSE-2012-12).

102 .01D Policy on restated financial statements due to change from an unacceptable to acceptable accounting principle or correction of errors.

If at any time following the Exchange's initial determination that a company meets the Exchange's original listing criteria, the company restates its financial statements due to a change from an unacceptable to an acceptable accounting principle or a correction of errors, and the restatement encompasses financial statements included in its SEC filings at the time of application for listing on the Exchange, the Exchange will reevaluate the company's listing status. In this regard, the Exchange will determine whether, at the time of the original clearance, the company would have qualified under the Exchange's original listing standards utilizing the restated financial data. If not, unless the company meets original listing standards at the time of the restatement, the company will be notified that it does not meet the original listing standards and, if its securities have been listed, such securities will be suspended from trading and the company will immediately be subject to the delisting procedures in Para. 804.

102 .01E Policy on reliance on the operating history of acquired companies.

In the event that a company has less than three years of operating history and is acquiring (either completed or committed) an entity with the requisite operating history, the Exchange will consider the combined operating history of the acquirer and acquiree for the preceding period(s) in conducting its financial eligibility review. If it is necessary to combine historical



financial statements if the acquiree and acquiror in order to enable the Exchange to conduct its analysis (e.g., overlapping fiscal year), then the combined data would need to be accompanied by an agreed upon procedures letter provided by the company's outside audit firm at the request of the company. The auditor's letter would state the procedures performed with respect to any necessary combination of historical data.

102 .01F Policy on Listing Reverse Merger Companies For purposes of this Section 102 .01F, a «Reverse Merger» means any transaction whereby an operating company becomes an Exchange Act reporting company by combining directly or indirectly with a shell company which is an Exchange Act reporting company, whether through a reverse merger, exchange offer, or otherwise. However, a Reverse Merger does not include the acquisition of an operating company by a listed company which qualified for initial listing as an acquisition company under Section 102 .06. In determining whether a company is a shell company, the Exchange will consider, among other factors: whether the Company is considered a «shell company» as defined in Rule 12b-2 under the Exchange Act; what percentage of the company's assets are active versus passive; whether the company generates revenues, and if so, whether the revenues are passively or actively generated; whether the company's expenses are reasonably related to the revenues being

generated; how many employees work in the company's revenue-generating business operations; how long the company has been without material business operations; and whether the company has publicly announced a plan to begin operating activities or generate revenues, including through a near-term acquisition or transaction.

In order to qualify for initial listing, a company that is formed by a Reverse Merger (a «Reverse Merger Company») must comply with one of the initial listing standards set forth in Section 102 .01C and the applicable requirements of Sections 102 .01A and 102 .01B. In addition to satisfying all of the Exchange's other initial listing requirements, a Reverse Merger Company shall be eligible to submit an application for initial listing only if the combined entity has, immediately preceding the filing of the initial listing application:

(1) traded for at least one year in the U.S. over-the-counter market, on another national securities exchange, or on a regulated foreign exchange following the consummation of the Reverse Merger and (i) in the case of a domestic issuer, has filed with the Commission a Form 8-K containing all of the information required by Item 2.01(f) of Form 8-K, including all required audited financial statements, or (ii) in the case of a foreign private issuer, has filed all of the information described in (i) above on Form 20-F;

(2) maintained a closing stock price of \$4 or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days prior to the filing of the initial listing application, and

(3) timely filed with the Commission all required reports since the consummation of the Reverse Merger, including the filing of at least one annual report containing all required audited financial statements for a full fiscal year commencing on a date after the date of filing with the Commission of the filing described in (1) above.

In addition, a Reverse Merger Company will be required to maintain a closing stock price of \$4 or higher for a sustained period of time, but in no event for less than 30 of the most recent 60 trading days prior to the date of the Reverse Merger Company's listing.

The Exchange may in its discretion impose more stringent requirements than those set forth above if the Exchange believes it is warranted in the case of a particular Reverse Merger Company based on, among other things, an inactive trading market in the Reverse Merger Company's securities, the existence of a low number of publicly held shares that are not subject to transfer restrictions, if the Reverse Merger Company has not had a Securities Act registration statement or other filing subjected to a comprehensive review by the Commission, or if the Reverse Merger Company has disclosed that it has material weaknesses in its internal controls which have been identified by management and/or the Reverse Merger Company's independent auditor and has not yet implemented an appropriate corrective action plan.

A Reverse Merger Company will not be subject to the requirements of this Section 102 .01F if it is listing in connection with an Initial Firm Commitment Underwritten Public Offering (as defined in Section 102 .01B) where the proceeds to the Reverse Merger Company will be sufficient on a stand-alone basis to meet the aggregate market value of publicly-held shares requirement for Initial Firm Commitment Underwritten Public Offerings as set forth in Section 102 .01B and the offering is occurring subsequent to or concurrently with the Reverse Merger. In addition, a Reverse Merger Company will not be subject to the requirement of this Section 102 .01F that it must maintain a closing stock price of \$4 or higher for at least 30 of the most recent 60 days prior to each of the filing of the initial listing application and the date of the Reverse Merger Company's listing, if it has satisfied the one-year trading requirement contained in paragraph (1) above and has filed at least four annual reports with the Commission which each contain all required audited financial statements for a full fiscal year commencing after filing the information described in paragraph (1) above. However, such companies will be required to (i) comply with the stock price requirement of Section 102 .01B at the time of each of the filing of the initial listing application and the date of the Reverse Merger Company's listing and (ii) not be delinquent in their filing obligations with the Commission. In either of the cases described in this paragraph, the Reverse Merger Company will only need to meet the requirements of one of the financial initial listing standards in Section 102 .01C, in addition to all other applicable non-financial listing standard requirements, including, without limitation, the requirements of Sections 102 .01A, 102 .01B and 303A.

Adopted: November 8, 2011 (NYSE-2011-38).



102 .02 Alternate Listing Standards Companies Operating Primarily to Provide Venture Capital for Small and Medium Sized Businesses Equity Listings

(Applicable only to companies registered under the Investment Company Act of 1940 or the Small Business Investment Act of 1958.)

The Exchange believes that it is necessary to encourage the formation and growth of the private capital essential to finance the expansion of the U.S. economy. Companies operating primarily to provide venture capital for small and medium sized businesses help to serve such a purpose. These companies seek long-term growth rather than current earnings and, as a result, are often unable to meet the minimal annual earnings standards of the Exchange.

Nevertheless they require substantial working capital to do a significant and successful job of assisting small businesses. Therefore, the Exchange has adopted the following alternate size and earnings standards of such companies.

- The earnings requirement will be modified to the extent appropriate for companies of this character.
- Net tangible assets applicable to common stock shall be at least \$18,000,000 including a minimum of \$8,000,000 composed of paid-in capital or retained earnings.
- The company will be asked for an undertaking not to take action which would significantly reduce its net assets below the \$18,000,000 level. In this connection, unusual and special circumstances will be considered on their merits.

All other original listing standards will be applicable.

102 .03 Minimum Numerical Standards — Domestic Companies — Debt Listings

Market Value

The debt issue must have an aggregate market value or principal amount of no less than \$5,000,000.

Convertible Bonds

Debt securities convertible into equity securities may be listed only if the underlying equity securities are subject to real-time last sale reporting in the United States. The convertible debt issue must have an aggregate market value or principal amount of no less than \$10,000,000.

Issuer or Bond Rating Status

For the Exchange to list a debt security, the security must be characterized by one of the following conditions:

- (A) the issuer of the debt security has equity securities listed on the Exchange;
- (B) an issuer of equity securities listed on the Exchange directly or indirectly owns a majority interest in, or is under common control with, the issuer of the debt security;
- (C) an issuer of equity securities listed on the Exchange has guaranteed the debt security;
- (D) a nationally recognized securities rating organization (an «NRSRO») has assigned a current rating to the debt security that is no lower than an S&P Corporation «B» rating or an equivalent rating by another NRSRO; or
- (E) if no NRSRO has assigned a rating to the issue, an NRSRO has currently assigned:
 - (i) an investment grade rating to a senior issue; or
 - (ii) a rating that is no lower than an S&P Corporation «B» rating, or an equivalent rating by another NRSRO, to a pari passu or junior issue.

102 .04 Minimum Numerical Standards - Closed-end Management Investment Companies

A. The Exchange will generally authorize the listing of a closed-end management investment company registered under the Investment Company Act of 1940 (a «Fund») that meets the requirements of Paras. 102 .01A and 102 .01B above, provided that the required market value of publicly held shares shall be \$60,000,000 regardless of whether it is an IPO or an existing Fund. Para. 102 .01C will not apply.

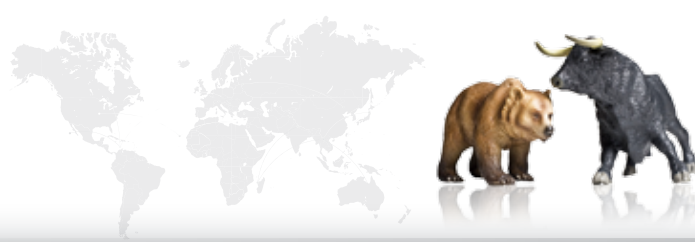
Notwithstanding the foregoing requirement for market value of publicly held shares of \$60,000,000, the Exchange will generally authorize the listing of all the Funds in a group of Funds listed concurrently with a common investment adviser or investment advisers who are «affiliated persons», as defined in Section 2(a)(3) of the Investment Company Act of 1940, as amended, if:

- Total group market value of publicly held shares equals in the aggregate at least \$200,000,000;
- The group market value of publicly held shares averages at least \$45,000,000 per Fund; and
- No one Fund in the group has market value of publicly held shares of less than \$30,000,000.

B. The Exchange will generally authorize the listing of a closed-end management investment company that has filed an election to be treated as a business development company under the Investment Company Act of 1940 that meets the requirements of Paras. 102 .01A and 102 .01B above, provided that the required market value of publicly held shares shall be \$60,000,000 regardless of whether it is an IPO or an existing business development company, and provided further that the company has a total market capitalization of listed securities of at least \$75,000,000. Para. 102 .01C will not apply

A Variety of Securities to Meet Your Capital Raising Needs

New York Stock Exchange (NYSE) offers a range of listing choices for many types of securities and asset classes:



EQUITIES

Companies that list on the NYSE or NYSE MKT, can leverage a wide range of advantages, including access to capital, improved branding and visibility, accountability, and increased liquidity. NYSE-listed securities benefit from the enhanced market quality of the high tech/high touch model.

- Common Shares – ownership shares of a public company that can be purchased by any investor.
- Preferred Shares – hybrid securities that possess features of equity and debt instruments.
- American Depository Receipts – negotiable certificates that trade like a common stock and are issued by a U.S. bank. ADRs represent shares of non-U.S. publicly traded companies.
- Rights & Warrants – subscription rights to shares of a future common stock offering.

EXCHANGE TRADED PRODUCTS

Exchange Traded Products listed on NYSE ARCA are derivatively priced securities that can be traded throughout the day on NYSE Arca and NYSE MKT.

- Exchange Traded Funds – combine the simplicity of stocks with the diversified risk of investment funds. ETFs allow investors to buy and sell shares that represent a fractional ownership interest in a portfolio of securities held by the ETF.
- Exchange Traded Notes – senior unsecured debt obligation that is generally designed to track the total return of an underlying index or strategy. ETNs can offer investment exposure to market sectors and asset classes that may be difficult to achieve in a cost-effective way with other types of investments.
- Exchange Traded Vehicles – provide investors exposure to underlying assets such as futures contracts, commodities, and currencies without actually trading futures or ever taking physical delivery of the underlying assets.

BONDS/FIXED INCOME

Corporate debt instruments whereby bondholders, as lenders, have creditor stake in a company.

CLOSED END FUNDS

A publicly traded investment that raises capital through an initial public offering, and then trades like a stock. Closed-end funds have a fixed number of shares that trade on the exchange.

STRUCTURED PRODUCTS

Offerings available to list on NYSE include Capital Securities, Mandatory Convertible Securities, Retail Debt Securities, and Repackaged Securities.

Our equities listing platforms provide flexibility to foster growth for companies of all sizes:

The New York Stock Exchange

Listing on the NYSE launches a journey that will transform its business and open up opportunities. Our unique market model combines cutting-edge technology enhanced by human judgment, access to the deepest pools of liquidity, unmatched brand visibility and a network of the world's greatest corporations.

Listings Application and Resources

NYSE MKT

NYSE MKT is a leading marketplace for small cap companies. Listed companies have the benefit of a fully integrated trading platform that combines proven technology with the human participation and oversight of designated market makers. NYSE MKT issuers have access to the global branding and visibility opportunities, an unparalleled community of thought leaders and capital market intelligence.

Listings Application and Resources

NYSE Arca

ETPs are listed on NYSE Arca, our fully electronic market offering issuers a Lead Market Maker (LMM) program to improve market quality. NYSE Arca continues to be unmatched in NYSE Arca-listed liquidity, setting the National Best Bid and Offer approximately 91% of the time. In Arca-listed ETPs, NYSE Arca's opening auctions consistently execute over 99% of the total opening auction volume and 99% of the total closing auction volume.



INTERNATIONAL LISTINGS MYTHS AND REALITIES OF GLOBAL LISTING

The history of foreign private issuers, also known as International Companies, on the New York Stock Exchange is filled with illustrious corporate brands. Recent annals are also spotted by myths and misperceptions about listing requirements for international companies. These misperceptions persist despite changes made by U.S. regulators and self-regulatory organizations (like the NYSE). Here's a look at the reality.

Requirements That Don't Apply to International Companies

There are certain rules and regulations that apply to publicly listed companies based in the U.S., and not to foreign private issuers. International companies do not have to meet the following requirements:

- Report on a quarterly basis. Unlike domestic filers (with their 10-K and 10-Q filings), international companies file their annual report as a 20-F and interim reports (minimum frequency is set by home country requirements) are submitted, like any press release, on a Form 6-K.
- Have a majority independent board. The independence test is focused on the Audit Committee. The Audit Committee can consist of one person.
- Have a compensation or nominating committee. The only committee required for an international company is the Audit Committee.
- Receive shareholder approval for equity compensation or other stock issuances.

Options International Companies Listing in the U.S. Can Choose to Follow

- Use IFRS (in its original IASB version) instead of U.S. GAAP. While not an option (yet) for U.S. Companies, rule changes passed in 2007 enable international companies to use IFRS reporting language in their filings.
- Follow home country corporate governance practices. Numerous corporate governance requirements adhered to by U.S. companies are not required for foreign private issuers. Among the most notable: U.S. proxy rules do not apply to International Companies. For the proxy process, international companies are only required to solicit proxies from their U.S. holders. In doing so, they do not need to use a proxy statement compliant with the U.S. rules.
- List ADRs or Common Shares (same requirements). A company (whether it is a dual listing or a single listing) is not limited to using only ADRs.

Mandates for International Companies

International companies are REQUIRED TO follow select key provisions of the Sarbanes Oxley Act or SOX:

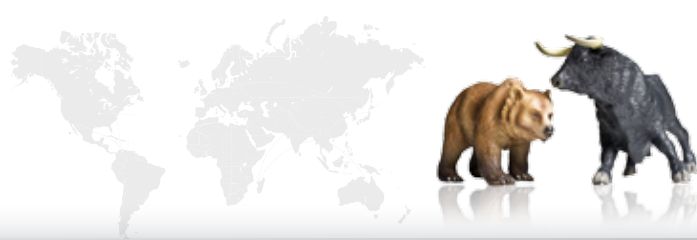
- Have an independent audit committee, which can be as small as one member.
- Abide by the internal control requirements of SOX 404 (Internal Controls). However, continuous cost reductions with the elimination of excessive testing (materiality) and documentation have decreased the burden on listed companies.





APPENDIX

- Steve SeeKuy Tan Profile
- Bruce Barren Profile
- Bruce Barren Clients List
- Merchant Banking
- Valuation Report
- Financial Terminology



STEVE SEEKUY TAN

-Chief Executive Officer



2016 - Working with 10 OTC companies and planning to merge or uplist Nasdotc Partnership Inc. in Nasdaq by Dec 2016.

2015 - Steve venture into Merchant Banking Partnerships, helping Profitable SME to OTC, NASDAQ & NYSE. Currently, Steve is the Chief Executive Officer of Nasdotc Partnerships Inc. and President of Emco Hanover Group, Asia Pacific Region.

2010 to 2015 - Steve acquired an OTC company and works with U.S Security Attorneys, Market Makers, Transfer Agents, PCAOB Accountants & Auditors, Brokers, IRPR Consultants and Global Investors.

2008 - Steve was listed as one of the “Top 50 Most Influential People in Direct Selling” by Direct Selling Live.com, USA, which is the worlds foremost Direct Selling/Network Marketing Social Network Organization.

2007 - Steve was conferred a Doctorate in Business Administration by the Midwest Missouri University, USA, where he was an APL (Acquired Prior Learner Student) with over 20 years of practical business experience and wrote a 200-page thesis covering the past, present and future of the network marketing industry.

2007 - Steve was awarded “The International Distributor of the Year” by the Multi Level Marketing International Association, USA.

2006 - Steve was appointed as an Ambassador for Peace by Universal Peace Federation for World Peace.

1997 - Steve was awarded “The Distributor Of The World” by Neways International Inc. , one of the top network marketing company in USA with over 500,000 distributors in 30 countries.

1977 to 1996 - Over the past twenty years, Steve was a top sale, marketing and personal development trainer and motivator, have conducted trainings for over 100,000 distributors around the Asia-Pacific region, from Malaysia, Brunei, India, Singapore, Hong Kong, Taiwan, Indonesia, Philippines, Thailand, Korea, Japan, New Zealand, Australia and USA.

1976 - Steve Graduated from the Royal Institute of Marketing, London, UK.





THE TAN MAN CAN

Fastest 100K Premier in the World Dec 2006 - Singapore
Fastest 200K Premier in the World Dec 2007 - Malaysia

TARGETING
500K Premier - Malaysia

direct selling Live.com **DIRECTSELLINGLIVE'S POWER 50**
50 MOST INFLUENTIAL PEOPLE IN DIRECT SELLING

Directsellinglive.com is out with its first ever POWER 50 list. The list of the 50 most influential people in direct selling worldwide. The POWER 50 is not a list of people who run the largest companies, have the biggest downlines or make the most money. It's the list of people who have the most influence or wield the most power inside and outside the industry of direct sales. This highly exclusive list is comprised of distributors, vendors, corporate executives, authors, trainers, consultants and speakers throughout the entire direct selling industry.

STEVE TAN
Success stories are found everywhere and Southeast Asia's Steve Tan is one of the most stellar. Known throughout Asia as the "Asian Tiger", his 20 years in the business has yielded over half a million distributors in 30 countries. In 1997, Mr. Tan was honored with the "International Distributor of the World Award."

Red O'Brien	Michael Johnson	Bob Proctor	Alvina Jung	The Boss	Rhonda Byrne	Nicki Bachofner
Kevin Legges	Chris Gross	USA	DSWA	Jim Mariani	Stuart Johnson	Dick DeVos
Randy Gage	AGG Worldwide	R. Kiyosaki	Mark V. Hansen	Garnell Gelf	Donka Wood	MLMIA
G. Kashiwagi	Jana Deuber	John Fleming	Cookie Lee	Tom Schreier	Amy Robinson	Ehanapentram
John B. Fogg	Karen Phegley	Nadine T.	Jack Garfield	John Maxwell	Hezon Johnson	Charles King
Myron Wentz	Getting Edge	Jerry Clark	Jim Rohn	Rita Osensport	Ed. Funkehauser	Dexter Yeager
Art Jones	Miss Sheffield	Les Brown	Bakley Carram	Lisa Wilbur	Frank Wheaton	Kepler C. Whitney

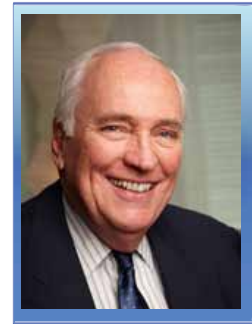




BRUCE W.D. BARREN

-Chairman

Bruce W.D. Barren is Group Chairman of The EMCO/Hanover Group, which, since its inception in 1971, has concluded more than \$3+ billion in financial transactions worldwide as international merchant bankers, representing more than 1,000 separate corporate transactions. Mr. Barren specializes in matters attendant to the senior management decision process, including those relating to executive and employee compensation, wrongful terminations, board representation, operating management, planning, financial administration, short and long-term debt and capital involvement, including capital sourcing, encompassing all types of investment requirements - business turnarounds, capital restructuring and merger/acquisition, plus foreign licensing along with corporate valuations for cash/ collateral purposes under the U. S. Bankruptcy Act and separately, for estate planning - including tangible and intangible assets. Mr. Barren has personally been involved in more than 200 business turnarounds and emerging businesses, worldwide representing more than \$1 billion in annualized payroll.



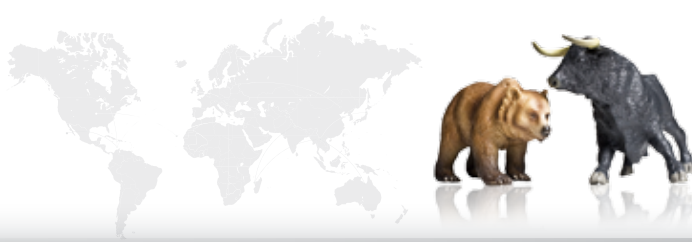
Mr. Barren has been honored on more than 60 separate occasions by: the Governors of the Commonwealth of Pennsylvania plus New York and New Jersey (in addition to their respective U.S. Senators) along with the Governors of Kentucky and Tennessee. In California, he has received commendations from various municipal and county governments as well as its State Assembly, Senate, Offices of the State Treasurer, Controller and several Governors, the Peoples Republic of China and the Central American Parliament.

As part of these accolades, Mr. Barren has also received more than a dozen individual U.S. Congressional Tributes, both from the U.S. Senate and House of Representatives, including one in 1990 from then Congressman Christopher Cox - subsequently the 28th Chairman of the Securities and Exchange Commission. In 1989, Mr. Barren was honored with a commemorative from President Ronald Reagan. Further, between 2000 to 2005 he received letters of commendation from then President Clinton and Vice President Al Gore plus President George W. Bush and Vice President Richard Cheney along with then U.S. Senator Hilary Rodham Clinton (subsequently appointed in 2009 as the U.S. Secretary of State under President Obama) for his then 35+ years of service to the country, various states and their respective community.

Under EMCO/Hanover's Executive Loan Program, Mr. Barren has assumed a number of senior on-line managerial positions, ranging from small- and medium-sized companies to those in the multi-national marketplace. Under this Program, Mr. Barren has acted as: a Chief Executive Officer on a motorcycle manufacturer and a President of a satellite microwave equipment manufacturing company - both for separate venture capital firms then located in New York City; a Chief Executive Officer of a California bank under FDIC approval; President of a HMO medical provider, with 23 offices in Southern California, under the State of California, Department of Insurance's approval; Chairman of a printing/graphic design business and as a Chief Executive and Administrative Officer for various companies in the construction/ real estate industry, both commercial and residential and with several companies in the aerospace industry.

From 1959 to 1962, Mr. Barren was an Executive Vice President and Board Member of a multi-national industrial processing and chemical company, which he was forced to assume while he was in college, following the death of his father. Other prior experiences included an association with Price Waterhouse (1963-1967) where his responsibilities were directed primarily to client marketing-related problems at the chief executive officer level, involving such companies as Paramount Pictures, Saab Motors (Sweden) and Electrolux.

Between 1968 and 1971 Mr. Barren was a member of several Securities and Exchange Commission (SEC) regulated investment banking firms, first as a Vice President at Walston & Co., Inc. and then as a Director/ Senior Vice President of Delafield Childs, Inc. Both were then located in New York City. Since then, he has been advisor



to a number of other SEC regulated firms (Bregman Securities, Jesup & Lamont plus Birr Wilson); Hill Samuel & Co. Limited US operations, then headquartered in New York City, which in 1987 was acquired by TSB Group PLC.; and in the late 1980's to Transatlantic Capital Bio-Sciences Fund (London, England) - a "first-stage", medical bio-sciences venture fund, whose investors included Johnson & Johnson International and Fison Pharmaceutical.

In 1971, Mr. Barren became a Senior Vice President for an AMEX publicly-traded printing services company which also controlled a related company, listed in the Over-the-Counter Marketplace. Currently, Mr. Barren continues to act as an advisor to a variety of companies, engaged in a diversity of business – worldwide, including having served as the designated Chairman of the Executive Committee in 2005-6 for a U.S. publicly held company, with two mandates from the Peoples Republic of China (PRC): to upgrade its Level II hospitals and to introduce the concept of Assisted Care Living.

From 1985-87, Mr. Barren acted as Chief Executive Officer and Vice Chairman of a \$200 million multi-national transportation services company operating in some 40 different countries involving Europe along with North, Central and South America, plus Africa and the Middle East in addition to the Far East prior to its acquisition by a foreign corporation. In 1990-91, he was appointed Chief Executive office for a \$900 million revenue-based company operating throughout North America, Korea and England. From 1993 to 1996, Mr. Barren initially acted as an advisor and then became the Chief Executive Officer for an aerospace company in order to effect its capital formation program. In so doing, he was further appointed a co-conservator of this company by The Superior Court of Los Angeles, California.

Prior to becoming Chairman of a technical asset management and product disposal company located in England, Mr. Barren was Chief Executive Officer for a multi-national direct sales company, headquartered in Nanjing (PRC), and serving the Far East. Through 2004, Mr. Barren acted as the Lead Consultant for a medical services company whose primary activities focused on Mainland China.

Because of his vast experience, Mr. Barren has been featured in more than 175 articles by various newspapers and internet media in the Far East (China and Japan), Europe and the United States, as «turnaround» specialist and business expert. Included therein were also for one of the «Big 4» accounting firms' KMPG's Banking Insider, and separately, KMPG's Commissions Markets Insider plus the California CPA Magazine, The Outlook.

In 2005, Mr. Barren became an audio conferencing instructor for Progressive Business Publications (PBP) – representing an audience of some 70,000 people, including Chief Financial Officers for both publicly- and privately-held companies. In 2007, he continued as a CPE- accredited instructor but this time the topic was: "Cash Management: Building and fortifying a strong cash flow strategy."

In litigation support as an expert witness, Mr. Barren has been accepted as a multi-industry expert in some 50 cases, including against such industry leaders like: The Chase Manhattan Bank, Merrill Lynch, Wells Fargo Bank and The Ford Motor Company - representing a variety of capital transactions involving all types of capital, plus minority shareholder interest, management and their fiduciary responsibilities, executive and employee compensation, wrongful employment terminations, corporate valuations plus a diversity of corporate transactions, including mergers and acquisitions. As such, he has given testimony in both District and State Courts plus the U.S. Tax Court and before the IRS plus acted as an expert on behalf of the Securities and Exchange Commission. During his 40 year career, he has written more than 500 valuation and fairness opinions.

Given the above, Mr. Barren's expertise includes: professional standards - including accounting, banking and broker/ dealers; conservator and trust officer responsibilities and standards; aerospace; apparel and textile; SEC regulatory issues, including reporting, corporate governance and fiduciary responsibility; banking and finance; consumer products; defense and government contracting; direct marketing, including multi-level and e-commerce; electronics; employment policies and procedures; energy - gas and oil; food: processing, distribution - wholesale and retail; furniture and accessories, including hardware manufacturing; printing and graphic arts; publishing: magazine and newspapers; media and entertainment; medical, including hospital, nursing care and elder living residences; mining; paper: manufacturer and distribution; real estate: commercial and residential; social media and transportation, including automotive and truck assembly and distribution.



Mr. Barren, who has been on various television and radio stations throughout the U.S. as part of his distinguished career, has appeared before numerous professional societies, including the American Management Association, where he wrote articles, conducted lectures and seminars on executive management, strategic planning, corporate finance, merger/acquisition and other business-related matters.

From 1978 through 1995, Mr. Barren authored and conducted advanced courses in CRISIS MANAGEMENT, CORPORATE VALUATION TECHNIQUES, MERGER AND ACQUISITIONS, LITIGATION SUPPORT plus CAPITAL SOURCING under the Continuing Professional Education (CPE) program of the then 32,000-member California Certified Public Accountants Foundation for Education and Research, the 35,000-member State of New York, and the 30,000-member Texas Society of Certified Public Accountants.

During the 1980's and 1990's, Mr. Barren appeared on various radio and television shows as an expert in business and the U. S. economy. Between 1991-1993, he was a frequent guest speaker to a number of Price Waterhouse (now PriceWaterhouseCoopers) CFO Forums in Southern California plus acted as a panel judge for Ernst & Young's Annual Entrepreneurial Awards. For 2001, Mr. Barren was appointed to the Editorial Advisory Board of Prentice-Hall.

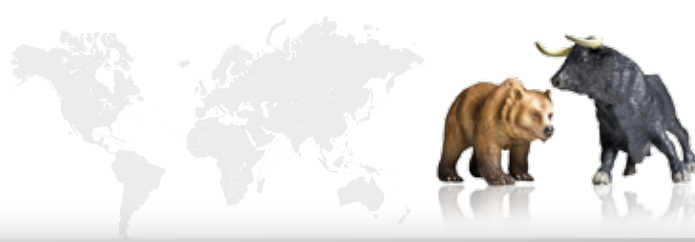
From 1990 to 2002, Mr. Barren taught courses as a part-time visiting lecturer for the Anderson Graduate School of Business-UCLA, The University of Southern California; Pepperdine University's Executive MBA Program plus Whittier College of Law and Chapman University's School of Law. In 1995-1996, Mr. Barren co-instructed various «workshop» courses in loan documentation and valuation procedures for Sanwa Bank, then one of the top five international banks.

Since 2005, Mr. Barren has received a number of accolades from various Latin American Countries for his many years of service to them. First, he was honored by the Central American Parliament and then by the President of CENTROAMERICANA DE INVERSIONES S. DE R. L. for his 40-years of service to its member countries in aiding their trade, both imports and exports – worldwide. This was then followed by honoring Mr. Barren for his countless efforts in helping Latin Americans in North America which has resulted in the creation or saving of employment of its people. Subsequently, Mr. Barren was also given another commendation. This was from FUNHDICOL (Fundacion Hondurena Para El Desarrollo Intelectual Colectivo) for his many years of services in which he has assisted in many of this institution's financial transactions which has helped in this country's development.

In 2006, Mr. Barren was the Presenter for «Businessman of the Year» Award at the Trumpet Awards Ceremony in Atlanta, Georgia - the "Oscars" for African American Community Service. In 2006, Mr. Barren was presented with a Certificate of Honor from China's State-owned Supervision and Administration Commission of the People's Government of Hunan Province for his «great contribution» for establishing the first Sino-American Joint Ventured Hospital. Subsequently, he was also the keynote speaker at the 20th Annual China Industry

Development Forum in Dongguan held by the China Tourist Hotels Association and received a plaque for his being an advisor to the Association. Mr. Barren, under EMCO/Hanover, has further been given an exclusive right to acquire majority control in the privatization of the multiple water treatment facility(s) in China.

In 2007, Mr. Barren, who has appeared on Chinese television on a number of occasions, was presented with a second Certificate of Honor. This time, it was in recognition of his efforts in the award of the first ever granted license to build an assisted-care living community in China which will consist of some 12,000 senior citizen, housing units. Separately, he also received a Letter of Appointment as a senior consultant for the Prosperity of Baotou business and investment from the Baotou Disabled People Welfare Fund Association of The Red Cross of Baotou City, Inner Mongolia from its Chairman – Zheng Jinduo. Concurrent with that, Mr. Barren was further appointed a senior consultant for The Association of Entrepreneur's Friend, Baotou CPPCC by its President – Li yu ran.



In 2008, Mr. Barren joined the Board of Directors of a publicly-traded U.S. Company, which is an international telecom operator and enabler plus systems integrator to the multi-media industry by facilitating the distribution of all forms of content and telecom services to global consumers. The company also has certain patented technology to prevent credit card fraud. Besides various worldwide licenses in over a dozen markets in Europe, Asia and the Middle East, it also has a license to operate telecommunication switching facilities in China. Through mid-2009, Mr. Barren served as its Company's Vice Chairman in addition to being Chairman of its Compensation Committees plus the Independent Director for its Nominating and Corporate Governance Committee along with its Audit Committee.

In 2009, Mr. Barren met with the Mayor of Shenyang, China. Mr. Li Yingjie named Mr. Barren the honorary financial and economic adviser to the City of Shenyang. As part of his appointment Mr. Barren will attend the City's yearly economic forum and other key meetings with the Mayor of Shenyang. This was a great honor. Mr. Barren is the first foreigner to be appointed to be the City's adviser. In 2011, Mr. Barren further received a Certificate of Recognition from Mr. Bingzhong Zhang, Director - Chinese & International Experts Organization of China (CIEO). He was also a keynote Speaker and Presenter at the Winalite's China 2011 For You Global Congress. In 2011, Mr. Barren was elected President, Vice Chairman of the Board and Chairman of the Executive Committee for an emerging internet search engine company (with annual revenues under \$4 million), specializing in local search optimization. For this company, he arranged a firm commitment \$50 million IPO financing plus a \$5 million bridge loan and assisted in raising some \$7.2 million from 75-100 private accredited investors. Mr. Barren served in this capacity from 2011 until mid-2012.

In 2013 Mr. Barren was one of the keynote speakers in Beijing addressing the All-China Private Enterprise Federation, which is composed of senior central government officials - department ministers and major Chinese private businesses. He was further appointed Chairman of an Australian based software company, which is in the process of being listed on the Bermuda Stock Exchange and who subsequently announced through its Hong Kong affiliate, a strategic partnership with a New York based on-line advertising technology company, for whom Mr. Barren acts as an advisor. Also in 2013, Mr. Barren was honored by the Provincial Government of Laio Ning for his outstanding contributions in its economic development.

Further, from 2013 through 2015, Mr. Barren served as the Chief Executive Officer of a publicly-traded company in the precise aerospace parts manufacturing business in which he caused it to return from an insolvent business to one of viability through various refinancing after sustained years of operating losses, causing a negative Shareholders' Equity. He further caused an opportunity of some \$4 million in liquid assets as a replacement source for overly expensive debt plus he undertook certain operational changes to allow for the additional of new customers. During this period, he also expanded EMCO/ Hanover's operational activities in Southeast Asia.

Mr. Barren has been listed in Marquis' Who's Who in the World since 1989 where also his academic credentials are presented. These include a Bachelor of Science degree from Babson College in 1962 in Accounting and Finance. In addition, he has a Master's Degree from Bucknell University in 1963 in Finance and Economics plus in 1967 and 1968, two graduate certificates in International Marketing and Finance - with one, from the Harvard Business School and the other, from Cambridge University (Pembroke College) - England.





BRUCE BARREN CLIENTS LIST:

Client Name:	Type of Industry:	Year:	Assignment Description:
890 LLC	Real Estate Investment	2007	Expert Advisor in Case # 2006-CV-117792 for plaintiff against M&A Homes et al.
Abaud Inc.	Retail Furniture Store	2000	ESOP Evaluation
Abraham Rochlin Enterprises, Inc.	Holding Company—Forestry Products (Switzerland)	1979	A stock redemption valuation.
Active Sales Co., Inc.	Distributor—Building Materials	1982	Product acquisition financing; business expansion-product line acquisition.
Admarketing, Inc. (Case# BC224171)	Advertising Services	2000	Plaintiff's expert witness - R. Recht; executive compensation - owner/majority shareholder. Settled in favor of Recht.
Agromin	Agriculture, Composting	1993	Develop capital strategy.
Airborne Product Support, Inc.	Manufacturer/ Supplier: Aerospace	1994	Classified credit; bank; tax arrearages; Creditor restructuring; joint venture licensing/refinancing; competitor sale.
Air Conditioning Company, Inc.	Distributor and Installer	1985-1995	Annual valuation-key employee stock purchase plan, plus general advisory services.
Alberta Gas Trunk Lines Company Limited (NOVA Industries)-Canada	Petroleum, -- Support Products	1974-1976	Design and implementation of acquisition program re: North America and Europe.
Allen E. Paulson Living Trust	Aircraft	2012	Superior Court of The State of California for the County of San Diego, Case No. PN24815 – Petition to Surcharge Former Trustee; Petitioner's expert.
Allied Sales	Produce - Distribution	2000-2003	ESOP Valuation .
Allied Wholesale, Inc.	Importer-Specialty Industrial Tools	1983	Key employee stock purchase plan-IRS.
American Ensign Van Service, Inc.	Freight Forwarder	1987-1988	Working capital refinancing; bonding insurance; marketing relations and accounting.
AMS Outsourcing/ Solvis Medical Group	Outsource Placement	2011	Spin-off Opinion
ANCO Engineering, Inc.	Freight Forwarder	1987-1988	Working capital refining; bonding insurance; marketing relations and accounting.
Anderson & Co.	Accounting Services	1985-1986	On-line management; merger analysis and search.
Apollo Enterprises Solutions, Inc.	Financial Services	2011-2012	Private Placement, 2012 Europe plus stock Listings - Bermuda and Zueich; added new Partners: BDO and KPMG; securities Valuation.
Applied Micro Circuits Corporation (AMCC)	Semiconductors - Communications / Storage Equipment	2005	Defendant's expert: employee stock option rights; Superior Court, Santa Clara County, CA (# 2-05-SC-002033). Court decision in favor of Defendant.
AsiaDemand, Inc.	B2B, on-line purchasing, China	2000	Corporate Valuation
Atlantic Avenue LLC	Real Estate Holdings	1997	Estate Planning- valuation expert.
Award Packaging Specialties Corporation	Packaging Services	2000	Corporate Valuation - Estate Planning
Baltic Drilling Ltd. (Canada)	Real Estate; Oil Drilling	1979-1982	Creditor insolvency.
B&B Surplus, Inc.	Stainless Steel, Aluminum Pipe Distribution	1996	IRS – Tax Court, excess executive compensation.
Bass/Yager & Associates, Inc.	Specialty Advertising	1997	Estate Valuation
Baton Broadcasting Incorporated	Television	1981	USA entry financing program—SMATV operations.
Bechtel Operating Services, Co.	Facilities Services International	1981	Subsidiary start-up; contract bidding analysis and operational procedures.
Bell Sports, Inc.	Sporting Goods	1985-1986	Development of corporate plan including that related to capital procurement.
BenefitStreet Inc.	Trust Plan Administrator	2004	Multiple acquisition and Asset/Goodwill Allocation opinions.
Bennett v. Filter Recycling Services, et al, Riverside Superior Court Superior Court Case No.RIC 429616	Waste Management	2014	Shawn Bennett (Plaintiff) appeals from the judgment entered in favor of Integrated Waste Management, Inc. (IWM) and Jim Arnold (Arnold) their demurrers to the verified second amended complaint were sustained without



			leave to amend. Plaintiff asserts that the trial court erred in denying him leave to amend. Finding no error, Court affirmed. Expert for Filter.
Benwil Industries, Inc.	Automotive Parts Distribution	1992	Financial condition opinion; litigation support.
Berke Family Limited Partnership.	Real Estate, Estate Properties	2001,2005, 2007, 2008, 2009 2014	Estate Planning , Estate Gifting Evaluation, change in LA County Tax Assessment
Bergandi Manufacturing Co., Inc.	Wire Products	1982-1983	Corporate valuation; acquisition opportunity; systems review.
Bevilacqua & Schikore D.b.a. Pearson & Johnson	Construction	1993	Capital sourcing, on-line management.
Bikers Dream, Inc.	Motorcycle Assembly / Sale	1997	Creditor restructuring, equity, capital placement / turnaround, chief administrative officer.
Bill Palmer Associates	Office Equipment Systems	1983	On – line management.
BioCath Int'l Corp.	Pharmaceuticals	2004	Abridged Bus. Plan, Investment/Capital Pres., incl. Bus. Valuation.
Bio-Gentec, Inc.	Medical Products	2002	15c-211 Valuation
Biopharmgen Holding, Inc.	Nutriceuticals - China	2010	15c-211 Valuation
Body Issue	Retail Catalogue	1994	Development of capital and business plan for a related business start-up, inclusive of direct mail program.
Boland v. Boland Case No.: D 294 841	Supervised Adult Residential Living	2010	Family Law Matter - Property; Plaintiff's expert witness.
Bonded Mortgage	Real Estate	1992	Fair market value opinion.
Braun Industries, Inc.	Industrial Laundry Processor	1988	Merger / acquisition evaluation.
Brown, Kraft & Co.	Accounting Services - CPA	1983	Computer review, feasibility study.
Bruckner et al vs. Merrill Lynch	Stock Brokerage	1998-1999	Expert Witness: Plaintiff
Buckman et al v. Chicago Title, Case No. BC299127 and BC315478	Convalescent Homes	2008	Asset Dispute
Butterwings Entertainment Group, Inc.	Food Franchising	1998	Reverse merger, IPO; capital procurement; management restructure; acquisition(s).
Byker's Dream, Inc.	Customized motorcycles and limousines assemblage	1996	Executive management - CEO, appointed by a New York venture capital firm.
Cadeux	Musician Promotion	2000	Cross-merger Valuation
C. ITOH Electronics, Inc.	Electronics	1988	Computer systems evaluation.
California Community Builders	Builders-Commercial / Residential	1983	Computer feasibility study, informational systems review.
California Contractors Supplies, Inc.	Supplier-Industrial	1984/1992	Corporate valuation; estate planning – IRS
California Municipal	Investors Services	1983	Data processing; operational review.
CalMark Properties, Inc.	Real Estate Syndication / Management	1985	Refinancing and acquisition program; expert witness-litigation. Superior Court (Chicago, Illinois) Case # 87-C-4466.
Caltrol, Inc.	Manufacturer Rep; Distr. Process Control Instrumentation	1986	ESOP valuation; affiliated company acquisition and related financing, including real estate.
Canada Cycle & Motor Corporation (CCM-Canada)	Bicycle Assembly and Ice-Skating Equipment Mfg.	1973	Redirected operations; assistance in capital restructure and turnaround
Canare Corp. vs. Horiba/Brenner	Electronic Instruments and Controls	2002	Expert Witness, Defendant: Plaintiff's Claim: Conversion; Misappropriation of Funds; Breach of Fiduciary Duty; Breach of Promissory Note; Unjust Enrichment; and Money Had and Received Defendant's Cross-Complaint for: Breach of Implied -in-Fact Contract of Employment; Breach of Implied Covenant of Good Faith and Fair Dealing; Breach of Fiduciary Duty; Fraud; Intentional Infliction of Emotional Distress; Breach of Written Contract; Defamation. Case settled in favor of Defendant for whom EMCO/Hanover acted as the Expert Superior Court (Los Horiba/Brenner Angeles), Case # BC 234351.
Carl's Jr. Restaurants (CKE Enterprises, Inc.)	Franchise – fast foods	1995	Creditor and bank restructuring
Campbell Industries	Ship Building	1978	Classified credit; bank, capital restructuring; operational analysis.



Casa Leon, Inc.	Retail Furniture Store	2000	ESOP Valuation
Cerwin – Vega, Inc.	Manufacturer-audio speakers	1989	Corporate enhancement program – operational management.
Chiat/Day, Inc. Advertising	Advertising Agency	1995	Estate valuation pre-merger with Omnicom Group, Inc.
C.I. Host, Inc.	Internet Web-hosting	2003	Expert Witness: Defendant
Citadel Gold Mines, Ltd.	Mining	1982	Capital procurement.
Coast Fixtures & Liquidators, Inc.	Retail Equipment/Fixtures Liquidators	1997	Expert witness/Coast – IRS related matters; executive compensation. Settled in favor of Coast.
Cobbler's Incorporated	Manufacturer – Shoes	1979	Classified credit; bank; operational review; credit restructuring.
Cohen Enterprises, L.P.	Limited Partnership	1998	Limited Partnership; estate planning valuation.
Con/Chem, Inc.	Surfaces and Erosion Paints	1980	Classified credit; bank fraud.
Creative Presentations, Inc.	Greeting Cards	1996	Expert witness/Creative Presentations. Superior Court (Van Nuys, CA); Case # SV 96-18973. Settled in favor of Creative.
Crown Coach International	Bus, Fire Coach Assembly	1983-1988	LBO refinancing; business expansion; foreign licensing; employee incentives; senior marketing management.
Comprehensive Designers, Inc. (Now CDI Corporation)	Engineering and Design, Multiple Industries	1978-1982	Business Planning, Corporate Guidance
Crystalix, Inc.	Retail - Novelty	2003	Valuation: 15c211
Cuenca Enterprise, Inc.	Retail Furniture Store	2000	ESOP Valuation
Dadson Washer Service, Inc.	Coin-operated laundries	1998	Valuation: minority interest gifting.
DAL USA, LLC	Real Estate	2007	Plaintiff's expert, re: escrow improprieties, fraud, injunctive relief; settled in favor of Plaintiff.
Danros, Inc.	Furniture Store	1998-2000	ESOP Valuation
De Jong (LDJ Holdings LLC)	Dairy Farm	2000	GP and LP - FMV
Desert King, Inc.	Farming-Asparagus	1984	Operational financing (primarily- crop development).
Diamond Entertainment Corporation	Video Production/Distribution	1997	General consulting, investor relations.
Dick & Jack Industries, Inc.	Jewelry	1977	Development of 5-year plan and financing.
Direct Satellite Communications, Inc.	Communication	1982	Capital procurement.
Distel, Inc.	Distributor-Electronics	1984	Equity/debt capital procurement.
DJ Central/ Ordior	Media	2013-14	Executive Mgmt.
Domino's Pizza, Inc. (Area Franchisee)	Fast Foods	1985	Corporate valuation; shareholder repositioning.
Dutch Government	Product Distribution – U.K.	1971-1985	5 Dutch Boards under Intercapita, re: distribution of products throughout U.K.
EDM International	Electronics Data Management	1992	Tax Court—IRS, re: foreign merger.
Edward Konik and William Malin v. Cablecasting 2010 Advertising Law and Time Warner Cable Case No.CV07-0763-SVW (RZx)	Cablecasting	2010	Advertising Law and Consumer Legal Act Remedies Act - misleading misrepresentation. Plaintiff's expert witness.
Elephant Talk	Telecommunications	2008-9	Board Member, Merger/Acquisitions, Reverse Stock Split
Elma Ruden v. Healthy Habits, et al LASC Case No. BC458996	Multi-level Marketing	2014	Breach of Written Contract, Covenant of Good Faith; Faith and Fair Dealing; Fraud – Concealment, False Promise, Intentional Representation, Negligent, Misrepresentation; Conversion & Unjust Enrichment. Expert for Plaintiff.
EMS Development Corporation (Ultra Electronics Plc)	Government Contracting-U.S. Navy	1998	Exit Plan- Chapter 11, post-creditor funding.
Entrepreneur, Inc.	Magazine Publisher	1990	Refinancing.
Eric L. Foumberg & Co., CPAs	Accounting/Tax	1998-2003	Various client evaluations - Estate Planning
Erie Indemnity Company (LAN & Morris, et al. v. Ludrof/Erie, et al.)	Life Insurance	2006-7	Estimate by Dissenter (PWH Trust) of Fair Market Value of shares under an independent valuation proceeding – Erie Indemnity Company, a life insurance company where the minority shareholders are being offered an opportunity to be brought out. Dissenter's Expert, re: fairness opinion. Western District of Pennsylvania, U.S. District Court (Civil Action No. 1:06-cv-00114-SJM); related class-action case settled in favor



			of Dissenter Group
Esserman Steel Co., Inc.	Steel Distributor	1999	Valuation - ESOP
Express Furniture Rental	Furniture Rental	1993	Venture capital restructure to buy out equity partner.
Excel Mineral & International Cos.	Cat Litter	1999	Expert witness/Excel. I.R.S. audit; sales/purchase price allocation; executive compensation; non-compete. Excel Minerals & International Cos. V. Commissioner of Internal Revenue, U.S. Tax Court, 1999. Settled in favor of Excel.
EZ Buy, EZ Sell Recycler, Inc.	Publishing-Consumer	1982	Acquisition search.
Fairview Mobile Estates	Mobile Home Parks	1993	Capital sourcing—new investment opportunity.
Fame Furniture (A.B. Malone, Inc.)	Manufacturer-Furniture	1979	Classified credit; bank; on-line management; business sale.
Ferrell Reed, Ltd.	Manufacturer - Men's Shirts and Ties	2000	Working Capital refinancing - turnaround
Fields, Fehn & Sherman	Attorney	2003	Expert Witness: potential damages, N.A.S.D. arbitration hearing involving Beacon Trading, LLC
First Pacific Bancorp, Inc.	Banking	1984	On-line management; operational review; FDIC problem bank; capital procurement.
Food Export, Inc.	Food Export	2000	S-ESOP Valuation
Four Winds Enterprises, Inc.	Household Goods-Shipping/Warehousing	1985-1987	On-line management; chief executive officer, vice chairman; merger/acquisition search.
Franklin Truck Parts, Inc.	Retail, Truck Parts	1992/2000	Estate Planning.
Freedom Tire, Inc.	Retail, Tire Sales	1992	Litigation support; marital dissolution.
Freeman & Freeman	Legal Counsel	2007	Opinion: causes of action against financial intermediary for fraud, real estate development
Fremont Family Fun Center	Amusement Park	1993	Capital sourcing; support documentation; comparative valuation.
Friedman, Minsk, Cole & Fastovsky, CPAs	Accounting/Tax	1997-2002	Various client evaluations - Estate Planning
Fructas AB (Pommac)	Beverages	1985	Market entry-selective products: North America.
F.W. Myers & Co., Inc. (The Myers Group, Inc.)	Customhouse Brokerage & Freight Forwarding	1990-1991	Capital restructuring and equity capital procurement, strategic partnering; online management.
GC International, Inc.	Machining-Computer Products	1981	Classified credit; bank; refinancing; turnaround analysis; public offering.
Glen Ivy Financial Group	Time Share	1983	Corporate valuation; bank financing.
Global E-Point, Inc.	Aerospace: Security System	2007	Executive Management Assistance: Turnaround
Global Medical Products Holdings, Inc.	Medical Products	2001-2003	Reverse Merger, Equity financing, Acquisitions
Glydon's, Inc.	Lingerie, Nightwear	1984	Classified credit; bank; on-line management; informal liquidation plan.
Goodway Printing, Inc.	Printing	1971	On-line management plus capital sourcing and acquisition; SVP and capital sourcing; also included its affiliate: Goodway Copy Centers
Group Health Services, Inc.	HMO	1983	On-line management (Chief Executive Officer); liquidation plan; California Dept. of Corporations.
Gro-Plant Industries	Horticulture – Roses	1972-3	Turnaround
Grove Valve & Regulator Co.	Energy-Oil Gas	1976	Divestiture financing and acquisition.
Gutman Imperial Partnership, L.P.	FLP	2004	Estate Gifting - Tax Planning
The Gutnick Foundation Chabad	Charitable Foundation	1999	Valuation, real estate gifting.
Hansen, Robert	Lithography Printing and Book Publishing	2007	Defendant's expert witness, Case Number: 06SL05766 Against Laguna Wilderness Press. Case settled in favor of Defendant, Robert Hansen, who won back copyrights
Hartwell Breweries, AB (Finland)	Brewery	1985	Market entry-selective products: North America.
Heil Construction, Inc	Construction - Paneling	2007	Defendant's expert witness, Case #GCO03472, Case settled to satisfaction of Defendant, Sheng-Teh Hsieh
Heil Construction et al v. Bond, Aust, & Green Capital Corporation et al	Construction	2007	Defendant's expert witness in regard to complaint for: material misrepresentation in securities transaction; alter ego liability, fraud



			and deceit; money had and received; money lent; unfair business practices; Case #GC036472 - Superior Court of California - Los Angeles, Northeast District
Heritage Leasing Corp.	Equipment Leasing	1985	Sales of various portfolio assets.
Hi-G, Incorporated (Subsequently Tridex)	Manufacturer-Relays/ Electronic Components	1980-1981	Acquisition search program. Industrial revenue bond.
Hollywood Reporter (The)	Publishing-Entertainment	1983	On-line management; pre-sale reorganization.
Holman & Associates, Inc.	Meat Broker	2000	Estate Planning Valuation.
Howard Paper Mills, Inc.	Manufacturer-Specialty Paper	1981	Estate planning; acquisition program.
Hydrogiene Corporation	Personal Care Products	2000	Capital Sourcing, adversarial take-back proxy.
Hydro-Mill Company	Aerospace Precision Engineering	1993-1996	Financial restructure; banking relationship; CEO/Co-Conservator.
IBEX Computer Corporation	Computer Products	1987	Valuation and continued venture capital investment.
IceLounge Media, Inc.	Social Media Provider	2012	Securities valuation – Private Placement
ICON Review	Computer Mail Order	1988	Venture capital investment, evaluation/assistance, and mail order.
iFinix Corporation	Information Technology	2009	15c-211 Opinion
I.O.M. Investments, LP (Monitor Dynamics, Inc.)	Security Systems Mfg.	1997	Expert witness/I.O.M., IRS related problem; preference rate determinations on certain Trust securities. Estimated Fair Market Value, dividend rate on Preferred Units. IRS dismissed the case.
INA Administrators	Insurance Agency	1983	Divorce valuation (Court).
Incognito, Inc.	Retail and wholesale dress assembly	1978-1979	Classified credit; bank refinancing.
Industrial Clean Air, Inc.	Air Pollution Control	1976	Classified credit; bank; organizational review; equity financing and foreign licensing.
Ingram Paper Company (International Paper Co.)	Wholesale Paper Distribution	1992	Capital refinancing program; pre-sale reorganization: advisor in the sale to International Paper Co.
Insight Development Corporation	Electronic Imaging-PC Graphics	1999	Expert Witness, Plaintiff - Case: U.S.D.C. No. C983349CW v. Hewlett-Packard
Integrated Microwave Corporation	Electronic Circuitry	1985	Corporate Plan (turnaround format) including debt restructure; affiliated tax partnership.
Interactive Medical Technologies Ltd. (KAIRE International)	Multi-level marketing -- vitamin supplements	1997	Capital, merger/acquisition plus investor relations.
International Consolidation Services, Inc.	Trucking	1983	Data processing review; systems design.
International Union of Operating Engineers-- Local 12	Labor	1981	Computer operations evaluation.
InteSec Group Fla LLC (Lithium Laboratories LLC)	Automotive	2014	Stock Valuation
Irvco Resources Ltd. (Canada)	Oil & Gas	1976	Initial public offering.
iVoice	Telephonic Connecting: Computers	2002-2003	General Management Consulting
Ivybank Care Home, Ltd.	Senior Care Living	1990/2005	Assistance in management/Equity ownership
JT Racing, Inc.	Off-Road Apparel Products	1986/1994	On-line management under a total debt restructuring.
JLS Concrete Pumping, Inc.	Concrete Pumping - Construction	1998-2003	Corporate valuation, S-Corp/ESOP.
JMAR Technologies, Inc.	Water Pollution	2008	Joint Venture Opportunity - China
JACO Electronics, Inc	Distribution-Electronics	1982	Operational review; classified credit; bank; capital asset restructuring; merger program.
Jaguar Cars, Inc.	Automotive-Retail	1991-1992	Dealership restructuring.
Japanese Automotive Center, Inc.	Parts importer and service repair facility	1995	Corporate valuation -- ownership transfer.
Jaybee Manufacturing Corporation (Amerock)	Manufacturer -- Hardware Cabinetry	1976-1987	Classified credit w/responsibility; capital procurement to reposition shareholder interest; affiliated business refinancing.
Jeffer, Mangels, Butler & Marmaro LLP	Attorneys	1990-2002	Various client support services - tax
Jeffrey, Corrigan vs. Smouse, Pistole	Accounting Services- Merger/Acquisition	1998	Determination of Damages: Case GC012272
Jon Douglas Company	Real Estate	1993	Capital procurement -- senior notes, senior



(now Jon Douglas/Coldwell Banker)			subordinated notes plus equity.
JWS Corporation	Law Corporation	2000-2003	ESOP
Kahn Investment Partnership	Real Estate	2000	GP's FMV
Keel Manufacturing	Record Pressing	1971	Capital sourcing and then eventual sale
Kibun Products International	Fish Processor	1986	Computer feasibility study, implementation; vendor selection.
King Chapman Broussard & Gallagher, Inc.	Executive Out Placement Services	1991	Corporate valuation/management buy-out.
Kirsch, Stein, Kohn	Accounting Services --CPA	1983	Data processing operations.
L & B Pipe and Supply Company, Inc.	Wholesale Plumbing Supplies	1992	Expert witness, Tax Court, reasonableness of executive owner compensation. Defendant's Expert Witness, U.S. Tax Court, Executive compensation; LA Superior Court, Case # 10329-91TC. Settled in favor of L & B/defendant.
L & L Cabinet Hardware Manufacturing Co.	Cabinetry/Hardware Distributor	1991/1994	Refinancing; working capital.
Laguna Wilderness Press v. Robert Hansen (Case No.: 06SL05766)	Media Publishing	2007	Defendant Witness; Settled with Defendants gaining copyrights.
Laise Adzer	Regional Retail clothing chain	1991	Corporate development and reorganization.
Landsman, Frank and Bloch	Accounting/Tax	1985-2000	Client valuation services - tax
Lazar Industries, Inc.	Manufacturer -- molded products	1994	Corporate valuation; bank refinancing.
Learning Achievement Corporation	Educational Centers	1977	Corporate valuation; dissident shareholder group - Court.
Legends in Concert, Inc. (On-Stage Entertainment)	Off-Broadway theatrical entertainment	1995	Private placement of securities; pre-public offering.
Leland H. West, Lee West Enterprises, Inc.	Automotive	1999	Litigation, v. Ford Motor Company (dba Jaquar Cars, Inc.) witness, plaintiff: Case # 784983, Superior Court, County of Orange, CA. Settled in favor of plaintiff/West.
Levy Industries Limited (Canada)	Automotive Parts	1973	Working capital refinancing.
Lift Gate Company, Inc.	Manufacturer- Truck Liftgates	1999	Valuation of License Agreement Buyout-Trademarks.
Liker v. D. Arnall, Amerique Mortgage Company and RoDaDrilling, L.P. Case No. BC419835	Sub prime Mortgage Lending	2010	Breach of Implied Covenant of Good Faith and Fair Dealing; Quantum Meruit; and Breach of written contract; Plaintiff's rebuttal expert witness - Court of Appeals.
LKN Partnership	Real Estate	1992	Partnership valuation.
Louisiana Gear and Manufacturing, Inc.	OEM Manufacturer-Gears	1991	On-line management; capital procurement -- City/State EDC program.
Lumber City Corporation	Retail -- Lumber and Hardware Supply Stores	1994	Expert opinion -- reasonable compensation, U.S. Tax Court.
Lyons/Newhall, Inc.	Real Estate and Retail	1987	Cross-merger of affiliated business investment basis.
MI Software	Microsoft Software Systems Provider	1999	Valuation various customer equity interests; capital search.
Magic Plastics, Inc.	Manufacturer -- molded products	1995 & 2003	Corporate valuation -- ownership transfer.
Mahler Enterprises, L.P.	Mixed personal assets	2000	FMV - LP's interest
Manny Flekman & Company	Business Management Firm	1991	Firm office operations, planning and development, including marketing considerations.
Mark Hughes Family Trust, dated September 3, 1987 as amended	Deceased majority Shareholder - Hebalife	2011	Litigation Advisor, Plaintiff/Beneficiary
Mark Hughes Family Trust, Case Number BP063500, Superior Court - Los Angeles.	Multi-level Marketing	2011	Judge ordered the removal of the 3 trustees overseeing the \$330 million trust of Herbalife International Founder for the benefit of the son. Expert for Estate.
Maxon Industries, Inc.	Trucking	1990/1998 2000/2004/ 2007	Chapter 7 - bankruptcy valuation; valuation tax conversion from "C" to "S" status; reorganization resale to management plus valuation for certain shareholders under an "FLP"; Valuation/Trademark. Update. LA Superior Court, Dft. expert witness, Case # 90-05670. Settled in favor of Maxon and its shareholders. 2004: Estate Planning.



McCord Enterprises, LLC	Real Estate	2001, 2003	Estate planning valuation
McDermott, Will & Emory LLP	Attorneys	1999-2001	Various client support services - tax/litigation
McDuck Distribution Services Company, Inc.	Magazine and Newspaper	1994	Memorandum for potential acquisition.
Metropolitan Circuits, Inc.	Computer Products	1990	Bankruptcy valuation.
Mexmil Company, The (TMC Aerospace, Inc)	Aerospace Vendor	2004/5/7/10	Various IRS' Opinions; mergers and acquisitions.
M.G. Westmore, Ltd.	Cosmetics	1999	Valuation: S to ESOP
Michaels Acceptance Corp.	Retail; Furniture	2000	ESOP
Microwave General Systems, Inc.	Communications Equipment	1982	Start-up; on-line management (President); strategic planning; SBIC capital transaction.
Millicent Naito, et al. v. Samuel T. Naito, et al.	Diversified Holding Company: real estate, retail, wholesale	1999	Case No. 9805-03781 (OR) - Expert witness, plaintiff: dividend paying capacity, minority interest violation. Settled in favor of plaintiff.
Millennium Plastics	Plastics Mfr.	2001	General Consulting
Mission Furniture LLC	Retail; Furniture	2000	Corporate Valuation
Mission Viejo Medical Company	Medical	1991	Partnership valuation.
Mix 1 Life, Inc	Beverages	2014	Valuation and Goodwill Opinions
M Line Holdings, Inc	Aerospace	2013-15	Turnaround – Exec. Management
Moba Inc.	Retail/Real Estate	1990	Merger; affiliated business.
Modern Healthcare, Inc.	Retail, drugstores	2000	S to ESOP Valuations
MM Fab, Inc.	Importer/distributor - Fabrics	2002-2003	Defendant expert witness, Cases BC257795 and BC224171, State of California, Los Angeles, Breach of Fiduciary Duty and Removal of Director. Settled in favor of defendant.
Mulford & Tignino	Accounting	1987	Employee relations, office structuring.
NTI Networks Sdn. Bhd. (Malaysia)	Multi-level Marketing	1997-1998	Introductory advisor, sale of senior minority equity investment.
Nanjing Potomac Beauty & Health Care Co., Ltd. (China)	Direct sales- wholesale and retail	1997-1998	Merger/acquisition- NASDAQ listing.
Natural Balance Pet Food, Inc.	Pet Foods Processor	2004	Fairness and Estate Planning Operations.
New San Francisco Laundry	Commercial Linen Supplies	1988	Operational evaluation; classified credit (bank); general management assistance; corporate financial restructuring.
New Wave Entertainment, Inc.	Post-production services	2000	Key Employee Incentive
Newel Resources Trading Pte. (Singapore)	Multi-level marketing, investment company	1997-1998	Cross merger, BVI- NASDAQ listed company.
NexGen E2 Ltd.	Alternative Energy through Upgrading oil using ultrasonic waves	2007	Business Plan validation and estimate of fair market valuation of technology employed
Next Watch, Inc.	Importer	1999	Valuation, Inventory sale.
NIFCO Synergy Ltd. (Canada)	Computer Software, NAFTA Certified	1997-1998	Tax bond conversion, equity placement; NASDAQ listing.
Nion Laboratories	Pharmaceutical	1992	Capital procurement.
Nissani Menswear, Inc.	Retail Apparel	1998	Valuation, Goodwill.
Norman Wright Mechanical Equipment Corp.	Air Conditioning Wholesale Supplier	1998	Expert witness, IRS related matter; excess executive compensation.
Oh Boy! Corporation	Food Processor	1999	New capital plus existing capital and creditor restructuring; tax recovery
Optical Systems Corp.	Pay TV (Channel 100)	1972	Debt and equity financing; start-up.
Optimum Fund (In Provisional Liquidation)	Investment Company- B.W.I.	1999	Appointed expert to determine value of liquidating asset(s) by PriceWaterhouse Coopers.
Orange County Dialysis West, Inc.	Medical Services	1987	Present value analysis of projected royalty fee income including affiliated business.
Oraflame International AB (Sweden)	Home party - cosmetics	1971	In-development, equity financing.
Pacific Agricultural Services, Inc.	Farming -- Pistachios, Jojobas	1984	Design and implementation of interim financing plan.
Pacific Architects and Engineers, Inc.	Professional & Facilities Services: Multi-National	1977-1987	Bank asset disposition; corporate planning; bank refinancing; annual ESOP valuation.
PacificNet, Inc.	Gaming	2008	Goodwill Impairment Opinion
Patterson Parchment Co., Inc.	Manufacturer -- Paper Specialties	1974	Corporate refinancing.
Paul, Hastings, Janofsky & Walker	Attorneys	2001-2002	Various client support services - tax/litigation



LLP			
Photo-Lith Corporation	Apparel Industry	1974-76	Design and implementation of Marketing Plan for the electro-static transfer of graphic designs on t-shirts and retail-wholesale thereof.
Pinchasi Family Trusts	Real Estate plus 5 Car Wash Locations	2005-14	Estate Planning Valuations
Pioneer Industry, AB (Sweden)	Consumer-Plastics	1985	Market entry-various products: North America.
Pioneer Systems, Inc.	Textile Products	1975	Various management consulting projects, termed financing program.
Plant Industries, Inc.	Manufacturer - Steel Drums, Plastic Pails, Glass Containers	1974	Bank refinancing; on-line management.
Pluswood, Inc.	Plywood Manufacturer/Distributor	1980	Stock redemption - IRS; deceased shareholder (parent company).
Potomac Chemicals Pte.Ltd.	Holding company- Singapore; co-licensing: Thailand, Philippines and Taiwan	1997-1998	Capital realization plan- AMEX listing; on-line management.
Power Dynamics Corp.	Power Supplies	1978	SBA financing.
Power Tool & Supply Company	Wholesaler of building materials	1994-1995	Claim Loss Analysis - Condemnation Dept. of Transportation, State of California. Defendant expert Company witness, Superior Court (Santa Ana, CA); Case #SA-739293.
Premium Forest Products, Ltd.	Manufacturer-Wooden Doors/Windows	1973	Corporate restructure; corporate sale.
Premier Staffing, Inc.	Staffing	2007	Operational Review; Business Plan
Price Waterhouse	Accounting	1986	Business management procedures; employee evaluation.
Procell Biotech Asia Corp.	Stem cell research and commercialization	2012	Private Placement; various licensing agreements
ProElite, Inc.	Develops, organizes, promotes mixed martial arts matches	2008	Gifting Valuation
Prospect Enterprises, Inc. (American Fish)	Holding Company Various Businesses	1987	Equity ownership repositioning.
Q S A Computers	Airline Reservation Systems	1985	On-line management; capital procurement; equity and debt.
Qualpeco Services, Inc. B & P Motor Express	Short and Long-haul freight transportation	1987	Corporate review, executive management assistance.
R & S Medical Enterprises, Inc.	Distributor - Medical Products	1981	Computer operational review; corporate valuation; partnership dissolution.
Rafu Shimpo (LA News)	Specialty Newspaper	1986	Computer feasibility study; implementation; vendor selection.
Ramco Industries, Inc.	Foam Manufacturer	1988	Senior operational review and implementation; asset sale (Korea).
Richard A. Vos, Claimant against Lehman Brothers, Inc. et al.	Stock Portfolio Management - Customer Account	2006	Expert Witness, Claimant; NASD Dispute Resolution Case No. 05-02639. Settled in favor of Plaintiff.
Richard Bobertz v. Griffin Capital - Nissan Puente Hills (car dealership)	Transportation	2014	Defendant Witness - Case settled on Defendant's terms.
Richard Wolffers, Inc.	Philately-Stamps	1980	On-management; capital restructuring.
RMI, Inc.	Construction/General Repair -- RES Ship	1985	On-management; credit restructuring; merger assistance.
Rocket Industries, Inc.	Exercise Equipment, Automotive Parts Importer, Manufacturer and Distributor	1993	Expert witness-Creditor/Rocket, Chapter 11 proceedings. Rocket Industries v. First Interstate Bank, U.S. Bankruptcy Court - Los Angeles 1993.Settled in favor of Rocket.
Rocky Mountain Properties, LLC. Wyndam Hotel - Colorado.	Hotel	2014	Acquisition
Ronan Engineering Company, Inc.	Nuclear Engineering	1981	Acquisition study; divorce settlement.
Ropack Industries, Inc.	Manufacturer - Plastic Containers	1974	Credit restructuring under parent company-Plant Industries.
Rotating Precision Mechanisms, Inc	Military: antenna, optical, and sensor positioning systems and components	2010	Review of Compensation Policies and Procedures plus Amounts Paid.
Roy E, Hanson, Jr. Manufacturing	Manufacturer - Fabricated Metals	1987	Expert witness litigation; management counseling.
RSR Corporation (Bestolife	Metal Processor	2000-5	Plaintiff's expert witness (lender liability against



Corporation)			The Chase Manhattan Bank et al). New York Supreme Court – Appellate Div., Index # 602302/00 & #118350/00. Settled in favor of Plaintiff.
Salem Press, Inc.	Catalog Subscriptions, Literary Works	1986/1995	Valuation; estate settlement.
San Bernardino County Safety Employees' Association	Pension Fund	2002	Specific investment analysis
San Francis Imports, Inc.	Mfr./Distr.	2007	Buy-back valuation, LLC Real Estate. Limited partner buyout.
SBI Communications	Gambling - Bingo	2003	Sale, Asset refinance
Search Initiatives LLC - eLocal Listings	Provider of SEO/ SEM solutions on a local basis	2011-2012	Executive Management; various capital raises.
Secure Search	Social Media Provider	2012	Securities valuation.
Security World Publishing Co., Inc.	Publishing	1978	Acquisition analysis and sale.
Selzee, Inc.	Communication Services	1982	Corporation reorganization; acquisition valuation.
Serigraphics	Advertising Displays	1983	Data processing review; acquisition assistance.
Services Rating Organization, Inc.	Database Research - Accounting, Professional, Legal	1985	Acquisition search program.
Sequoia Broadband	Interactive Multi-media systems	2004	Bus. Plan, Invest. Pres.
SFS Industries, Inc. (Burke Industries)	Manufacturer - Aerodynamic seals, commercial /military	1990-1996	Corporate restructuring, Chapter 11 cash/collateral valuation; Expert witness - Plaintiff.
Shenyang Holiday Building Co. Ltd.	Hotel Ownership and Management (Shenyang, China)	2005-6	Financial Operational Management Assistance; Capital Procurement
Shenyang Water Group LLC	Municipal Water Company	2006 - Present	Exclusive right to acquire 8 water treatment facilities
Shernoff Management Co.	Law Firm Management	2003	Reverse Merger: ESOP opinion
Sho Iino Accountants (Now Deloitte & Touche)	Accounting Services, CPA	1983	Strategic partnering analysis and documentation, Far Eastern operational marketing.
Simon vs. Hoyle	Insurance Services	2004	Judicial Arbitration, Mediation (San Diego), Case # 124000115722, expert advisor - plaintiff.
Singer Lewak Greenbaum & Goldstein LLP, CPAs	Accounting/Tax	2001	Preferred stock valuation - tax
Skill-Set Corporation	Typography, Graphic Arts	1982	On-line management (Chairman); capital procurement; production scheduling.
Smart-Tek	Security Technology Commercial Buildings	2010	Management/Subsidiary Buy-out Fairness Opinion
Southwest Products Co.	Precision Ballbearing Manufacturing	1987	Capital refinancing, corporate organizational restructure.
Soyo Group, Inc.	Distributor: consumer electronics, computer peripherals, communications equipment - North and Latin America	2007	Executive Management Assistance; new capital; investor's relations
Sparrow Corporation (The)	Music Publishing	1988	Overall corporate review plus on-line management participation.
Sperber Enterprises, L.P.	FLP	2001-4	Estate Planning Tax Op.
Specific Plating Co., Inc.	Plating	1999	Corporate valuation - "C" to "Sub S" tax entity.
Sreco	Transportation Equipment	1984-1988	On-line management; new products introduction; facilities analysis; merger/acquisition assistance.
Stabond Corporation	Manufacturer - Adhesive Products	1988/1992	Corporate valuation - State tax return.
Stanwick International	Ship repair – dry docks	19971-3	Management advisory plus capital sourcing
Steel Enterprises, Inc.	Digital Electronics	2001	Insolvency opinion
Stelbar Bicycles	Bicycle Assembly – China	1971	Foreign licensing/ sale
Sterling Transit Company, Inc.	Trucking	1984	Data processing review.
Stor - All, Inc.	Manufacturer - Office Products	1981	On-line management; capital refinancing; business consolidation.
"Strolee" of California	Baby Care Products	1985	Capital/corporate strategy analysis; creditor restructuring plan.
Sunnylife Global, Inc.	Medical (Hospitals and Assisted Care Living), Vitamins/Food Supplements - China	2005-6	Stock valuation opinions, Capital search, Investor Relations and Executive Management.



Sunset Media, Inc.	Entertainment	2003	15c-211 Valuation
Swat Fame, Inc.	Manufacturer -- children and junior misses clothing	1995	Middle and senior management compensation analysis.
Synergy 2001 Inc.	Insurance Serv.	2004	Estate Planning Tax Op.
Syngas International Corp. (Energy Quest, Inc.)	Low-cost alternate energy	2007	Corporate and Intangible Asset Valuation
360 Systems	Communication equipment systems - design and manufacture	1996	Corporate valuation "C" to "S" corporate tax status.
T.B. Butler Publishing Company, Inc.	Newspaper Publishing	1991-1992	IRS Tax Court opinion.
Tanner Management, Inc.	Real Estate	2000	ESOP
Tax & Financial Group	Investment Advisory	2000-2002	Various client corporate valuations - tax
The Mexmil Company	Aerospace Vendor	2004/5	Sub-S to C Tax Opinion, Mgmt. /Finance Charge plus Going Concern Tax Opinions plus Bus. Plan
Technical Asset Management Ltd.	Computer Disposal	2000	"Insolvency Analysis" under British Court System
Telenetics Corporation	Proprietary wireless data-communications products	1999	Refinancing plus new capital.
Tenenblatt Corporation (The)	Manufacturing -- Knitting Cloth; Outerwear	1994	Expert opinion -- reasonable compensation, California Franchise Tax Board.
The Right Man	Employee Placement Agency	2000	Key Employee Incentive
Thought Factory	Creative Paper Products - Retail	1983	Creditor restructuring; operational analysis refinancing.
Tokai Credit Corporation	Automotive - Retail Car Dealership	1992	Various solvency/insolvency opinions.
Tom Trading, Inc. (Bongo Jeans)	Clothing Licensee -- Central and South America	1997	Court appointed expert-litigation. Superior Court (Santa CA), Case #96-6993JSL.
Topanga Facilities, LLC	Skilled Nursing and Adult	2007	Settlement Agreement, Residential Facilities Operator, Opinion -- Case # BC299126
Traspecialen Mobel AB (Sweden)	Manufacturer - Furniture	1985	Market entry - selective products; North America.
Triangle Brass	Manufacturer - Hardware	1985	Acquisition analysis.
Uber Warning Models, Inc.	Modeling	2007	Operational Review; Business Plan
Uber Vintage Clothing, Inc.	Clothing	2007	Operational Review; Business Plan
Ultra Violet Devises, Inc.	Mfgr. - Water Purification Equip.	2002	Corporate valuation - Gifting
U.S. Computer Systems, Inc.	Cablecasting	1987	Expert witness - dissident shareholder/Teasley (Superior Court - Sacramento, No. SC 87-33079, Teasley v. Computer Systems, Inc. - Settled in favor of Teasley
Unlimited Adjusting Group, Inc.	Insurance - Adjusting	2003	Basis: licensing and management fees
Valcom, Inc.	Entertainment	2002	Various executive management requirements
ValidSoft, Inc.	Telecommunications -- Credit Card Fraud Prevention	2009	Advisor -- legislation, US Congress
Validyne Engineering Corporation	Electronic Components	1979	Key employee compensation; corporate planning; bank refinancing; dissident shareholder's evaluation.
VCB Security, Inc.	Security Systems Commercial/Residential	1984	On-line management services.
VentureNet, Inc.	Investment Capital	2001	Equity Investment(s)
Vernon Family Trust	Personal Assets	2009	Estate Tax Settlement Issues
Vista Del Mar	Non-profit Childcare	1985	Computer feasibility study; information systems review.
Virco Mfg. Corporation	Manufacturer - Educational Furniture	1995	Sale of Mexican facility.
Vitacom, Inc.	Medical - Instrumentation	1987	Venture capital procurement - valuation basis.
Vitafort International Corporation	Branded Fat-free/ Low-fat Foods Distribution	1997	Credit facility, litigation support and investor relations.
WNC Insurance	Insurance Agency	1998	Valuation, affiliated cos. merger.
Warnick & Dutch	Accounting Services - CPA	1986	Operational review in association w/AFCPA program.
Warning Magazine	Publishing	2007	Operational Review; Business Plan
WarningTV	InternetTV	2007	Operational Review; Business Plan
Waterville Paper	Paper Manufacturer/Distributor	1981	Change business status to Sub-Chapter S under



			affiliated ownership plan.
WC Spirits, LLC (aka: Karma Tequila)	Beverages	2014	PPM Review
Weil, Higashi, Hallal & Ettinger	Accounting Services - CPA	1980	Business development manual and procedures.
Wells Fargo Equipment Finance, Inc., Plaintiff v. Brian J. Westcott, Uecker & Associates, Inc. - Defendants	Banking Services: computer parts manufacturing - Mexico	2006	Expert witness: Defendant (Westcott), re: Breach of Written Guaranty; Conversion; Negligence; Breach of Fiduciary Duty; Case No. CIV 445902; Superior Court of California, County of San Mateo. Settled in favor of defendant.
Westwood Ho Markets	Retail Food	1993-1994	Creditor restructuring; Expert: Chapter 11 union contract -- concession relief. LA (CA) Superior Court, Case # LA93042048.
Whattcott, Powell vs. Post, Cedar Mountain	Real Estate	2007	Plaintiff's expert witness, Suit for damages from escrow improprieties, fraud and injunctive relief, Case # 05-4448, 13th Judicial Circuit Court - Hillsborough, Florida
Wilshire Industries, Inc.	Manufacturer - Consumer Products	1980	On-line management; capital refinancing; operational consolidation.
Wilson Freight, Co	Long-haul freight transportation	1982	Creditor and corporate review, management assistance.
Wycoff v. I.R.S.	Household & Industrial-Use Products	2010	Executive Compensation - allocation between affiliated business.
You.bet.com	Electronic	2001	Insider shareholder valuation .
ZEN Research, N.V.	CD and DVD-ROM optical drive components	1999	Corporate valuation, gifting-shareholder interest to independent third party.
Zen Bakery, Inc.	Retail/Wholesale Bakery	2000-2003	ESOP Valuation
Zetera Corporation, Plaintiff, v. Nolan Securities Corporation, Defendant	Financial Services	2006	Expert Witness, Defendant - Cross Complaint; Case No. 05CC05270, Superior Court of the State of California for the County of Orange, Central Judicial District; Case settled in favor of defendant.
Zucotto Systems Inc.	Wireless, semi-conductor and software co.	2000	Employee Incentive.
ZWICK Energy Research Organization, Inc.	Defense Electronics	1988	Corporate financial restructure, including an IRS claim and government contract litigation.





Merchant Banking



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The EMCO/Hanover Group specializes in matters attendant to the senior management decision-making process as well as those relating to executive compensation, litigation support, business valuations, merger/acquisition, corporate involvements, including capital sourcing, and value enhancement. The EMCO/Hanover Group's principals have been extremely active in numerous industries, in a variety of capacities, both as on-line executives and senior consultants. Noted below, and inclusive of prior experiences, is a cross-section of such achievements and clients. See also List of Client Assignments under "Experts in Capital".

America's Number 1 Middle Market Specialist

No one corporate group has enjoyed the success and completed more transactions (in terms of dollars, in number of transactions and in diversity - both domestically and internationally) for the corporate middle market than The EMCO/Hanover Group. EMCO/Hanover is America's leading expert in capital in the corporate middle market.

No one corporate group has enjoyed the success by having completed more transactions (in terms of dollars, in number of transactions and in diversity - both domestically and internationally) for the corporate middle market than The EMCO/Hanover Group. As such, EMCO/Hanover is considered America's leading experts in capital in the corporate middle market, specializing in: Corporate involvements, including capital sourcing; the design and validation of executive compensation; business valuations - including fairness and 15(c)211 opinions; acting as an expert witness in litigation support - involving some two dozen industries - as qualified and accepted by the U.S. Internal Revenue Service and the Tax Court; mergers and acquisitions; plus advisement in all areas of executive management and the Board of Directors, including fiduciary responsibilities.

EMCO/Hanover's expertise has involved companies in North America, including Canada and Mexico - plus Central and South America along with Europe, the Middle and Far East plus Africa where its efforts have been recognized by commendations from the White House, The U.S. Congress along with various State Governments; the Far East, including China where its Chairman has received a number of accolades; plus other international zones (Europe, the Middle East and Africa); and by The Central American Parliament.

More >> : Various Stock Exchange Listing Requirements and SEC Forms

MERCHANT BANKING

The North American Variant

by Bruce W. Barren

The EMCO/Hanover Group

Merchant banking services in North America range from the very specialized to full service. Yet, the traditional European-style is not what most of today's North American merchant bankers are providing.

MERCHANT BANKING HISTORY

In late 17th and early 18th century Europe, the largest companies of the world were merchant adventurers. Supported by wealthy groups of people and a network of overseas trading posts, they collected large amounts of money to finance trade across parts of the world. For example, The East India Trading Company secured a Royal Warrant from England, providing the firm with official rights to lucrative trading activities in India. This company was the forerunner in developing the crown jewel of the English Empire. The English colony was started by what we would today call merchant bankers, because of the firm's involvement in financing, negotiating, and implementing trade transactions.

The colonies of other European countries were started in the same manner. For example, the Dutch merchant adventurers were active in what is now Indonesia; the French and Portuguese acted similarly in their respective colonies. The American colonies also represent the product of merchant banking, as evidenced by the activities of the famous Hudson Bay Company. One does not typically look at these countries' economic development as having been fueled by merchant bank adventurers. However, the colonies and their progress stem from the business of merchant banks, according to today's accepted sense of the word.



THE HISTORICAL MERCHANT BANK

Merchant Banking, as the term has evolved in Europe from the 18th century to today, pertained to an individual or a banking house whose primary function was to facilitate the business process between a product and the financial requirements for its development. Merchant banking services span from the earliest negotiations from a transaction to its actual consummation between buyer and seller.

In particular, the merchant banker acted as a capital sources whose primary activity was directed towards a commodity trader/cargo owner who was involved in the buying, selling, and shipping of goods. The role of the merchant banker, who had the expertise to understand a particular transaction, was to arrange the necessary capital and ensure that the transaction would ultimately produce “collectable” profits. Often, the merchant banker also became involved in the actual negotiations between a buyer and seller in a transaction.

THE MODERN MERCHANT BANK

During the 20th century, however, European merchant banks expanded their services. They became increasingly involved in the actual running of the business for whom the transaction was conducted. Today, merchant banks actually own and run businesses for their own account, and that of others.

Since the 18th century, the term merchant banker has, therefore, been considerably broadened to include a composite of modern day skills. These skills include those inherent in an entrepreneur, a management advisor, a commercial and/or investment banker plus that of a transaction broker. Today a merchant banker is who has the ability to merchandise -- that is, create or expand a need -- and fulfill capital requirements. The modern European merchant bank, in many ways, reflects the early activities and breadth of services of the colonial trading companies.

Most companies that come to a U.S. merchant bank are looking to increase their financial stability or satisfy a particular, immediate capital need. Professional merchant bankers must have: 1) an understanding of the product, its industry and operational management; 2) an ability to raise capital which might or might not be one's own (originally merchant bankers supplied their own capital and thereby took an equity interest in the transaction); 3) and most importantly, effective skills in concluding a transaction - the actual sale of the product and the collection of profit. Some people might question whether or not there are many individuals or organizations who have the abilities to fulfill all three areas of expertise.

THE NORTH AMERICAN VARIANT

Merchant banking services in the U.S., however, have been undertaken by highly specialized “boutiques”, where each offers its own specialized service. The typically charge fee income for each service, and transactions are oriented toward short- term deals rather than long-term relationships.

Very few offer the complete range of services that are available through traditional European merchant banks. In fact, most companies that come to a U.S. merchant bank are looking primarily to increase their financial stability or satisfy a particular, immediate capital need. They are not looking for the actual “on-line” operating advice and assistance required to complete the traditional merchant banking process.

CAPITAL ASSISTANCE

In providing financial assistance, merchant banks offer a full understanding of all facets of the capital markets. This includes all types of debt and equity financing available from both the domestic and international markets. A merchant banker, cognizant of capital costs, looks for the best sources of capital, including its restrictions and dollar limitations.

It should be understood that interest rates are not the only definition of capital costs. Restrictions on availability, prepayment terms, and operating effectiveness can often outweigh what might appear to be inexpensive capital with low interest rates. Too often, capital includes costs which force an entrepreneur or a business to undertake undesirable actions. In the short-run, some actions might be necessary, but often in the long-run are detrimental. The traditional merchant banker understands these capital limitations and can structure a transaction which is beneficial to all sides of the table -- not just the capital source.

He also knows how to substitute one type of capital for another, sometimes utilizing internal sources from asset repositioning or cash creation from improvements in working capital. He understands fully the risk versus return elements necessary to complete the capital procurement process.

FINDING A MERCHANT BANK

There are many merchant bankers operating in North America today, both large and small, though only a subset offer a full range



of services. Before selecting a merchant banker, one should decide what services are required. Is it capital, general management consulting, supervision of an existing investment, a joint venture, or merger/acquisition assistance to spot and consummate a distribution, product or manufacturing opportunity that one requires?

It is paramount to know who in such an organization is best qualified to fill these needs. Also, selection of the merchant banker depends on whether one needs to satisfy a short or a long-term objective, or both.

In the final analysis, it is the personal relationship between the parties that will determine the chances of success. One may find that the smaller merchant banking companies are both comprehensive in their services and reliable. They may effectively handle all transaction elements, while remaining within one's cost parameters. Moreover, these smaller firms can offer more personalized services, better performance and quicker responses to a client's needs.

Locating a merchant bank that fits a particular need can be as difficult as the transaction itself. Even though there are such directories as that published by the American Bankers' Association, the National Association of Security Dealers and the Directory of Corporate Finance, there are no sources that evaluate the abilities of North American merchant bankers. For each transaction's needs, one must assess the skills of a merchant banker while examining the firm's performance record.

WEALTH MANAGEMENT

In 2014, The EMCO/ Hanover Group added another dimension to provide quality service to our client base through HK Wealth Management, Inc.. ("HK"), which is a Registered Investment Adviser, located in the Westwood section of Los Angeles. Like EMCO/ Hanover other Group Members, HK's motto is: THE ANSWER IS YES! What this really translates to is a dedication to help clients achieve everything that they believe can be attainable. While returns are never guaranteed, we believe that nothing is impossible...it just takes diligence and hard work! Most people hear the word "NO" whenever they ask a question or have an idea. Such negativity is ingrained in our collective psyche. Not to us! EMCO/ Hanover has made a conscious decision to use positivity [hence the word: YES] to distinguish itself from the rest of the business community. These simple words have become our hallmark.

HK's forte is the individually managed account, where no account is too small to not provide quality service. They believe that so many investors [especially those with smaller accounts below \$500,000] have been dealt a huge disservice by financial industry because the minimum threshold has traditionally been too high to get personalized service on their accounts. Their only alternative seems to be mutual funds. While they have their place, most mutual funds go up and down in virtual lockstep with the broader market indices. This is because mutual fund managers are required to keep the money invested in the sector as stated in the prospectus, regardless if the market is going up or down. Since they cannot remove the funds to a cash position in major market declines, or at least move to a better performing sector, this virtually guarantees loss of capital in the account. In other words, "as goes the index, there goes one's portfolio." Also, since mutual funds typically carry a hefty sales commission to buy or sell, this is another disincentive to switch to another fund [typically frowned upon by brokers anyway]. This is the inherent problem with a buy/hold investment strategy using mutual funds. They are expensive and they tend to perform in a mediocre manner, but it is generally the only option available for small account sizes.

HK Wealth Management's key to success is that they combine a variety of third party asset management companies who specialize in providing individually managed accounts to those investors who have traditionally been excluded from that realm. Unlike most asset management companies, HK's minimum investment is \$25,000 which is good for individual employees of our corporate clients. This opens up an entire marketplace of clients that the financial industry has typically relegated to the mutual fund desk. HK's relationships have many varieties of investment policies and modalities that are matched up to our client's individual needs and desires. The basic metrics of risk tolerance, time horizon, tax and liquidity needs as well as overall financial objectives are all taken into account, and then the salient strategies emerge as recommendations for the individual client.

Through the process of discovery HK also determines how best to help the client in a multitude of ways. This includes life insurance, long term care, trust and estate planning, tax efficiency planning, college planning, and the entire menu of closely held business services. For more details, please visit HK's own separate website at <http://www.hkwmanagement.com/>.

COMPANY OWNED LIFE INSURANCE (COLI)

EMCO/ Hanover was one of the first sponsors (and is often referred to as the "inventor of COLI") of Company Owned Life Insurance (COLI) when it first introduced the concept to George R. Vila, the former Chairman and President of Uniroyal, in the very early 1970s in tandem with Northwestern Mutual Life Insurance and one of their then agents, Phil S. Pohl, a New Yorker by residence but a South African by birth.



COLI is a type of life insurance policy taken out by a company on the lives of employees whom the company considers to be of vital importance to its operations. Under this type of Plan, the company in question pays the premium on the insurance but is also the Plan's primary beneficiary. The primary benefit of such a program is the tax-free proceeds that are received after the death of a key person can be used to cover any costs that would arise when hiring that individual's replacement. The insurance policy can also be used to cover employee benefit liabilities and can be borrowed against. COLI benefits arise when the cash value of the policy becomes larger than the premiums paid.

According to an industry survey conducted in 1999 and cited by New York Life Insurance Company, 68% of the Fortune 1000 companies then used COLI programs.

EXECUTIVE COMPENSATION

EMCO/Hanover specialists have authored various articles on executive compensation plus given testimony as a compensation specialist before the United States Tax Court (i.e.: L&B Pipe & Supply Co., Inc., wholesale/plumbing and irrigation supplies; Lumber City, a wholesaler and retailer of building products; and Norman Wright Mechanical Equipment Corp., a representative for various manufacturers of heating and air conditioning equipment) plus Cellceutix Corporation (trading symbol: OTC:CTIX), an IRS disputed matter regarding stock received as compensation for services rendered.

EMCO/Hanover has also acted as an expert before the Internal Revenue and California Franchise Board i.e.: (1) B&B Surplus Inc., (2) Coast Fixtures and Liquidators, Inc. and (3) Tenneblatt Corporation). Other cases include: (4) R. Recht v. Admarketing Inc. et al (Superior Court of California, Los Angeles, Case Number: BC224171); (5) Canare Corporation v. Brenner et al (breach of contract, defamation and executive compensation; case number: BC 234351/CASC-LA); (6) Excel Minerals & International Cos. (now part of The Clorox Company), re: allocation of purchase price/goodwill and executive compensation (IRS Field Audit); and (7) 3300595 Canada, Inc. v. Richard Friedman, et al (Case Number BC 257795 (Executive Compensation plus A Complaint For Breach of Fiduciary Duty and Removal of Director) and (8) Applied Micro Circuits Corporation (AMCC), stock options (see below).

In addition, EMCO/Hanover specialists have acted as corporate executives for a number of middle-market companies where responsibilities have included the design, writing, approval and implementation of various executive management compensation programs. Other compensation Court related compensation cases include: (10) a case involving employee stock option rights (noted above) was: Harris v. Applied Micro Circuits Corporation (Superior Court, County of Santa Clara, 2005 - Case Number 2-05-SC-002033) whereby a dispute arose between a discharged employee and the Company (stock trading symbol: AMCC) as to an employee entitlements. This was the first of some 37 other employee cases about to be filed against the client Company. EMCO/Hanover acted as the Defendants expert. Other assignments involved: (11) Bennett v. Filter Recycling Services, et al, Riverside Superior Court Case, No. RIC 429616 plus (12) Rotating Precision Mechanisms Inc., which deals with the U.S. military regarding the manufacture/ assembly of antenna, optical, and sensor positioning systems/components. Here it was a review of their compensation policies and procedures plus employee amounts paid.

LITIGATION SUPPORT

A cross section of involvements includes those related to the Tax Court and Chapter 11/7 situations, with the following companies and a brief description thereof: (1) court-appointed expert under a Chapter 11 proceeding for Rocket Industries, automotive parts and importer of exercise equipment re: inventory accounting procedures under GAAP standards plus (2) Bongo Jeans (Tom Trading); (3) Westward Ho Markets, as expert witness re: various union contract wage and benefit concessions; (4) Tokai Credit's expert, re: Team Nissan, automotive dealership under a Chapter 7 proposed liquidation plan; (5) U.S. Computer Systems, Inc., financial services, cablecasting-as an expert witness in a divorce matter regarding valuation of a deceased spouse's business, where the estate and prior, the ex-husband held the proxy thus gaining 51+% equity control; (6) Wilshire Industries, Inc., fireplace accessories, under a Chapter 11 proceeding; (7) Jeffrey, Corigan v. Smouse, Pistole in a determination of damages opinion; and (8) Maxon Industries, Inc.--transportation equipment, under a Chapter 7 "exit" petition; (9) The Matter of the Mark Hughes Family Trust, case number BP063500, in the Superior Court of the State of California, County of Los Angeles.

Other assignments were: (10) CalMark Properties, Inc., real estate re: compensation of a financial advisor; (11) SFS Industries--aerospace, re: Chapter 11 involving a cash/collateral valuation; (12) condemnation loss -- Power Tool & Supply vs. Caltrans; (13) Metropolitan Circuits of California Incorporated, computer products re: Chapter 11 and cash/collateral, and (14) RSR Corporation, a metals processor, under a lender liability case against The Chase Manhattan Bank, involving Lender Liability Issues; plus (15) Luke E. Brucker v. Prudential Securities, Inc., a case involving wrongful termination, breach of contract, loan forgiveness and captive broker; (16) Richard A. Vos v. Lehman Brothers, et al (a NASD Dispute Resolution Case); (17) Zetera Corporation v. Nolan Securities Corporation regarding a financial advisory fee for investment banking services rendered involving a Warburg Pincus Investment; along with (18) Wells Fargo Equipment Finance, Inc. v. Brian J. Westcott A/K/A Brian Westcott, Uecker & Associates, Inc. regarding breach of written guaranty, conversion, negligence and breach of fiduciary duty; and (19) The Matter of the Mark



Hughes Family Trust, Case number BP063500, in the Superior Court of the State of California, County of Los Angeles (removal of Trustees); and (20) Richard Bobertz v.Griffin Capital (Puente Hills) Investor 9, LLC, Claimants, American Arbitration Association, Case No. 72-459-00991-11 (loan documentation).

BUSINESS VALUATIONS

Non-ESOP:

Assignments range from those related to estate planning, management buyouts, employee stock options, conversion of “C” corporations to “S” tax status, licensing agreements (Unlimited Adjusting Group, Inc. - an insurance claims processor specializing in earthquake insurance), the allocation of acquired goodwill to depreciable assets (i.e. BioGentec Incorporated and Crystalix, Inc. both companies who were in the processing of applying for NASDAQ listings), plus capital transactions including those related to potential investors/lenders: (1) Air Conditioning Company, Inc., mechanical contractor; (2) Bergandi Manufacturing Co., Inc., wire products manufacturer; (3) California Contractors Supplies, Inc., importer/distributor of small tools; and (4) the ESOP for Caltrol, Inc., manufacturer process control instrumentation. Other valuations have included: (5) Domino’s Pizza Inc., franchisee; (6) Fremont Family Fun Centers (miniature golf); (7) Glen Ivy Financial Group, timeshare; (8) Roy E. Hanson Jr. - manufacturing, fabricated metals; (9) King Chapman Broussard & Gallagher, Inc., executive out placement services; (10) New San Francisco Laundry, restaurant linen supplier; (11) Abraham Rochlin Enterprises, Inc., plywood distributor; (12) Ramco Industries, Inc., foam manufacturer; (13) Selzee, Inc., telephone booth repair and maintenance services; (14) selective shareholder interests in Chiat/Day Inc. Advertising (concurrent to merger with Omnicom Group, Inc.); (15) Valcom, Inc., an entertainment and television production company; (16) Zucotto Systems Inc. - a foreign controlled, wireless semi-conductor and software company; (17) Cellceutix Corporation (trading symbol: OTC:CTIX), an IRS disputed matter regarding stock received as compensation for services rendered; (18) Antaga International Corporation, a distributor of food supplements; (19) WC Spirits, LLC (aka Karma Tequila), a distiller of specialized liquors to major U.S. supermarket chains; and (20) Alvarado CW, LLC – a company, including various affiliates, engaged in car washing services.

Other valuations have included: (5) Domino’s Pizza Inc., franchisee; (6) Fremont Family Fun Centers (miniature golf); (7) Glen Ivy Financial Group, timeshare; (8) Roy E. Hanson Jr. - manufacturing, fabricated metals; (9) King Chapman Broussard & Gallagher, Inc., executive out placement services; (10) New San Francisco Laundry, restaurant linen supplier; (11) Abraham Rochlin Enterprises, Inc., plywood distributor; (12) Ramco Industries, Inc., foam manufacturer; (13) Selzee, Inc., communications services; (14) selective shareholder interests in Chiat/Day Inc. Advertising (concurrent to merger with Omnicom Group, Inc.); (15) Valcom, Inc., an entertainment company; and (16) Zucotto Systems Inc. - a foreign controlled, wireless semi-conductor and software company.

ESOP and “S” to ESOP

Emco/Hanover has been doing business valuations for over twenty-five years regarding Employee Stock Ownership Plans. A cross-section of assignments include: (1) Abaud, Inc.; (2) Casa Leon, Inc.; (3) Danros, Inc.; (4) Cuenca Enterprises, Inc.; (5) Food Export, Inc.; (6) JLS Concrete Pumping, Inc.; (7) JWS Corporation; (8) Michaels Acceptance Corp.; (9) Mission Furniture LLC; (10) Pacific Architects and Engineers, Inc.; (11) Tanner Management Corporation; (12) Zen Bakery, (13) Van Lee Enterprises, Inc., (14) Unlimited Adjusting Group, Inc. plus (15) Shernoff Management, Inc. and (16) Jeffrey M Steinberger, A Law Corporation. Each of the aforementioned companies are better described, by industry, under “Experts in Capital”.

Stock Valuation Standards

Definition of Fair Market Value (“FMV”)

For purposes of this opinion, the term, Fair Market Value, is defined as noted under the Internal Revenue Service Code [per Revenue Ruling 59-60, subsequently noted, and the American Society of Appraisers Business Valuation Standards; also, the wording is virtually identical in Reg. 1.170A- 1(c)(2) (income tax, charitable contributions of property); see Reg. 20.2031-1(b) (second sentence) (estate tax), 25.2512-1 (second sentence) (gift tax)] as: “the amount at which property [in this case, shares of the Company’s common stock] would exchange hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, and when both parties have reasonable knowledge of relevant facts. [as is the case herein presented].”

Note should also be made of the AICPA’s IAS 39, further described herein plus the new requirements under SFAS 141R, Business Combinations for disclosures (particularly paragraphs 67-73) and deal costs (paragraphs 43-46).

Valuation Considerations

Before any Method of Valuation can be selected, the valuation of closely held securities [as is the case herein] requires consideration of a number of relevant factors that may influence the market price. The primary 12 factors below are recognized by the Tax Courts, the Internal Revenue Service, and what professional investors generally consider before making an investment or purchase of the securities under investigation. Once this information has been assembled and reviewed, then one can determine what the best method of valuation might be.



- The nature and history of the business enterprise;
- The outlook of the economy and the specific industry;
- The book value and the financial condition of the business;
- The determination of what business enterprises might or might not be comparable;
- Current market conditions in the Financial Marketplace;
- The earnings capacity of the business;
- The dividend paying capacity of the business;
- The nature and value of the tangible and intangible assets (goodwill) of the business;
- The market price of securities of publicly traded corporations engaged in the same or similar lines of business;
- The marketability, or lack thereof, of the securities;
- The existence, if any, of a control premium with regard to the block of securities being valued; and
- Sales of the stock and the size of the block of the stock to be valued.

These considerations are outlined and described in Revenue Ruling 59-60, 1959-1 CB 237, as modified by Revenue Ruling 65-193, 1965-2 CB 370, and Revenue Ruling 77-287, IRB 1977-33. Although Revenue Ruling 59-60 specifically addresses itself to stock valuations for gift and estate tax purposes, the principles set forth may be applied to a wide spectrum of valuation problems, including those related to stockholder buy/sell agreements, mergers and acquisitions, Employee Stock Ownership Plans, corporate reorganizations, marital dissolutions, and bankruptcy.

Valuation Method: Fair or Fair Market Value

There are four primary methods of valuation that are most used and accepted are: Asset Value; Income Value; Market Comparisons and Industry Standards. Each is described below and are considered to be an outgrowth of Revenue Ruling 59-60.

1. **Asset:** This considers the business to be a collection of assets that have a marketable value to a third party in an asset sale. Asset valuations are typically used for businesses that are ceasing operation and for specific types of businesses such as holding companies and investment companies. Asset valuation methods include the book value method, the adjusted book value method, the economic balance sheet method, and the liquidation method.

2. **Income:** Under this method valuations are based on the premise that the current value of a small business is a function of the future value that an investor can expect to receive from purchasing all or part of the business. Income valuations are the most widely used type of valuation. They are generally used for valuing small businesses that are expected to continue operating for the foreseeable future. Income valuation methods include: the capitalization of earnings method, the discounted future income method, the discounted cash flow method, the economic income method, plus other formula methods. Caution has to be exercised here because its use is highly dependent upon the continuation of the level of historical earnings and projected economic trends which as we know can often change during a company's business cycle.

3. **Market Comparison:** This is based upon current conditions amongst active business buyers, recent buy-sell transactions, and other fairly comparable business entities. Financial attributes of these comparable companies and the prices at which they have transferred can serve as strong indicators of fair market value of the subject company. One of the best examples of this is the capitalization determinations of publicly-traded companies as expressed on the various publicly-traded market exchanges, like the NYSE or for smaller companies, the OTC Market (Over-the-Counter).

4. **Industry Standards:** Often times a particular industry, like the distribution and separately a service business, is valued based on a multiple of its annual revenues. However, caution has to be used here for many companies are a composite of multiple industries and thus it is not unusual to find an appraiser using more than one valuation methods in determining the value of a business enterprise.

If all fails in assigning one of the above Methods, EMCO/Hanover then uses an unwritten standard, given its credentials in mergers and acquisition which is also used by investment bankers. It is 3x – 5x times pre-tax cash flow [based on certain analysis of a Company's financial statements] but adjusted for any extraordinary or non-direct business expenses, to determine an investment's fair value. EMCO/Hanover believes that such a standard is reasonable for non-publicly-traded, non-technology, based businesses, excluding real estate which has its own capitalization procedures.

One should also be cognizant of the alternative of establishing a "Fair Value" which is not a quoted price on any Stock Exchange which is the best evidence of fair value - quoted prices in an active market. However, if the market for a financial instrument is not active, then an entity can establish fair value by using valuation technique/ guidelines, as defined and referenced above particularly under the three other primary methods plus originally set out under Revenue Ruling 59-60 along with that presented under the AICPA's IAS 39 Financial Instruments: Recognition and Measurement. . . . A valuation technique: (a) incorporates all factors



that market participants would consider in setting a price and (b) is consistent with accepted economic methodologies for pricing financial instruments.

When valuing incentive stock or stock options given to executives or to a member of a Company's Board of Directors, one should be familiar with the below **6 guideline references** used by EMCO/Hanover, which the SEC and IRS have accepted as noted in the Case example below of a publicly traded stock selling then at \$60 per share., in determining the price of a Company's restricted stock and what may or may not be a shortcoming in their application.

1.) Emerging Issues Task Force (EITF) 96-18: Accounting for Equity Instruments Issued to other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services; 2.) FASB Statement No. 123, Accounting for Stock-Based Compensation; and 3.) FASB No. 123 (revised 2004), Share-Based Payment; FASB Interpretation No. 28 :

Statement 123 establishes the measurement principles for transactions in which equity instruments are issued in exchange for the receipt of goods or services. Paragraph 8 of Statement 123 states that those transactions should be measured at the fair value of the consideration received or the fair value of the equity instruments issued, which is a more reliable measurement. However, Statement 123 does not prescribe the measurement date or provide guidance on recognition of the cost of those transactions. It further does not address the accounting for equity instruments issued in conjunction with selling goods or services, such as sales incentives. One should also be aware that in IAS 39 Financial Instruments: Recognition and Measurement it states: "the best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. . . . A valuation technique (a) incorporates all factors that market participants would consider in setting a price and (b) is consistent with accepted economic methodologies for pricing financial instruments.

4.) Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans:

Here, the valuation methodology is fairly well defined. The fair value of an award is determined by using a pricing model. Permissible models include: the Black-Scholes model and a Lattice Model. FASB does not express a preference for a specific pricing model. The difference in their usage is that the Lattice Model can explicitly capture expected changes in dividends and stock volatility over the expected life of the options, in contrast to the Black-Scholes option-pricing model, which uses weighted average assumptions about option characteristics.

5.) SEC Staff Accounting Bulletin No. 57, Contingent Stock Purchase Warrants; and

6.) SEC Staff Accounting Bulletin No. 95 (untitled, which deletes SAB 57):

General Comment - #5 and #6, re: SEC Staff Accounting Bulletins Nos. 57 and 95 -

Per the SEC Manual: The statements in staff accounting bulletins are not rules or interpretations of the Commission nor are they published as bearing the Commission's official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws. Specifically, why the below are not applicable in Elephant's case as it relates to issuing and valuing shares awarded Directors for services rendered:

- SEC Staff Accounting Bulletin No. 57, not applicable for its views concerning Accounting for Contingent Warrants in Connection with Sales Agreements with Certain Major Customers ... Directors' fees are for services rendered and are not Contingent Warrants in Connection with Sales Agreements with Certain Major Customers.
- SEC Staff Accounting Bulletin No. 95 (which deletes SAB 57): Staff Accounting Bulletin No. 57 and concludes that the interpretative guidance providing for an intrinsic value measurement is no longer necessary due to the general guidance in FAS 123 that provides for fair value measurement for transactions with other than employees.
- However, FAS 123 does not provide specific guidance on the methodology for determining fair value for such an arrangement or the measurement date on which the fair value of the equity instrument is determined.

INVESTMENT BANKER ADVISORS

The EMCO/Hanover Group has acted as advisors to the investment banking/ corporate finance departments of: Bregman Securities & Co., Inc; Birr, Wilson & Company Inc.; and Jesup & Lamont Securities Corporation; plus Henry Ansbacher & Co Limited, which in 2004 was sold to the Qatar National Bank; Hill Samuel & Co. Limited US operations, then headquartered in New York City, which in 1987 was acquired by TSB Group PLC.; and the U.S. representative for Transatlantic Capital Bio-Sciences Fund, a London (England) based group of funds engaged in bio-sciences venture funding whose primary investors included: Australia and New Zealand Banking Group; Johnson & Johnson Development Corporation; plus British Telecom Pension Scheme.

EMCO/ Hanover was also one of the founding affiliates, under Hanover Capital International, of Houlihan Lokey (originally Richard A. Houlihan & Associates), which was founded in 1972 and is now solely owned by over 250 of its employees and ORIX USA



Corporation, a wholly owned subsidiary of ORIX Corporation of Japan, which is listed on both the Tokyo (TSE: 8591) and New York (NYSE:IX) Stock Exchanges. ORIX USA is a diversified corporate lender, finance company, and advisory service provider with more than \$6 billion in assets and has an extensive portfolio of credit products and advisory services.

MERGER/ACQUISITION

Completed transactions range from those relative to professional services to base manufacturing, distribution and hi-tech electronics, including where EMCO/Hanover have: (1) arranged the sale of various portfolio assets of Heritage Leasing Corporation; (2) acted as management and financial consultants in the acquisition of a product line from an American Brands' subsidiary for Active Sales Co., Inc.; (3) acted as corporate financial advisors regarding capital restructures and sale of Campbell Industries, Inc.; (4) acted as a corporate executive in the purchase of a textile products buying office; (5) negotiated the sale of a product license plus designed long-term financing with warrants between Industrial Clean Air, Inc. and a foreign buyer; (6) negotiated the sale of Western Plywood, Inc. to Plywood Panels, Inc.; (7) plus initiated and concluded the sale of Services Rating Organization, Inc. to a major European company in a related industry.

Other assignments have involved where EMCO/Hanover: (8) sold a specialized industry group of magazines to an international publishing company through their U.S. subsidiary; (9) introduced and sold an accounting services firm to one of the Big-6 national accounting firms; (10) merged a distributor of electronic components (annual sales: \$60 million) with a competitor; (11) sold a manufacturer of industrial products to an industry related business; (12) sold a group of product lines to a manufacturer of retail products; plus (13) negotiated the sale of a wholesale electrical distributor to a competitor along with (14) various transactions for a Multi-Level Marketing, publicly-trading food supplement company along with (15) a reverse merger of a law firms management group into an existing ESOP; and (16) various mergers for a U.S. based public start-up company in the processing of establishing itself as a medical products and accessories, distribution firm -specializing in certain international markets.

EXECUTIVE MANAGEMENT ENHANCEMENT PROGRAM(S)

The EMCO/Hanover Group specialists have participated in all levels of executive management, both in on-line positions and as senior consultants. The key is to define what a company's abilities are, analyze its underlying weaknesses and corporate identity, and then design programs to capitalize and/or enhance redefined corporate objectives. This is done through strategic analysis, business planning, on-line management, including personnel involvement and board representation. A cross section of assignments have included: (1) SRECO (sewer rodding equipment), management reorganization and market penetration plus expansion; (2) The Sparrow Corporation (music publisher), management incentives, executive retreats, corporate expansion; (3) Anderson, Alfred & Ritter (accounting firm), diversified services, compensation plan, incentive plan, business expansion; (4) Pearson & Johnson (general contractors), on-line management pre- and post- capital procurement; (5) R&S Medical Enterprises, corporate expansion; (6) Richard Wolfers, Inc., (philatelic auctioneers), on-line management, business expansion; (7) Sho Iino Accountants (now part of Deloitte & Touche), consulting services, business expansion; and (8) Swat Fame, Inc. (an assembler/manufacturer of children, junior, misses apparel), middle and senior management compensation, tied to fiscal budgeting.

CORPORATE INVOLVEMENTS, INCLUDING CAPITAL SOURCING

A cross section of various assignments involving either capital transactions, general management advisory, and/or business turnarounds where The EMCO/Hanover Group's members, inclusive of prior experiences, have acted as on-line executives and/or senior consultants.

Industry involvement have included: professional standards - including accounting, banking and broker/ dealers; conservator and trust officer responsibilities and standards; aerospace; apparel and textile; SEC regulatory issues, including reporting, corporate governance and fiduciary responsibility; banking and finance; consumer products; defense and government contracting; direct marketing, including multi-level and e-commerce; electronics; employment policies and procedures; energy - gas and oil; food: processing, distribution - wholesale and retail; furniture and accessories, including hardware manufacturing; printing and graphic arts; publishing: magazine and newspapers; media and entertainment; medical, including hospital, nursing care and elder living residences; mining; paper: manufacturer and distribution; real estate: commercial and residential; social media and transportation, including automotive and truck assembly and distribution. All are more detailed below, noting actual corporate involvements.

ACCOUNTING -- without divulging firm names (due to confidentiality) assignments included: where EMCO/Hanover directed its management advisory services for specialized accounts after merger of a major Los Angeles-based and Far Eastern-related practice into a now Big Four accounting firm, as part of the transaction between the parties; restructure of a regional office for a Big Six firm with regard to its business management and administrative functions; designed and implemented a to-be-formed management advisory services department for a regional CPA practice; participated as administrative partner for a localized medium-size CPA practice, subsequently merged with a Big Six firm; and acted as part of the management services arm from a Far Eastern and Los Angeles based firm, which subsequently became the Far Eastern practice for a Big-4 Accounting Firm.



AEROSPACE -- where assignments have ranged from companies engaged in the manufacture of component parts and defense electronics, airline reservation systems to pressurized rubber products. Client involvements have included such companies as: Elastomeric Silicone Products, Inc. (pressured airplane interior parts – window and door seals); G.C. International's A.L. Johnson (parts manufacturer); Hydro-Mill Co. (fuelages); Lorge Engineering, Inc. (forged parts); QSA Computers (reservation systems); Saab Scandia AB (aircraft, automobiles, and computers); SFS Industries, Inc.; Zwick Energy Research Organization, Inc. (de-icers); Airborne Product Support, Inc. (aircraft parts – wholesale) and The Mexmil Company (renamed: TMC Aerospace, Inc.: airplane interior products) plus Global E-Point, Inc (commercial aircraft security systems) and M Line Holdings, Inc. (aircraft precision parts and machinery).

APPAREL AND TEXTILE INDUSTRY -- these included: from design, manufacture and distribution to wholesale and retail. A cross section of companies includes: Scottex Corporation, a manufacturer of casual garments; MOBA, Inc., a retailer of highly contemporary clothing; J.T. Racing, a manufacturer and distributor of leisure sporting garments; a Bell Helmets, Inc. Subsidiary which manufactured soft luggage and apparel for the motorcycle industry; Laise Adzer, a regional clothing importer and fashion chain; a Pioneer Systems, Inc. Subsidiary involved in children's clothing and gifts; Beck Industries subsidiaries, including Judy's clothing stores; Tenenblatt Corporation (milling); Incognito, a specialty ladies retail upscale store and its affiliated ladies garment design plus manufacturing operations; Glydon's, Inc. - a manufacturer of ladies' lingerie/ nightwear; Fashion Fabrics, a multi-state retailer of yard-goods and notions plus SWAT-Fame, Inc.- pre-teen and junior misses apparel; MM Fab, Inc. (an importer of female Chinese-made textile products); Uber Vintage Clothing, a T-shirt designer and distributor, and Photo-Lith Corporation, one of the pioneers in the electro-static transfer of graphic designs, under designer licensing agreements featuring primarily Hollywood celebrities and customized images involving equipment and apparel servicing the retail and wholesale T-shirt segment of the clothing industry.

COMPUTERS -- corporate involvements have included a variety of companies: Apollo Enterprise Solutions, Inc. (financial services with patented software); Honhmeng International Inc. (internet software applications); A.G. Datafaction, Inc. (software); D.H. Minicom (equipment and software applications); MDS/Qantel Corporation (hardware and software); Soroc Technology, Inc. (hardware); and C.ITOH; IBX; ICON; and GC International (hardware) to actual consulting related to hardware/software, systems evaluation, feasibility studies, requirements analysis (RFP), plus system design, reorganization and implementation. Assignments: Active Sales Company, complete system design and implementation; Triad Entertainment, system evaluation and redesign; Bill Palmer Associates, system review and litigation support; Brown Kraft & Co., feasibility study plus full-scale implementation; C.Itoh Electronics Systems, system review and redesign; California Community Builders, complete system design; California Municipal Investors, DP operational review; iVoice, Inc. plus its affiliate - Trey Industries, Inc., business strategies, capital procurement and corporate communications; plus litigation support, re: DHA Dental and a major computer manufacturer plus Soyo Group, Inc., a distributor of computer peripheral and other consumer products (North and Latin America).

CONSUMER PRODUCTS -- including such diverse assignments as: Bell Sports (motorcycle helmets and apparel); Canada Cycle (bicycles and ice skates "CCM" brand); Cerwin-Vega (speakers - residential and automotive); Cobbler's (shoes); Fructas (beverages); Glydon's (lingerie); JT Racing (off-road apparel); Oh Boy Corporation (branded food products); and Wilshire Industries (residential fire screen and accessories); plus Zen Bakery (bakery products), Ferrell Reed (mens shirts and neck-ties); Jaybee Manufacturing and Ajax Industries both in cabinetry hardware manufacturing; Crystalix (retail novelty items) and Natural Balance Pet Foods, Inc. (a processor of pet food products) plus Rocket Industries (automotive wheel covers).

DEFENSE AND GOVERNMENT CONTRACTING -- EMCO/Hanover has been involved in a variety of industries, either as an online executive or a senior consultant, where the U.S. Government has been the primary customer. A cross-section of assignments have included: Pacific Architects & Engineers, Inc. (base maintenance, U.S. military bases worldwide); Penn Ship and RMI, Inc. (both involving U.S. Navy ship repair and maintenance); Stanwick International (dry-dock construction and naval repairs, worldwide); Zwick Energy Research Organization, Inc. (defense electronics, U.S. Air Force); Four Winds Enterprises, Inc. (freight forwarding, household goods - U.S. Military); Pioneer Systems, Inc. (parachute assembly); SFS Industries, Inc. (manufacturer, aerodynamic seals - U.S. Navy); plus Southwest Products Co. (precision ball bearing manufacturing - U.S. Navy) and EMS Development Corporation (The U.S. subsidiary of Ultra Electronics Plc, a U.K. defense contractor).

Other assignments included: Levy Industries (a supplier of tank and truck replacement parts to both the U.S. and the Israeli armies); Hydro-Mill (a supplier of fuselages and landing gears under the C-130 Program); Microwave General Corporation (an assembler of master antenna systems); Whittier Corporation's Yardley Electric Storage Battery (a builder of batteries for submarines), plus Rotating Precision Mechanisms Inc (an assembler and supplier [without the payload] of air traffic controller, military radar, satellite communications, unmanned aerial vehicles plus test and instrumentation equipment), to name just a few.

DIRECT MARKETING, MULTI-LEVEL SALES -- Involvement in this sector started in 1971 with Oriflame International AB-Sweden (in 2010 US\$1+ billion in revenue, worldwide) with its entity into North America under a newly formed, affiliated busi-



ness which was licensed and independently financed through an EMCO/Hanover relationship. Other client assignments have or currently included: Nanjing Potomac Beauty and Health Care Co., Ltd. (China) - a 300,00 consumer/distributor of health and body care products and female under-garments plus under a separate entity 60 retail stores in China; Nutra Quest, Inc. - a U.S. distributor of food supplements; Kaire International, Inc. (Denver, CO) - a 450,000 - member field organization acting as a U.S. consumer/distributor of health and body care products; Potomac Worldwide Ltd., a British Virgin Islands company applying for a U.S. public trading listing; Newell Resources Trading Pte., a Singapore holding company; plus NTI Networks Sdn. Bhd., a Malaysia direct sales organization.

ELECTRONICS -- where industry assignments have ranged from companies engaged in the manufacture and distribution of component parts to technical manuals and nuclear engineering, including such companies as: Ronan Engineering Company, Inc. (manufacture and assembly of computerized measuring devices and machines primarily for the nuclear power industry); Zenith Electronics Corporation (television); American Subscription TV/ Clarion Manufacturing - Japan; Jaco Electronics and its affiliate - Distel, Inc. (nationwide distributor of electronic components); Tridex International, formerly Hi-G, Incorporated (manufacturer and distributors primarily of relays); Caltrol, Inc. (parts manufacturing); Computer Magnetics Corporation (magnetic parts assembly); Information Network Systems, Inc.; Integrated Electronics, Inc. (nationwide parts distributor); Microwave General Systems Corporation (microwave signal and transmission equipment; Validyne Engineering Corporation (electronic parts assembler); and View Engineering, Inc. (electronic parts assembler).

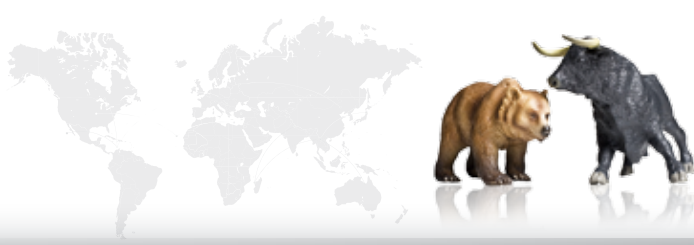
EMPLOYMENT SYSTEMS AND OTHER RELATED SERVICES -- corporate assignments have included such companies as Snelling and Snelling (a nationwide employment services company); Alert Staffing (general base- and middle-level employee staffing); plus King Chapman Broussard & Gallagher, Inc. (executive out placement services), New Jersey Models (serving the South New Jersey market) along with The Right Man (an employment search firm) and Cahners Publishing - Trade Shows (stated to be one of the largest trade show companies in the United States) plus Employment Systems, Inc. (dealing in the municipal market) and Premier Staffing, Inc. (serving the fashion industry).

ENERGY covering various segments of the energy business, ranging from drilling support industries including equipment manufacturers to actual drilling operators and refiners plus energy equipment manufacturers. Assignments: Canadian Homestead Oil (oil and gas drilling in northeastern Canada drilling); Ronan Engineering Co., Inc. (nuclear power plant equipment manufacturer/ assembler); Bechtel Corporation (engineering, construction, and project management companies, serving in part Fossil and nuclear power plants, refineries and petrochemical facilities along with environmental cleanup projects, pipelines and oil/gas field development); Ultra Violet Devices, Inc. (manufacturer water purification equipment); Energy Quest, Inc. (Alternative Energy); Caltrol, Inc. (distributor of process control instrumentation); and numerous companies in the oil and gas industries, including Alberta Gas Trunk Line Company Limited (gas transmission; now called NOVA Gas Transmission Ltd.), plus NexGen E2 Ltd. (alternative energy).

Other companies included: Tipperary Oil & Gas (gas and oil refining plus line transmission); R.E. Frasch Company (oil drilling medium wells); Petroleum Recycling Corporation (recycling plant); Montgomery Drilling (medium well drilling); Irvco Resources (shadow to medium well drilling); McMullen Oil (oil and gasoline distribution facilities); Penn Pacific Corporation (shallow to medium well drilling); and Baltic Drilling (drilling rig rentals); plus Grove Valve & Regulator Company plus its Italian affiliate, Wagi International (value manufacturing worldwide, based in Italy) and Comprehensive Designers, Inc. (multiple industries, including water treatment facilities engineering and design).

FOOD -- from that relative to food processing, distribution and retail, including: Nutola Salad Oils (kosher salad oils); Riviana Foods (a wholly-owned subsidiary of Ebro Foods, S.A., world leader in the rice sector.); Early California Industries, Inc. (rice products and pickles - Eastern Pacific Pickle Company); Monster Beverage Corporation (formerly: Hansen Beverages); Antaga International Corp (beverages); Potomac Worldwide Ltd. (Potomac Water - Canada); Pacific Agricultural Services, Inc.-- a grower of pistachios and jobos; Hartwell Breweries, a Finnish bottler of specialty beers; Kibun Products International, a Japanese fish processor; Wilcour Food Products, Inc., a meat vendor to a major fast food franchisor; AB Fructas--a bottler of specialty waters along with American Seafood & Fish Co., a major seafood supplier to supermarkets; plus Westward Ho Markets (7 markets regional) and Irvine Ranch Farmers Market (regional supermarkets).

Other involvements have included: Vitafort International Corporation (food processor bakery products); Texas Meat Packers (meat rendering and portion control) and Monfort of Colorado plus Amour & Co. (both in the meat rendering industries)--along with Food Fair International, a multi-billion dollar supermarket chain located in the mid-Atlantic states, plus Golub's Central Markets (New York State retail grocery markets); Carl's Jr. (Nevada) -- food franchising; Oh! Boy Corporation, a branded Italian products as a food processor - selling nationally to major retailers, plus engaged in co-packing for such companies as Wolfgang Puck; and Rally's Hamburgers, Inc. (fast food franchisor).



FURNITURE & HOME ACCESSORIES -- from base manufacturing in North America and Europe, to wholesale, retail plus import and export. Client relationships have included: Jaybee/Ajax Corporation (subsequently brought by AMEROCK); Fame Furniture (now part of E.B. Malone, Inc.), a manufacturer of upholstery furniture; Sklar Manufacturing, a Canadian manufacturer of middle-market furniture; Express Furniture Rental; Stor-All, Inc.--a manufacturer of filing cabinets; Wilshire Industries--an importer of fireplace equipment; Traspecialen Möbel AB, a Scandinavian manufacturer of "KD" furniture plus its U.S. license/distributor--ESI/Euro Style Interior, Inc. along with Tynes Mobelfabrik, a Norwegian manufacturer and distributor of high quality rosewood furniture; Baumritter Corporation, as its investment banker (retailer, now Ethan Allen, retail stores and furniture assembly); California Design, a manufacturer and retailer of oak, contemporary furniture; The Singer Companies French furniture manufacturing subsidiary; plus Beck Industries (W & J SloanWest Coast retail including Judy Department Stores) and VIRCO Manufacturing, the largest U.S. manufacturer of educational furniture.

GAMING -- Assignment involvements have included: all elements of the gaming industry from entertainment, hotels, internet gaming and the granting of State licenses, included being an advisor to the Tropicana Hotel Las Vegas; Wynn Enterprises (Las Vegas gaming hotels), International Sportman Club - London (casino gambling), internet gaming through several publicly-listed companies - including NTI Communications, Inc. [sporting: football]; Game Play Network, Inc. [para-mutual betting: horse racing] and PacificNet, Inc. [a leading provider of gaming and mobile game technology worldwide with a focus on emerging markets in Asia, Latin American and Europe], plus the initial granting and issuing of gaming licenses to Atlantic City involving Bally's Park Place assisting Messrs. John Best and Martin Blatt along with Binion's Gambling Hall & Hotel, Las Vegas (a then Peter Notaras client).

GRAPHIC ARTS -- (including commercial art and posters) and Printing Industries include: working with such companies as Goodway, Inc., the originator of the free-fall insert plus computerized technical manual printing and its then-affiliate, Goodway Copy Centers, Inc., both publicly held and listed on the national exchanges; Skil-Set Corporation, a typographer and graphic arts printer; Curtis Publishing Company which operated its own on-line print facility; First Marketing Corporation (now part of Wolters Kluwer), a printer/publisher of consumer newsletters for the banking industry; ICON Review, a computer mail-order retailer; plus various companies in the print media business operating their own printing facilities, i.e. the Hollywood Reporter, T.B. Butler Publishing (regional newspaper and printer) plus Serigraphics Corporation.

MEDIA AND ENTERTAINMENT -- relates to movie production and distribution, record manufacturing, video tape production, duplication and distribution, including retail sales, to SMATV and pay-television, cable-casting and newspaper publication for such companies as: Optical Systems Corporation (pay-cable casting); Zenith Electronics Corporation (television); Paramount Pictures (then acquired by Gulf & Western, Inc.); Sparrow Records (country, bible/ religious records); The Hollywood Reporter (media publication, now part of VNU); Drama-Logue (an entertainment industry newspaper); American Records (record pressing and recording under their Buddha Label – formerly Kama Sutra Records, an MGM Records-distributed label and with such recording artists as: Dolly Parton, The Lovin' Spoonful, Falco, The Guess Who, Gladys Knight & The Pips); Combined Communications (an owner of various radio and television properties; later sold to Gannett Newspapers); and Cerwin-Vega (assembler of high quality sound systems).

Other involvements have included: Baton Broadcasting (CFTV Toronto, Canada) including also their SMATV operations; Sam Goody (retail distribution); Keel Manufacturing (record pressing); Viewlex, Inc. (audio-visual systems plus slide movie projectors, also disc record players along with record pressing and music recording – American Records per above); GRT Corporation (musical tape production and distribution); Integrity Entertainment (Warehouse Records retail outlets); Chartwell Artists, Inc. (talent management, including Richard Burton and Elizabeth Taylor); Ladd, Kanter and Kastner (Feature Films Producers); Diamond Entertainment Corporation (video production and distribution); and On Stage Entertainment, Inc. (formerly Legends-in-Concert, Inc. off-Broadway theatrical entertainment); plus Valcom, Inc. (television/ movie production - sound stages); Ordior, LLC and DJ Central (an online entertainment and royalty tracking company); Warning TV (internet television); The South Jersey Radio, Inc. (owner of multiple television and radio stations, including WMGM-TV and WOND in Atlantic City, N.J.) along with Gilt Edge Productions and NW Entertainment, Inc. (dba: New Wave Entertainment) - both of which were involved in both television, movie production, post-production services and product distribution.

MEDICAL -- corporate reorganizations and medical related valuations, involving estate planning and litigation including that related to the tax court and Chapter 11/7 situations. Assignments: Community Health Facilities (retirement homes); Charter Medical Corporation (hospital ownership/ management worldwide); Park West Medical Group (an HMO); La Habra Villa Retirement Home; Pacific Gardens Retirement Hotel; Global Medical Products Holdings Ltd. (medical products) and its various affiliated businesses; Isotrol Systems/Medi-Power Products, Inc. (medical products); Mission Dialysis, Inc.; Mission Viejo Medical Center; R & S Medical Enterprises (retail/ wholesale product distribution); Medi-Centers of America plus Safety Consultants Service, Inc./ School Ten, Inc. (drug and alcoholic treatment facilities); Alcohol Abuse Hospitals, Inc. plus BioGentec Incorporated (medical consumer products) and Sunnylife Global, Inc. (hospital ownership/ management plus retail health stores); plus Ivybank Care Home,



Ltd. (Senior Assisted Care Living - England); plus was the U.S. representative office for Transatlantic Capital Bio-Sciences Fund, a London (England) based group of funds engaged in bio-sciences venture funding whose primary investors included: Australia and New Zealand Banking Group; Johnson & Johnson Development Corporation; plus British Telecom Pension Scheme.

MINING -- client relationships have included acting as an advisor to various companies engaged in the gold mining industry. My involvements have included: 1.) Yuba Natural Resources Inc.; 2.) Georgia Kaolin Co., Inc, a subsidiary of Combustion Engineering Inc.; 3.) St. Joe Minerals Corp through its Yuba Placer Gold Co. operations; 4.) Citadel Gold Mines Inc. plus 5.) various gold mining interests in West Africa along with 6.) evaluating the investment feasibility for a foreign investment group to extend a capital commitment in Placer Mining Corp.- a multi-acreage site in Arizona with considerable independently appraised gold reserves.

MULTI-LEVEL MARKETING -- since the early 1970s with various companies located in Europe, the USA, Middle East and the Far East, involvements have included such companies as: Oriflame International – now headquartered in India; Kaire Holdings; Herbalife; Winalite and Nanjing Beauty and Cosmetics (as its President) – both of whom are located in China.

PAPER -- from that relative to manufacturing and paper distribution. Assignments: Scott Paper Company, a manufacturer of a variety of consumer paper products; The Curtis Publishing Company, which operated its own pulp and paper mill plus a major printing plant for magazine and book publishing and distribution through its related business: Curtis Circulation Company; Goodway, Inc., regional printing facilities plus under an affiliate, a franchiser of copy centers on a national basis; Ingram Paper (now part of International Paper), a major West Coast distributor of paper products; plus Howard Paper Mills, Inc., including its affiliate--Wartervliet Paper Company, Inc. (paper manufacturing mills); and Patterson Parchment Papers (printing paper manufacturing).

PRINTING -- working with such companies as Goodway, Inc., the originator of the free-fall insert plus computerized technical manual printing and its then-affiliate, Goodway Copy Centers, Inc., both publicly held and listed on the national exchanges; Skil-Set Corporation, a typographer and graphic arts printer; Curtis Publishing Company which operated its own on-line print facility; First Marketing Corporation (now part of Reed Kluwer), a printer/publisher of consumer newsletters for the banking industry; ICON Review, a computer mail-order retailer; plus various companies in the print media business operating their own printing facilities, i.e. the Hollywood Reporter, T.B. Butler Publishing plus as noted under Publishing, Serigraphics Corporation (point of sale displays and posters); The Thought Factory (specialty greeting cards); plus Serigraphics Corporation (point of sale displays and posters); and The Thought Factory (advisor: specialty greeting cards).

PUBLISHING -- involvement has ranged --from that relative to newspaper, magazine and book publishing plus distribution and visual media. Assignments: The Curtis Publishing Company (Saturday Evening Post; Ladies Home Journal; American Home; and Holiday Magazines plus childrens books plus Jack & Jill Magazine); Curtis Circulation (book and magazine distribution 200+ titles, nationwide); Prentice Hall (text book publishers and newsletters); Goodway, Inc. (government manuals: design and printing; today referred to as: Goodway Marketing) and its affiliate Goodway Copy Centers (a nationwide retail copy center company); Reed International (multi-media interests); Cahners Publishing and its parent - Wolters Kluwer, N.V (publishers and distributors plus trade shows under Cahners Publishing USA); VNU (publishing and data research).

Other assignments included: The Exchange and Mart plus E-Z Buy/E-Z Sell Recycler, including Photo-Buys: consumer products and services newspapers; Warning Magazine (a nationwide magazine distributed to the college market, some 15 universities); The Hollywood Reporter (a newspaper serving the entertainment industry and subsequently purchased by VNU); Combined Communications/Gannett Newspapers (multi-newspapers, outdoor billboards, TV stations); plus Entrepreneur Magazine (3 magazines), Security World Magazine (3 magazines), Drama-Logue (an entertainment industry newspaper), McDuck Distribution (magazine distributor); and Henry Ansbacher, Inc. (subsequently sold to Bankers Trust Company - New York; investment banker specializing in media transactions) along with Salem Press (specialty book/ encyclopedia publisher).

REAL ESTATE -- active as an advisor or corporate officer in the real estate industry, both domestically and internationally. A variety of involvements include: corporate management at Pearson & Johnson (Bevilacqua & Schikore), a prime contractor involved in the rebuilding of certain residential properties in Oakland, CA after its fire in the 1990s; Jardine Matheson's entry into the real estate market in Japan through a joint venture (K.K. Halifax - Japan and Indonesia) with Pacific Architects and Engineers (Alaska, California and the Middle East) plus its commercial real estate affiliate, Klabin Associates (Los Angeles); clean up and disposition of Builders Investments Group's hotel operations--some 40 properties, nationwide: including sale to Wynn Enterprises (Las Vegas); Holiday Inn (Las Vegas); Esso Europe's hotel/motel operations in the United Kingdom and on the continent, now part of The Bass Group (formerly -Crest Hotel Group, UK); Jon Douglas Realty (now Coldwell Banker); plus Century West Development (residential and commercial) and Chabad of the Valley (residual, commercial and land for development - Los Angeles, CA).

Other involvements were: CalMark Properties, Inc. multiple commercial real estate holdings, nationwide - including Illinois, Florida, California and Texas; Fidelity REIT located in Florida; Glen Ivy Financial timeshares, nationwide; and Gunn Land and Development Australia plus China - real estate investments plus hotel ownership/ management under Shenyang Holiday Building



Co. Ltd.; in addition, a major assisted-care development for the elderly where a 12,000 Unit, 4-parcel project in Baotou had been proposed for development.

SOCIAL MEDIA -- assignments have included: Search Initiatives, LLC (a provider of search-driven lead generation solutions for small to mid-sized businesses in the U.S.); Ordior LLC (a proprietary software company designed to meet the very specific needs of content owners, software developers and digital rights managers all over the world); ICE Lounge Media, Inc. (a consumer, inactive technology based company based on social media); and Linkstorm (a patented advertising technology company pioneering a new approach to online advertising).

TEXTILE -- from design, manufacture and distribution to wholesale and retail. A cross section of companies includes: Scottex Corporation, a manufacturer of casual garments; MOBA, Inc., a retailer of highly contemporary clothing; J.T. Racing, a manufacturer and distributor of leisure sporting garments; a Bell Helmets, Inc. Subsidiary which manufactured soft luggage and apparel for the motorcycle industry; Laise Adzer, a regional clothing importer and fashion chain; a Pioneer Systems, Inc. Subsidiary involved in children's clothing and gifts; Beck Industries subsidiaries, including Judy's clothing stores; Incognito, a specialty ladies retail store and its affiliated ladies garment design and manufacturing operations; Glydon's, a manufacturer of ladies' lingerie and nightwear; and Fashion Fabrics, a multi-state retailer of yard-goods and notions plus SWAT-Fame, Inc. and MM Fab, Inc. (an importer of female Chinese-made products).

TRANSPORTATION -- -- from that relative to parts and tire distribution and resale to automotive manufacturing, importing, retail dealership, vehicle leasing and consumer financing, including several years of direct liaison for various Wallenberg interests in the United States; plus additional assignments for various companies involved in other segments of the transportation industry--from freight forwarding, line-haul to that of a senior consultant in the trucking industry, including terminal maintenance, plus bus and fire coach manufacturing. Client relationships have included: Crown Coach (bus and fire engine assembly); Saab-Scandia (car and truck manufacturer/ distribution - U.S.); Wilson Freight Co., Refrigerated Transport and Qualpeco Trucking (all freight forwarding/ trucking transportation companies); Jaguar Cars (car manufacturing and distribution); Newport Imports (multi-line, high-end priced car dealer; 5 franchises); plus Berman Leasing (truck leasing and terminal maintenance facilities, nationwide) along with Slemone's Automotive Group (multiple retail franchises, including Mercedes which was subsequently sold to Fletcher Jones and Volvo located in Southern California and Hawaii) and Puente Hills Nissan.

Other corporate involvements included: Team Nissan (car retail dealership); Levy Auto Parts (trunk replacement parts, including acting as the Monroe Shock distributor for Canada; and Tokai Credit (retail car financing and dealership floor-planning) along with Bikers Dream, Inc.(motorcycle assembly and retail distribution) and Maxon Industries, Inc. plus its affiliate Berwind Industries (a manufacturer of truck lift-gates); Cardo Automotive Supply (parts distributor); plus F.W. Meyers & Co.(executive management), and Four Winds International(executive management)- both freight forwarders and custom brokerage along with American Ensign (including its affiliate: Sherwood Van Lines)- a freight forwarding and carrier company.

INTERNATIONAL

The EMCO/Hanover Group has been involved in all areas of international business as on-line officers and executive advisors, including having been an Executive Vice President and Board member of American Extract Company, a multi-national industrial processing and chemical company. Other various involvements were: Electrolux, A.B., a household and medical products manufacturer; Oriflame International, a multimillion dollar manufacturer and distributor of cosmetics through the house-party method; Five key Dutch Government Boards, including The Central Bureau of Dutch Fruit and Vegetable Auctioneers as a Deputy Coordinator under Intercapita, Ltd. for the United Kingdom (including bacon, chicken and horticultural products); Jacques Berel WR Grace & Co. (multiple restaurants and hotels France and Spain); First National Bank of Chicago London; The Rank Organization, television products, electronic equipment and movie production; R.B. Murray Ltd (oak barrel cooperage liquor industries); Mark Industries (vertical lift platforms); and Paper Products Limited, an Indian converter of specialty papers.

Other international transactions has included: Brooker Hotel Management, U.K. (hotel management); Vice Chairman - Four Winds Enterprises, an international freight forwarding operation, located in some 30 countries worldwide with six locations in the Far East plus some other 20 in Africa, Europe and South America; HIMI International, a licensee of various products in 40 countries - worldwide; Indosuez's SAGA Group's licensing with F.W. Myers & Co., Inc. for the U.S.; Hungary's Mogure and its affiliate, Ikarus, regarding its U.S. Licensing to Crown Coach International; Chief Executive Officer - FW Myers & Co., Ltd. (custom brokerage and freight forwarding: Canada and Korea, plus the United Kingdom); Gunn Land & Development, an Australian conglomerate engaged in mining, fishing and cattle ranching; advisor to a U.K. specialized seed-capital, medical venture capital fund (Transatlantic Capital); and Technical Asset Management (Computer Disposal - England) along with Saab-Scania AB (cars, airplanes and computers) plus L.M. Eriskson AB (telephone products).

See also Canada, Maquiladoras/ Mexico and China below.



CANADA

Involvements have been industry diverse: Seaway Multi-Corp. Limited & Levy Industries Limited, a diversified Canadian conglomerate including hotels, auto parts importing/ Monroe shock absorbers; used car and truck parts); Canada Cycle Manufacturing (CCM bicycle assembly and ice-hockey equipment/ Tackleberry skates); Premium Forest Products (wooden doors and window shutter assembly); Claude Neon Ltd. (outdoor billboard signage); Plant National Ltd. (a plastic and steel drum plus oak barrel cooperage); Foothill Foundry (steel/wire products); Irvco Resources Ltd. (oil drilling); Baltic Drilling (oil rigs); Alberta Gas Transmission (now Nova Gas Transmission); Interprovincial Steel and Pipe (steel and cement pipe manufacturing); Breithaupt Leather Company (tanning - leather products); Shaw Furniture (consumer furniture assembly); Leon Furniture (retail furniture stores - nationwide); BMI Industries (consumer household goods - importing and distribution) plus Baton Broadcasting Incorporated (local television broadcasting and SMATV, satellite television transmission).

CENTRAL AMERICA

Since 2005, Mr. Barren has received a number of accolades from various Latin American Countries for his many years of service to them. First, he was honored by the Central American Parliament and then by the President of CENTROAMERICANA DE INVERSIONES S. DE R. L. for his 40-years of service to its member countries in aiding their trade, both imports and exports worldwide. This was then followed by honoring Mr. Barren for his countless efforts in helping Latin Americans in North America which has resulted in the creation or saving of employment of its people. Then Mr. Barren was given another commendation. This was from FUNHDICOL (Fundacion Hondurena Para El Desarrollo Intelectual y Colectivo) for his many years of services in which he has assisted in many of this institutions financial transactions which has helped in this countrys development.

MAQUILADORAS - MEXICO

EMCO/Hanover has been involved in a cross-section of assignments, involving Mexico and its Maquiladoras Program, for such companies as: Virco Industries in the sale of its Mexican manufacturing facilities; Maxon Industries, including its affiliates, in regard to what fair market value should be assigned to its various Mexican manufacturing facilities; The Mexmil Company, a U.S. based company involved in the aerospace business, whose sole manufacturing facility was in Mexicali, where it was necessary to determine a basis for built-in capital gains when transitioning from a C-Corp to S-Corp.; Infertek, Inc. - a computer software company, which was involved in consultation for the North American Free Trade Association (NAFTA) and its desire to establish new manufacturing opportunities for companies located north of the Mexican border; EDM International, the southwestern agency for Federal Express whose processing center was moved across the border from El Paso into Mexico; and Rocket Industries, Inc., a manufacturer of chrome plated automotive wheels.

CHINA

The EMCO/Hanover Group has been involved in a variety of business dealing with China since 1968 when one of its specialist was involved in Helena Rubenstein, an American cosmetic company. Since then, a cross-section of various assignments have included: the introduction of the Chinese bicycles to the North American market through the acquisition of Stelbar Manufacturing, a bicycle manufacturer, by Victoria Precision/ Canada; the sale of a steel pipe mill by Interprovincial Steel and Pipe/ Canada; real estate investments plus hotel ownership/ management under Shenyang Holiday Building Co. Ltd.; the manufacturing and direct marketing distribution plus retail shops of Chinese beauty products as the Chief Executive Officer of Nanjing Beauty & Cosmetics; and the sale of nutraceutical products plus hospital management and ownership along with the development of an assisted care living industry as the designated Chairman of Sunnylife Globals Executive Committee; plus MM Fabrics, involving the importation and sale of various textile products into the North American market.

In 2006, Mr. Barren was presented with a Certificate of Honor from China's State-owned Supervision and Administration Commission of the People's Government of Hunan Province for his "great contribution" for establishing the first Sino-American Joint Ventured Hospital. Subsequently, he was also the keynote speaker at the 20th Annual China Industry Development Forum in Dongguan held by the China Tourist Hotels Association and received a plaque for his being an advisor to the Association. Mr. Barren, under EMCO/Hanover, has further been given an exclusive right to acquire majority control in the privatization of the first municipal, water treatment facility in China.

In 2007, Mr. Barren was presented with a second Certificate of Honor. This time, it was in recognition of his efforts in the award of the first ever granted license to build an assisted-care living community in China which will consist of some 12,000 senior citizen, housing units. Separately, he also received a Letter of Appointment as a senior consultant for the Prosperity of Baotou business and investment from the Baotou Disabled People Welfare Fund Association of The Red Cross of Baotou City, Inner Monogolia from its Chairman Zheng Jinduo. Concurrent with that, Mr. Barren was further appointed a senior consultant for The Association of Entrepreneurs Friend, Baotou CPPCC by its President Li yu ran.

In 2008, Mr. Barren joined the Board of Directors of a publicly-traded U.S. Company, which is an international telecom operator and enabler plus systems integrator to the multi-media industry by facilitating the distribution of all forms of content and telecom



services to global consumers. The company also has certain patented technology to prevent credit card fraud. Besides various worldwide licenses in over a dozen markets in Europe, Asia and the Middle East, it also has a license to operate telecommunication switching facilities in China. Through mid-2009, Mr. Barren served as its Company's Vice Chairman in addition to being Chairman of its Compensation Committees plus the Independent Director for its Nominating and Corporate Governance Committee along with its Audit Committee.

In May 2009, Mr. Barren met with the major of Shenyang, China - Mr. Li Yingjie, who named Mr. Barren as the honorary financial and economic adviser to the City of Shenyang. As part of his appointment Mr. Barren will attend the City's yearly economic forum and other key meetings with the Mayor of Shenyang. This is a great honor. Mr. Barren is the first foreigner to be appointed to be city's adviser. In 2013, Mr. Barren was further honored by the Provincial Government of Laio Ning for his outstanding contributions in its economic development. (See Link Translation: Dear Mr. Bruce Barren: Thank you for your many years' of outstanding contributions to Laio Ning Province's Economic Development). He also joined the Board of a Chinese Multi-level Marketing Company as its Chairman.

* * * *

The EMCO/Hanover Group's associates have written or been featured in numerous articles (both domestically and internationally) and appeared before professional societies, including the American Management Association, conducting lectures and seminars on corporate finance, merger/acquisition plus other business-related matters. Our specialists further have been featured by major publications as "turnaround" specialists.

Associates have also authored and conducted advanced courses in CRISIS MANAGEMENT, CORPORATE VALUATION TECHNIQUES, MERGERS AND ACQUISITIONS, SENIOR EXECUTIVE MANAGEMENT: LEADERSHIP and STRATEGIES plus LITIGATION SUPPORT and CAPITAL SOURCING under the Continuing Professional Education (CPE) program of the then 32,000-member California Certified Public Accountants Foundation for Education and Research, the 35,000-member State of New York, and the 30,000-member Texas Society of Certified Public Accountants plus the American Management Association along with part-time lecturing for a number of the California Universities Graduate Studies Programs, including UCLA and USC. The EMCO/Hanover Group's specialists have further co-instructed "work-shop" courses in loan documentation plus valuation procedures for Sanwa Bank, one of the top five international banks.

SUMMARY PROFILE

THE EMCO/HANOVER GROUP

Since its inception in 1971, Group members have completed in excess of \$3 billion in capital sourcing, representing more than 1,000 transactions plus over 200 business turnarounds. In addition, The EMCO/Hanover Group does Product Sourcing and Trade Financing through its Group facilities in England, Panama and Europe. Trade financing is conducted through institutional relationships maintained out of the Group's Los Angeles office. From 1984-1996, The EMCO/Hanover Group published The Management Gazette where the below were further detailed. See also List of Articles by Mr. Barren.

LITIGATION SUPPORT/BUSINESS VALUATIONS: a cross-section of twelve court cases

1. Expert Witness Testimony
2. Client Field Audit Responses - I.R.S.
3. ESOPs (Employee Stock Option Plans)
4. Valuation Opinions including 15c-211s
5. Asset Allocation/ Goodwill Opinions
6. Estate Planning
6. Management/Employee Incentives
7. Tax Court Opinions/Expert Witness
8. Corporate Opportunities - Capital Plus Sale of Business
9. Executive Compensation
10. Condemnation Loss Valuations
11. "C" to "Sub-S" Tax Conversion Valuations

MERGER/ACQUISITIONS:

- * Foreign Sales
- * Buyer/Seller--opportunity studies
- * Foreign Product Licensing
- * Seller Acquisition Memoranda--including due diligence assistance
- * Transaction Identification, Negotiations and Agreements

EXECUTIVE MANAGEMENT ENHANCEMENT PROGRAM(S):

- * Corporate Proprietary Value(s) and SWOP Analyses
- * Personnel Job Performance Valuations
- * Competitive Positioning and Related Effects
- * Key Management and Executive Compensation Plans
- * Organizational and Key Employee Valuations
- * Executive Recruiting
- * Customer/Client and Personnel Confidential Surveys
- * Corporate Policies and Procedures plus Employee Benefits



CAPITAL PROCUREMENT PROGRAMS:

- * Short-term Credit Restructuring (Commercial Banks)
- * Long-Term and Subordinated Debt Placements (Pension Funds and Private Offerings)
- * Convertible Debt and Equity Procurement (Private Investors and Public Offerings)
- * Licensing, Joint Venture and/or Strategic Partnering
- * IPO's Under Reverse Merger or Cross-Dividend
- * Reverse mergers into ESOPs

MANAGEMENT SERVICES:

- * General Management Consulting
- * Special Credit/Sub-Standard Work Outs, Capital Sources
- * Accredited Continual Professional Education Courses
- * Executive Compensation
- * Minority Shareholder Rights
- * Wrongful Terminations, Employment
- * Board of Directors Participation
- * Capital Monitoring
- * Business Turnarounds
- * Investor Capital Analyses
- * Assistance/Coordination with Investor Relations
- * On-Line Management Assignments

EXECUTIVE COMPENSATION

EMCO/Hanover specialists have authored various articles on executive compensation plus given testimony as a compensation specialist before the United States Tax Court (i.e.: L&B Pipe & Supply Co., Inc., wholesale/plumbing and irrigation supplies; Lumber City, a wholesaler and retailer of building products; and Norman Wright Mechanical Equipment Corp., a representative for various manufacturers of heating and air conditioning equipment). EMCO/Hanover has also acted as an expert before the Internal Revenue and California Franchise Board (i.e.:B&B Surplus Inc., Coast Fixtures and Liquidators, Inc.and Tenneblatt Corporation). In addition, EMCO/Hanover specialists have acted as corporate executives for a number of middle-market companies where responsibilities have included the design, writing, approval and implementation of various executive management compensation programs.

LITIGATION SUPPORT/BUSINESS VALUATIONS: a cross-section of ten court cases

- Expert Witness Testimony
- Valuation Opinions
- ESOPs (Employee Stock Option Plans)
- Estate Planning
- Management/Employee Incentives
- Tax Court Opinions/Expert Witness
- Corporate Opportunities - Capital Plus Sale of Business
- Executive Compensation/Condemnation Loss Valuations
- "C" to "Sub-S" Tax Conversion Valuations

Merger and Acquisition

- Buyer/Seller -strength and weaknesses
- Buyer/Seller -opportunity studies
- Seller Acquisition Memoranda -including due diligence assistance
- Transaction Identification, Negotiations and agreements

EXECUTIVE MANAGEMENT ENHANCEMENT PROGRAM(S):

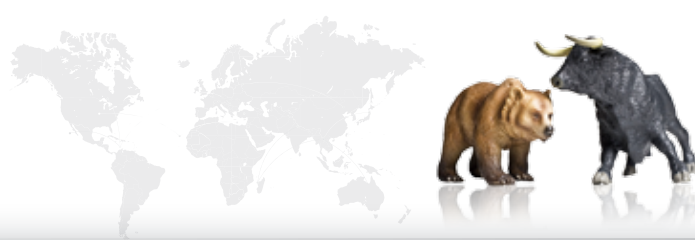
- Corporate Proprietary Value(s) and SWOP Analyses
- Personnel Job Performance Valuations
- Competitive Positioning and Related Effects
- Key Management and Executive Compensation Plans
- Organizational and Key Employee Valuations
- Executive Recruiting
- Customer/Client and Personnel Confidential Surveys
- Corporate Policies and Procedures plus Employee Benefits

Capital Procurement Programs

- New Credit Facilities
- Short-term Credit Restructuring (Commercial Banks)
- Bankruptcy Assistance
- Debt Restructuring
- Asset-based Lending: short and long-term
- Purchase Order Financing
- Letters of Credit Arranging: domestic and international
- Long-term Debt Placements (Pension Funds)
- Equity Procurement (Private or Institutional Investors)
- Licensing, Joint Venture and/or Strategic Partnering
- Restrictive Stock Financing

Management Services

- General Management Consulting
- On-Line Management Assignments
- Special Credit/Sub-standard Work Outs, Capital Sources
- Accredited Continual Professional Education Courses
- Board of Directors Participation
- Capital Monitoring



Valuation Report



Hanover Federal Capital Corporation - Merchant Banker

A Member of : The EMCO/ Hanover Group

December 15, 2015

Nasdotc Partnerships Inc.

2575 McCabe Way

Irvine, California 92614,

USA.

Re: Corporate FMV Valuation: Nasdotc Partnerships Inc.

Gentlemen:

At the *Company*' request, ***Hanover Federal Capital Corporation***, a member of ***The EMCO/Hanover Group***, collectively referred as "***EMCO/Hanover***", has determined what Fair Market Value ("***FMV***") should be assigned to the common shares of ***Nasdotc Partnerships Inc.*** (referred to herein as "***Nasdotc***" or the "***Company***"; see also: ***www.nasdotc.com***), as of December 15, 2015. This is based on the *Company*'s Business Model as defined as of November 30, 2015 for the pricing for the determination of what Fair Market Value ("***FMV***") should be assigned to the *Company* in order for its to raise \$1.0 million in equity capital. Herein is presented ***EMCO/Hanover's*** opinion.

BASIS FOR THE ASSIGNED NASDOTC FMV VALUATION

Based on the prior below outlined 30% profit retention policy, this would drive an enterprise value of US\$10,000,000 as calculated below – using an average fee revenue transaction factor of \$ 1 million and a conservative 50% estimate for transaction closure.

30% x \$1,000,000 x50% x 10 clients = US\$15,000,000 but reduced by the standard discount of 35% as a non-publicly-trading business since Nasdotc corporate status would be that of a privately-held business = US\$10 million (rounded).

Hanover Federal Capital Corporation
Merchant Bankers



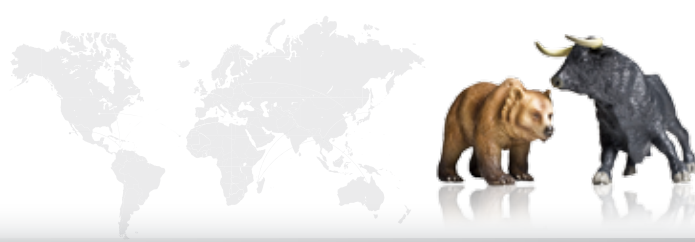
Definition of Fair Market Value

For purposes of this opinion, the term, ***Fair Market Value*** (herein referred to as “*FMV*”), is defined as noted under the Internal Revenue Service Code [per Revenue Ruling 59-60, subsequently noted, and the American Society of Appraisers Business Valuation Standards; also, the wording is virtually identical in Reg. 1.170A- 1(c)(2) (income tax, charitable contributions of property); see Reg. 20.2031-1(b) (second sentence) (estate tax), 25.2512-1 (second sentence) (gift tax)] as: “the amount at which property [in this case, shares of the Company’s common stock] would exchange hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, and when both parties have reasonable knowledge of relevant facts. [as is the case herein presented].” Note should also be made of the AICPA’s IAS 39, further described herein plus the new requirements under *SFAS 141R, Business Combinations for disclosures* (particularly paragraphs 67-73) and deal costs (paragraphs 43-46).

Valuation Considerations

The valuation of closely held securities [as is the case herein] requires consideration of all relevant factors that may influence the market price. The factors recognized by the Tax Courts, the Internal Revenue Service, and professional investors generally include the following, each subsequently commented on herein:

- 1.) The nature and value of the tangible and intangible assets (goodwill) of the business;
- 2.) The market price of securities of publicly traded corporations engaged in the same or similar lines of business;
- 3.) The marketability, or lack thereof, of the securities;
- 4.) The existence, if any, of a control premium with regard to the block of securities being valued;
- 5.) Sales of the stock and the size of the block of the stock to be valued.
- 6.) The nature and value of the tangible and intangible assets (goodwill) of the business;
- 7.) The market price of securities of publicly traded corporations engaged in similar industries.
- 8.) The marketability, or lack thereof, of the securities;
- 9.) The existence, if any, of a control premium with regard to the block of securities being valued; and
- 10) Sales of the stock and the size of the block of the stock to be valued.



These considerations are outlined and described in Revenue Ruling 59-60, 1959-1 CB 237, as modified by Revenue Ruling 65-193, 1965-2 CB 370, and Revenue Ruling 77-287, IRB 1977-33. Although Revenue Ruling 59-60 specifically addresses itself to stock valuations for gift and estate tax purposes, the principles set forth may be applied to a wide spectrum of valuation problems, including those related to stock purchases, stockholder buy/sell agreements, mergers and acquisitions, Employee Stock Ownership Plans, corporate reorganizations, marital dissolutions, and bankruptcies.

Valuation Method: The Determination of Fair or Fair Market Value

There are four primary methods of valuation that are most used and accepted are: Asset Value; Income Value; Market Comparisons and Industry Standards. Each is described below and are considered to be an outgrowth of Revenue Ruling 59-60.

- 1.) *Asset*: This considers the business to be a collection of assets that have a marketable value to a third party in an asset sale. Asset valuations are typically used for businesses that are ceasing operation and for specific types of businesses such as holding companies and investment companies. Asset valuation methods include the book value method, the adjusted book value method, the economic balance sheet method, and the liquidation method.
- 2.) *Income*: Under this method valuations are based on the premise that the current value of a small business is a function of the future value that an investor can expect to receive from purchasing all or part of the business. Income valuations are the most widely used type of valuation. They are generally used for valuing small businesses that are expected to continue operating for the foreseeable future. Income valuation methods include: the capitalization of earnings method, the discounted future income method, the discounted cash flow method, the economic income method, plus other formula methods. Caution has to be exercised here because its use is highly dependent upon the continuation of the level of historical earnings and projected economic trends which as we know can often change during a company's business cycle.
- 3.) *Market Comparison*: This is based upon current conditions amongst active business buyers, recent buy-sell transactions, and other fairly comparable business entities. Financial attributes of these comparable companies and the prices at which they have transferred can serve as strong indicators of fair market value of the subject company. One of the best examples of this is the capitalization determinations of publicly-traded companies as expressed on the various publicly-traded market exchanges, like the NYSE or for smaller companies, the OTC Market (Over-the-Counter).

Hanover Federal Capital Corporation
Merchant Bankers



4.) *Industry Standards*: Often times a particular industry, like the distribution and separately a service business, is valued based on a multiple of its annual revenues. However, caution has to be used here for many companies are a composure of multiple industries and thus it is not unusual to find an appraiser using more than one valuation methods in determining the value of a business enterprise.

General Background – Industry Standards for Valuation: Professional Services

As one can observe from the above, there are a number of valuation methods used to value companies generally – ranging from asset valuation, liquidation or book value, the modelling of future income streams through to industry-specific ‘rules of thumb’. However, when it comes to professional services businesses, one’s view point comes to the fore. Simply put ...

Valuation is driven by the expectation of future profit.

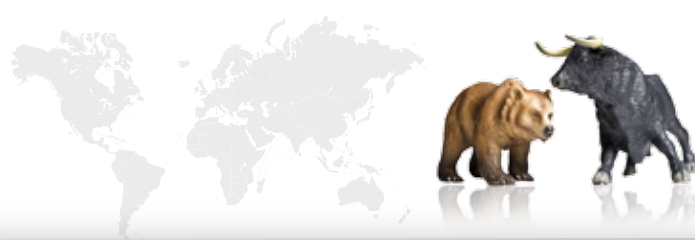
That is, a buyer is primarily interested in the total amount of ‘Owner Benefit’ they can extract in the future based on a business’ historical trading performance and its current organizational capabilities. As such, the most common valuation method is a variant of:

Profit x Multiple

Typically, the value used for profit in this equation is:

EBITDA x Multiple

Where *EBITDA* stands for: ‘Earnings before Interest, Tax, Depreciation and Amortization’ (thus, ***EBITDA***). In reality, there is often little by the way of asset depreciation and amortization in a typical professional services firm, so you will also see common reference to the simpler EBIT (‘Earnings before Interest and Tax’) variant. Analysts will also look at ‘top line’ revenue multiples, but this is done typically as a crude proxy when they suspect that the reported earnings figures are not an accurate representation of the actual levels of ‘discretionary cash flow’. For example, the owner of a business may take some of the discretionary cash flow out in the form of a bonus – above the profit line – and hence artificially depress a reported *EBITDA* figure. This, in turn – from the perspective of an external analyst reviewing a company’s purchase price – could lead to a very high *EBITDA* multiple. What they are not privy to is the adjustments often made to reported *EBITDA* figures, in the course of such negotiations, in order to bring them back in line with normal treatment. As such, aware of this blind spot, analysts often examine the revenue multiple of a reported sale price also – as this ‘top line’ figure is clearly less susceptible to such tinkering.



In relation to a professional services business, however, a typical sale value discussion will involve the buyer getting access to a true, or normalized, *EBITDA* figure (for the current twelve months, if no historical data is available) and then a critical negotiation around a firm's *EBITDA* multiple will ensue.

Let's pause there because this is important.

One simple way of looking at this is that the multiple is the number of years a buyer would have to own the firm in the future, trading at its current level of profit performance, before their purchase outlay is paid back. A buyer is, however, not expecting static growth and, indeed, one is very unlikely to be engaged in such a negotiation if your company is not on a clear profit growth trajectory. Rather, the multiple, therefore, is an indication of the quality of the company's trading capability. Understanding how this quality attribution is made up in the mind of the average buyer is absolutely critical.

Another way of coming at this, from the perspective of a buyer financier, is as follows: a typical buyer will seek to recoup their outlay in, say, **three to five years**. Let me assume, prudently, that you will end up negotiating with a bullish buyer who seeks to recoup the investment in three years. Based on your historical *EBITDA* growth figures (and perhaps their ability to make even greater gains through cross-efficiencies) they will project the *EBITDA* that will be produced, post acquisition, over this period. And, this figure is what they are willing to pay now. Dividing this by your current *EBITDA* is, therefore, the effective multiple they are willing to pay based on this payback horizon. By example, from the chart below, **if your *EBITDA* is growing at 30% per annum, such a buyer would countenance paying a five-times multiple.**

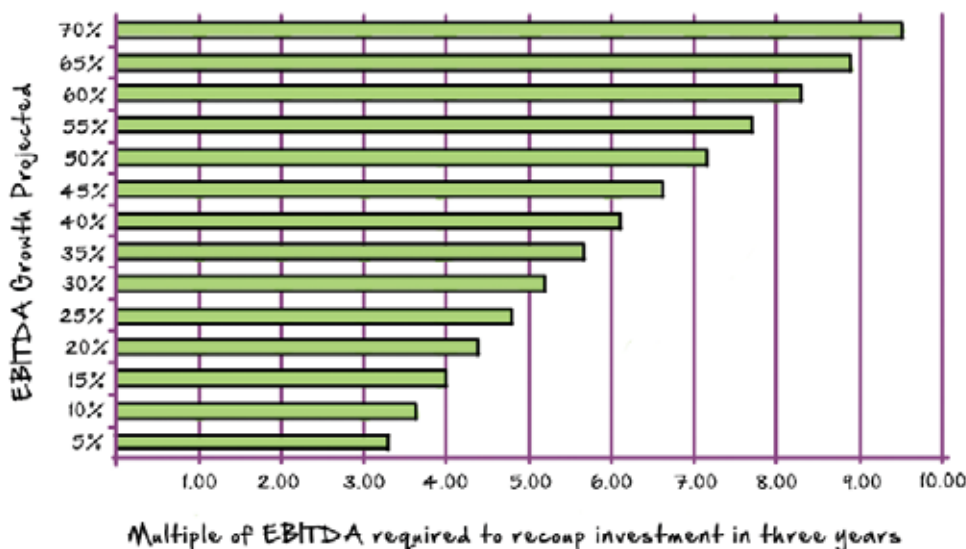




Figure – Illustrative *EBITDA* multiples a financier would be willing to pay based on a three-year payback period (against a range of projected annual *EBITDA* growth rates)

This is a pure financial analysis, based on an arbitrary (but typical) payback period; notwithstanding, you should be aware that an analysis of this type will certainly have a key place in the negotiating buyer's mind.

There is another axiomatic point to be drawn from this. In that your objective is to maximize this compound value, but your management time is finite, on what side of the '*EBITDA* x Multiple' equation should you focus (or is it just a case of even distribution)?

Well, of course, growing *EBITDA* is a priority. You will not even get to be in the game if you can't demonstrate this management record. But, and it is a big 'but', within parameters. As soon as you are achieving healthy levels of year-on-year profit growth (say 20% or greater), you are very likely to be better off deliberately skewing your time and effort towards the 'Multiple' (or quality) aspect as far greater gains to overall value can be made here.

To illustrate, consider a business that is making \$1m of *EBITDA* and advancing well at, say, 20% *EBITDA* growth per annum. In terms of its business infrastructure, and qualitative assessment, let's just say a buyer would value it as a **5 x *EBITDA* company**. Next year, therefore, if growth continues on track, the company could be worth \$6m (\$1.2m x 5). If the owner really 'bust a gut' on the profit growth side (achieving 30% *EBITDA* growth), maybe they could get this to \$6.5m (\$1.3m x 5). ***Suppose, however, that growth rates were held and managerial effort focused more on improving the qualitative aspects of the firm – thus moving the buyer's multiple offer to 7 x *EBITDA* or an \$8.4m business? You get the point?***

Clearly this is a simplification but it is a really useful one to make at the heart of everything you do. Once healthy profit growth is established, you will need to focus on developing the elements of the business that make this sustainable; that improve your qualitative value in the eyes of a potential buyer. You will only be able to grow revenue and profit so fast (indeed, you may damage your business by growing too quickly) but you can make significant strides in the more elastic aspect of your company's multiple value with focused attention to this aspect.

Understanding this point, and having an awareness of the components that make up this qualitative multiple, is – therefore – critical to your future business success; certainly, an essential prerequisite to any deliberate 'build to value' journey.



Nasdotc's Business Model and Strategy

Since *Nasdotc's* Management Team is composed of highly seasoned and experienced professionals, it would be easy to assume that the value of *Nasdotc's* business enterprise would carry *an above industry valuation standard*, for example – *7x EBITDA* as defined and noted above. Further, since *Nasdotc's* operating policy is to have a lower than average costs of overhead one can assume that its value would continue in the above average standard for valuation purposes.

Nasdotc's philosophy is to reward its senior personnel at the “back end” of a transaction, yet retaining sufficient cash profits of at least *30%*, to accelerate future earnings as a participant in continual future transactions with its own equity funds from its profits to be realized. In addition *Nasdotc's* client base would not be centered around a singular transaction but have on-going revenue stream from its continued relationship as the designated investment advisor or investment banker as the term is so designated while adding on average *10 new clients per annum* on top of these continued client relationships. In line with this, *Nasdotc* after only being in business for less than six months has already concluded 7 client relationship where each is expected to yield between \$1 - 2M in transaction income.

Basis for the Assigned Nasdotc Valuation

Based on the prior above outlined 30% profit retention policy, this would drive an enterprise value of US\$10,000,000 as calculated below – using an average fee revenue transaction factor of \$ 1 million and a conservative 50% estimate for transaction closure.

30% x \$1,000,000 x 50% x 10 clients = US\$15,000,000 but reduced by the standard discount of 35% as a non-publicly-trading business since Nasdotc corporate status would be that of a privately-held business = US\$10 million (rounded).

Appraiser's Opinion

For purposes of this valuation, Hanover has relied on certain information supplied by the Company and certain of its outside advisors - including that referred to herein or available under public domain. As such, Hanover does not attest to the accuracy or reliability of this information or to any subsequent events which might or might not affect their accuracy or reliability, either positively or adversely, since the date of this opinion.

Hanover Federal Capital Corporation
Merchant Bankers



Credentials of Appraiser

a.) Specific Credentials in Financial Advisory Industry

Mr. Barren has acted as advisors to the investment banking/ corporate finance departments of: Bregman Securities & Co., Inc; Birr, Wilson & Company Inc.; and Jesup & Lamont Securities Corporation; plus Henry Ansbacher & Co Limited, which in 2004 was sold to the Qatar National Bank; Hill Samuel & Co. Limited US operations, then headquartered in New York City, which in 1987 was acquired by TSB Group PLC.; and the U.S. representative for Transatlantic Capital Bio-Sciences Fund, a London (England) based group of funds engaged in bio-sciences venture funding whose primary investors included: Australia and New Zealand Banking Group; Johnson & Johnson Development Corporation; plus British Telecom Pension Scheme.

Mr. Barren was also one of the founding affiliates, under Hanover Capital International, of Houlihan, Lokey, Howard & Zukin (originally Richard A. Houlihan & Associates, and subsequently “HLHZ”), which was founded in 1972 and is now solely owned by over 250 of its employees and ORIX USA Corporation, a wholly owned subsidiary of ORIX Corporation of Japan, which is listed on both the Tokyo (TSE: 8591) and New York (NYSE:IX) Stock Exchanges. ORIX USA is a diversified corporate lender, finance company, and advisory

service provider with more than \$6 billion in assets and has an extensive portfolio of credit products and advisory services.

b.) General Credentials

Bruce W.D. Barren is Group Chairman of *The EMCO/Hanover Group*, which, since its inception in 1971, has concluded more than \$3+ billion in financial transactions worldwide as international merchant bankers, representing more than 1,000 separate corporate transactions. Mr. Barren specializes in matters attendant to the senior management decision process, including those relating to executive and employee compensation, wrongful terminations, board representation, operating management, planning, financial administration, short and long-term debt and capital involvement, including capital sourcing, encompassing all types of investment requirements - business turnarounds, capital restructuring and merger/acquisition, plus foreign licensing along with corporate valuations for cash/ collateral purposes under the U. S. Bankruptcy Act and separately, for estate planning - including tangible and intangible assets. Mr. Barren has personally been involved in more than 200 business turnarounds and emerging businesses, worldwide representing more than \$1 billion in annualized payroll.

Hanover Federal Capital Corporation
Merchant Bankers



Mr. Barren has been honored on more than 60 separate occasions by: the Governors of the Commonwealth of Pennsylvania plus New York and New Jersey (in addition to their respective U.S. Senators) along with the Governors of Kentucky and Tennessee. In California, he has received commendations from various municipal and county governments as well as its State Assembly, Senate, Offices of the State Treasurer, Controller and several Governors plus by Washington, the Peoples Republic of China and the Central American Parliament.

As part of these accolades, Mr. Barren has also received more than a dozen individual U.S. Congressional Tributes, both from the U.S. Senate and House of Representatives, including one in 1990 from then Congressman Christopher Cox - subsequently the 28th Chairman of the Securities and Exchange Commission. In 1989, Mr. Barren was honored with a commemorative from President Ronald Reagan. Further, between 2000 to 2005 he received letters of commendation from then President Clinton and Vice President Al Gore plus President George W. Bush and Vice President Richard Cheney along with then U.S. Senator Hilary Rodham Clinton (subsequently appointed in 2009 as the U.S. Secretary of State under President Obama) for his then 35+ years of service to the country, various states and their respective community.

Under *EMCO/Hanover's* Executive Loan Program, Mr. Barren has assumed a number of senior on-line managerial positions, ranging from small- and medium-sized companies to those in the multi-national marketplace. Under this program, Mr. Barren has acted as: a Chief Executive Officer on a motorcycle manufacturer and a President of a satellite microwave equipment manufacturing company – both for separate venture capital firms then located in New York City; a Chief Executive Officer of a California bank under FDIC approval; President of a HMO medical provider, with 23 offices in Southern California, under the State of California, Department of Insurance's approval; Chairman of a printing/graphic design business and as a Chief Executive and Administrative Officer for various companies in the construction/ real estate industry, both commercial and residential.

From 1959 to 1962, Mr. Barren was an Executive Vice President and Board Member of a multi-national industrial processing and chemical company, which he was forced to assume while he was in college, following the death of his father. Other prior experiences included an association with Price Waterhouse (1963-1967) where his responsibilities were directed primarily to client marketing-related problems at the chief executive officer level, involving such companies as Paramount Pictures, Saab Motors (Sweden) and Electrolux.

Hanover Federal Capital Corporation
Merchant Bankers

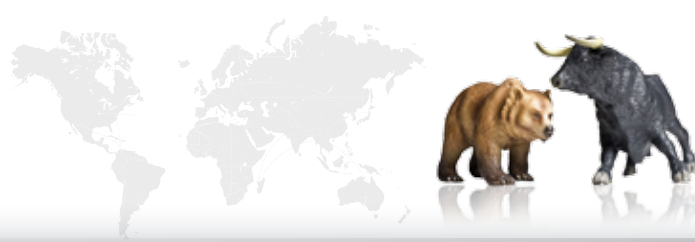


Between 1968 and 1971 Mr. Barren was a member of several Securities and Exchange Commission (SEC) regulated investment banking firms, first as a Vice President at Walston & Co., Inc. and then as a Director/ Senior Vice President of Delafield Childs, Inc. Both were then located in New York City. Since then, he has been advisor to a number of other SEC regulated firms (Bregman Securities, Jesup & Lamont plus Birr Wilson); Hill Samuel & Co. Limited US operations, then headquartered in New York City, which in 1987 was acquired by TSB Group PLC.; and in the late 1980's to Transatlantic Capital Bio-Sciences Fund (London, England) - a "first-stage", medical bio-sciences venture fund, whose investors included Johnson & Johnson International and Fison Pharmaceutical.

In 1971, Mr. Barren became a Senior Vice President for an AMEX publicly-traded printing services company which also controlled a related company, listed in the Over-the-Counter Marketplace. Currently, Mr. Barren continues to act as an advisor to a variety of companies, engaged in a diversity of business – worldwide, including having served as the designated Chairman of the Executive Committee in 2005-6 for a U.S. publicly held company, with two mandates from the Peoples Republic of China (PRC): to upgrade its Level II hospitals and to introduce the concept of Assisted Care Living.

From 1985-87, Mr. Barren acted as Chief Executive Officer and Vice Chairman of a \$200 million multi-national transportation services company operating in some 40 different countries involving Europe along with North, Central and South America, plus Africa and the Middle East in addition to the Far East prior to its acquisition by a foreign corporation. In 1990-91, he was appointed Chief Executive office for a \$900 million revenue-based company operating throughout North America, Korea and England. From 1993 to 1996, Mr. Barren initially acted as an advisor and then became the Chief Executive Officer for an aerospace company in order to effect its capital formation program. In so doing, he was further appointed a co-conservator of this company by The Superior Court of Los Angeles, California.

Prior to becoming Chairman of a technical asset management and product disposal company located in England, Mr. Barren was Chief Executive Officer for a multi-national direct sales company, headquartered in Nanjing (PRC), and serving the Far East. Through 2004, Mr. Barren acted as the Lead Consultant for a medical services company whose primary activities focused on Mainland China.



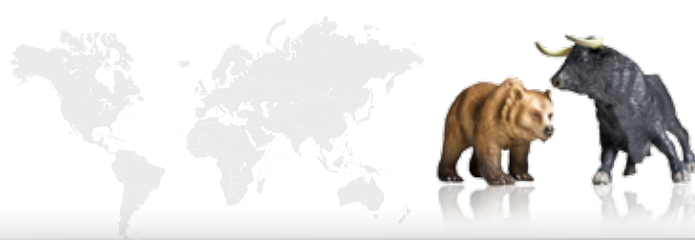
Because of his vast experience, Mr. Barren has been featured in more than 150 articles by various newspapers and internet media in the Far East (China and Japan), Europe and the United States, as "turnaround" specialist and business expert. Included therein were also for one of the "Big 4" accounting firms' *KMPG's Banking Insider*, and separately, *KMPG's Commissions Markets Insider* plus the California CPA Magazine, *The Outlook*.

In 2005, Mr. Barren became an audio conferencing instructor for Progressive Business Publications (PBP) – representing an audience of some 70,000 people, including Chief Financial Officers for both publicly- and privately-held companies. In 2007, he continued as a CPE- accredited instructor but this time the topic was: “Cash Management: Building and fortifying a strong cash flow strategy.”

In litigation support as an expert witness, Mr. Barren has been accepted as a multi-industry expert in some 50 cases, including against such industry leaders like The Chase Manhattan Bank, Merrill Lynch, Wells Fargo Bank and The Ford Motor Company - representing a variety of capital transactions involving all types of capital, plus minority shareholder interest, management and their fiduciary responsibilities, executive and employee compensation, wrongful employment terminations, corporate valuations plus a diversity of corporate transactions, including mergers and acquisitions. As such, he has given testimony in both District and State Courts plus the U.S. Tax Court and before the IRS plus acted as an expert on behalf of the Securities and Exchange Commission. During his 40 year career, he has written more than 500 valuation and fairness opinions.

Given the above, Mr. Barren's expertise includes: professional standards - including accounting, banking and broker/ dealers; conservator and trust officer responsibilities and standards; aerospace; apparel and textile; SEC regulatory issues, including reporting, corporate governance and fiduciary responsibility; banking and finance; consumer products; defense and government contracting; direct marketing, including multi-level and e-commerce; electronics; employment policies and procedures; energy - gas and oil; food: processing, distribution - wholesale and retail; furniture and accessories, including hardware manufacturing; printing and graphic arts; publishing: magazine and newspapers; media and entertainment; medical, including hospital, nursing care and elder living residences; mining; paper: manufacturer and distribution; real estate: commercial and residential; social media and transportation, including automotive and truck assembly and distribution.

Mr. Barren, who has been on various television and radio stations throughout the U.S. as part of his distinguished career, has appeared before numerous professional societies, including the American Management Association, where he wrote articles, conducted lectures and seminars on executive management, strategic planning, corporate finance, merger/acquisition and other business-related matters.



From 1978 through 1995, Mr. Barren authored and conducted advanced courses in CRISIS MANAGEMENT, CORPORATE VALUATION TECHNIQUES, MERGER AND ACQUISITIONS, LITIGATION SUPPORT plus CAPITAL SOURCING under the Continuing Professional Education (CPE) program of the then 32,000-member California Certified Public Accountants Foundation for Education and Research, the 35,000-member State of New York, and the 30,000-member Texas Society of Certified Public Accountants.

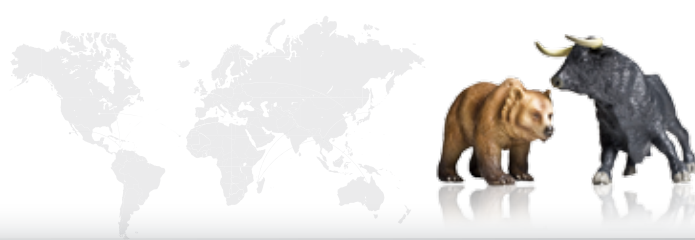
During the 1980's and 1990's, Mr. Barren appeared on various radio and television shows as an expert in business and the U. S. economy. Between 1991-1993, he was a frequent guest speaker to a number of Price Waterhouse (now referred to as: PriceWaterhouseCoopers) CFO Forums in Southern California plus acted as a panel judge for Ernst & Young's Annual Entrepreneurial Awards. For 2001, Mr. Barren was appointed to the Editorial Advisory Board of Prentice-Hall.

From 1990 to 2002, Mr. Barren taught courses as a part-time visiting lecturer for the Anderson Graduate School of Business-UCLA, The University of Southern California; Pepperdine University's Executive MBA Program plus Whittier College of Law and Chapman University's School of Law. In 1995-1996, Mr. Barren co-instructed various "workshop" courses in loan documentation and valuation procedures for Sanwa Bank, then one of the top five international banks.

Since 2005, Mr. Barren has received a number of accolades from various Latin American Countries for his many years of service to them. First, he was honored by the Central American Parliament and then by the President of CENTROAMERICANA DE INVERSIONES S. DE R. L. for his 40-years of service to its member countries in aiding their trade, both imports and exports – worldwide. This was then followed by honoring Mr. Barren for his countless efforts in helping Latin Americans in North America which has resulted in the creation or saving of employment of its people. Subsequently, Mr. Barren was also given another commendation. This was from FUNHDICOL (Fundacion Hondurena Para El Desarrollo Intellectual Colectivo) for his many years of services in which he has assisted in many of this institution's financial transactions which has helped in this country's development.

In 2006, Mr. Barren was the Presenter for "Businessman of the Year" Award at the Trumpet Awards Ceremony in Atlanta, Georgia - the "Oscars" for African American Community Service. In 2006, Mr. Barren was presented with a Certificate of Honor from China's State-owned Supervision and Administration Commission of the People's Government of Hunan Province for his "great contribution" for establishing the first Sino-American Joint Ventured Hospital.

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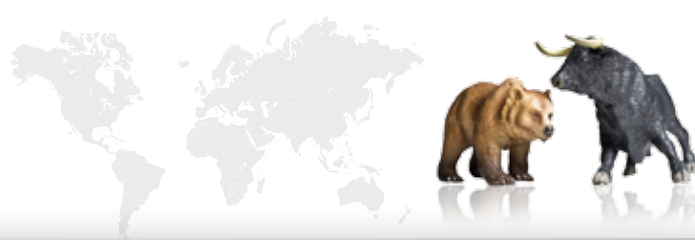


Subsequently, he was also the keynote speaker at the 20th Annual China Industry Development Forum in Dongguan held by the China Tourist Hotels Association and received a plaque for his being an advisor to the Association. Mr. Barren, under *EMCO/Hanover*, has further been given an exclusive right to acquire majority control in the privatization of the multiple water treatment facility(s) in China.

In 2007, Mr. Barren, who has appeared on Chinese television on a number of occasions, was presented with a second Certificate of Honor. This time, it was in recognition of his efforts in the award of the first ever granted license to build an assisted-care living community in China which will consist of some 12,000 senior citizen, housing units. Separately, he also received a Letter of Appointment as a senior consultant for the Prosperity of Baotou business and investment from the Baotou Disabled People Welfare Fund Association of The Red Cross of Baotou City, Inner Mongolia from its Chairman – Zheng Jinduo. Concurrent with that, Mr. Barren was further appointed a senior consultant for The Association of Entrepreneur’s Friend, Baotou CPPCC by its President – Li yu ran.

In 2008, Mr. Barren joined the Board of Directors of a publicly-traded U.S. Company, which is an international telecom operator and enabler plus systems integrator to the multi-media industry by facilitating the distribution of all forms of content and telecom services to global consumers. The company also has certain patented technology to prevent credit card fraud. Besides various worldwide licenses in over a dozen markets in Europe, Asia and the Middle East, it also has a license to operate telecommunication switching facilities in China. Through mid-2009, Mr. Barren served as its Company’s Vice Chairman in addition to being Chairman of its Compensation Committees plus the Independent Director for its Nominating and Corporate Governance Committee along with its Audit Committee.

In 2009, Mr. Barren met with the Mayor of Shenyang, China. Mr. Li Yingjie named Mr. Barren the honorary financial and economic adviser to the City of Shenyang. As part of his appointment Mr. Barren will attend the City’s yearly economic forum and other key meetings with the Mayor of Shenyang. This was a great honor. Mr. Barren is the first foreigner to be appointed to be the City’s adviser. In 2011, Mr. Barren further received a Certificate of Recognition from Mr. Bingzhong Zhang, Director - Chinese & International Experts Organization of China (CIEO). He was also a keynote Further in 2011, Mr. Barren was elected President, Vice Chairman of the Board and Chairman of the Executive Committee for an emerging internet search engine company (with annual revenues under \$4 million), specializing in local search optimization. For this company, he arranged a firm commitment \$50 million IPO financing plus a \$5 million bridge loan and assisted in raising some \$7.2 million from 75-100 private accredited investors. Mr. Barren served in this capacity from 2011 until mid-2012.



In 2013 Mr. Barren was one of the keynote speakers in Beijing addressing the All-China Private Enterprise Federation, which is composed of senior central government officials - department ministers and major Chinese private businesses. He was further appointed Chairman of an Australian based software company, which is in the process of being listed on the Bermuda Stock Exchange and who subsequently announced through its Hong Kong affiliate, a strategic partnership with a New York based on-line advertising technology company, for whom Mr. Barren acts as an advisor. Also in 2013, Mr. Barren was further honored by the Provincial Government of Laio Ning for his outstanding contributions in its economic development.

Further, from 2013 through 2015, Mr. Barren served as the Chief Executive Officer of a publicly-traded company in the precise aerospace parts manufacturing business in which he caused it to return from an insolvent business to one of viability through various refinancing after sustained years of operating losses, causing a negative Shareholders' Equity. This caused an opportunity of some \$4 million in liquid assets as a replacement source for overly expensive debt plus under taking certain operational changes to allow for the additional of new customers.

Mr. Barren has been listed in Marquis' Who's Who in the World since 1989 where also his academic credentials are presented. These include a Bachelor of Science degree from Babson College in 1962 in Accounting and Finance. In addition, he has a Master's Degree from Bucknell University in 1963 in Finance and Economics plus in 1967 and 1968, two graduate certificates in International Marketing and Finance - with one, from the Harvard Business School and the other, from Cambridge University (Pembroke College) – England.

Respectfully submitted,

Hanover Federal Capital Corporation

Bruce W. Barren

Hanover Federal Capital Corporation
Merchant Bankers



GLOSSARY OF FINANCING TERMINOLOGY^{*}

The Glossary of Financing Terminology is intended to familiarize the reader with words and phrases used in conjunction with obtaining financing and financing transactions.

A/P - Invoices for goods or services that are due vendors, employees, and government. They have been expensed for accounting purposes, but not yet paid

A/R - Accounts Receivable Financing - Short term financing used to finance accounts receivable. It is usually obtained by pledging accounts receivable as collateral.

Accredited Investor - Institutional or individual investors who meet SEC criteria regarding financial sophistication or net worth.

After Market - the trading of an issuers securities (stock or bond) after the public offering has been completed.

All Hands Meeting - a meeting among everyone involved in preparing a registration statement for a public offering, including management of the company undertaking the offering, the company's legal counsel, the company's auditors, underwriters, and the underwriters' legal counsel.

All or None Offering - A "best-efforts" offering, in which the underwriter completes the offering only if the entire issue of securities is sold.

Analyst - A specialist, often employed by an investment banking firm who researches and follows one or more companies or industries, their financial statements and reports with the purpose of providing investment advice and recommendations.

Appraisals - Business : Refer to article archive for various accepted methods used.

Appraisals - Equipment: Definition of values

Auction Value Appraisal - An opinion of the expected gross dollar amount to be realized at a professionally conducted and promoted auction sale as of the date of the appraisal

Becoming Effective - The date and time that the SEC declares a registered stock or bond offering effective, and the sale of the stock or bonds can commence.

Benchmark Goal - A stage of development that must be met by the company that signifies usually the completion of a task, or the reaching of a financial or business objective. The attainment of benchmark goals can signify the obtaining of initial financing or additional financing as a result of a partnership agreement, joint venture or venture capital funding agreement.

Best Efforts Offering - A securities offering in which the underwriter does not guarantee the sale of the securities offered, but uses his best efforts to sell the securities. The underwriters' do not commit to purchase any unsold shares. (See also "Firm Commitment Offering")

Bid Asked Prices - For shares of common stock that are traded in the over-the-counter market the bid price is the highest amount a buyer is willing to pay, and the asked or offered price is the lowest amount a seller is willing to sell the shares at.

Blank Check Company - See "Blind Pool Company"

Blind Pool Company - A company that goes public by filing with the SEC a registration statement, and raises money without having a specific company business. Blind pools are usually created as vehicles to merge with privately held companies that want to be public, and have access to raising capital. (Also called a blank check company):

Blue Sky Laws - Regulations enacted by individual states that regulate the sale of securities to residents of the state.

Blue Sky Memorandum - A memorandum, usually prepared by underwriters' counsel for an offering stating the requirements, restrictions and provisions governing the sale of a particular issue of securities in a particular state.

Bond - An interest-bearing or discounted corporate security that usually requires the issuing company to pay to the bondholders a specific amount of money at periodic intervals as interest, and to usually repay the principal amount at the maturity date.



Bridge Financing - An interim or short-term loan used between long-term financing, or prior to the obtaining of debt or equity financing.

Broker-Dealer - A brokerage firm that buys securities for its inventory from individuals, investors and other brokerage firms, and sells securities to individuals, investors and other brokerage firms.

Business Value - Expressed monetarily, what your business or business opportunity is worth. Business Value can be different for buyer, seller, and management. Business Value is synonymous with Enterprise Value, Firm Value, and Company Value. If interest bearing debt is outstanding then the Equity Value will be less than the Business Value. Most business valuations will separate the Intrinsic Value of the business from any real estate the company may own.

Call - The right to redeem bonds for payment prior to their maturity date.

Capitalization - Capitalization usually consists of the total number of shares outstanding. However, it may also consist of the total amount of equity and debt issued by the company, including both long-term and short-term debt.

CAPX - Capital Expenditures - Annual purchases of long term assets such as computers, machinery, vehicles, tools, leasehold improvements, etc. The useful life of these assets is greater than one year. Companies may finance the purchase of CAPX with debt, equity, or surplus cash from the business.

Capitalized Lease Payments - Payments to a lender for long term use of equipment or machinery used in the business. Capitalized lease payments reflect a choice as to how to finance an asset of the business.

Certificate of Accrual on Treasury Securities (CAT) - A debt instrument issued by the US Treasury that is sold at a discount from its face value. Also called a “zero coupon” bond, it pays no interest, but pays its full face value at maturity.

Champion - A manager of an incubator whose responsibilities include management and administration of the organization, and who also provides general advice and direction to both tenant and non-tenant members of the incubator.

Cheap Stock - See “Founders’ Shares”

Closing Meeting - The final meeting for usually a public offering, but also for some private offerings where exchanges of the company’s securities for proceeds and proceeds of the offering are exchanged. Other offering related costs are also paid including underwriters’ commission.

Comfort Letter - A letter provided by a company’s independent auditors, usually for the closing of a public offering of securities indicating that there has not been any material detrimental change in the company’s financial condition, or other procedures requested by the underwriter.

Comment Letter - A letter from the staff of the SEC “commenting” on a registration statement, and describing deficiencies in the disclosure contained in the registration statement. Comment letters require that changes to the registration statement consisting usually of an amendment be made prior to the offering being declared effective by the SEC

Common Stock Purchase Warrants: See “Warrants”

Compensating Balance - The average balance agreed to, that a borrower must keep on deposit with a bank, usually agreed to as a result of a financing or loan agreement, or as a requirement for the bank to “hold” credit available, such as in the case of a revolving credit line.

Consent - For a registration statement, the consent of auditors or other experts allowing their financial statements or other reports to be included in a registration statement.

Convertible Issue - Preferred stock, bonds or other debt instruments that are exchangeable or convertible in the future, usually during a specific time period into a specific number of common shares of the issuing company, into common shares of the company at a specific price per share, or on a formula basis.

Cost of Capital - Expected rate of return used to evaluate your business opportunity. The Cost of Capital represents what investors expect to earn on their investment taking into consideration the risk and volatility of your company/industry. Volatility doesn’t mean your business is good or bad. Great businesses can be highly volatile; but volatility does create uncertainty. The greater the uncertainty, the higher the Cost of Capital needed to adequately compensate investors. Also known as K, WACC, discount rate, hurdle rate.



COS - Cost of Sales - Represents the direct costs of service or production. These highly variable expenses track in direct proportion to company sales.

Countertrade - The exchange between two countries, or two companies located in different countries of a commodity or product.

Coupon - The interest rate on a debt security that is paid by the issuing company until maturity as an annual percentage of the face value.

Credit - A general term used to describe loans, charge account or accounts receivable obligations, open account balances, bonds or any other amounts due commercial firms. This term can also be utilized to describe unused bank letters of credit, credit lines and other types of “standby” debt financing commitments.

Credit Enhancement - The utilization of some means of financial guarantee to reduce the amount of risk of a lender entering into a debt financing transaction. It is usually a performance bond, financial guarantee instrument, or letter of credit, although it may also be a personal guarantee. Credit guarantees are usually used only with debt transactions.

Current Yield - The amount of the annual bond interest divided by the current market price of a bond, for bonds for which there is a public market.

CY - Current Year - Like LTM often used when referring to financial statistics.

DCF - Discounted Cash Flow - This widely recognized valuation technique emphasizes the future revenue and expenditure fundamentals of your company to estimate cash flow and value. It gives the best estimate of your company's Intrinsic Value. Other techniques include using sales prices for what other comparable businesses sold for, looking at stock market benchmarks for companies in your industry, tangible asset value, opportunity cost, make or buy, or simply gut instinct.

Dealer - While a dealer can be an individual, it is usually a securities firm who buys shares either from the company as a result of a financing transaction, such as a “firm commitment” public offering, or from the public or other securities dealers as a market-maker for his inventory, and/or for resale to other brokerage firms or to investors.

Debenture - Generally, usually unsecured debt of an issuing company. In many cases a debenture is “subordinated” to other company debts and obligations.

Desktop Opinion - A professional opinion of value based on materials or information supplied to the appraiser and evaluated without the benefit of viewing the assets. It is also a tool to determine the need for, or scope of an appraisal. Desktop opinions should clearly be marked as a “professional opinion” and stated that it is not an appraisal.

Development corporation - A private-public “partnership” in which a governmental agency, usually a city council or county government, will encourage economic development by utilizing federal, state and local funds by providing “seed capital” to private-sector startup companies. Entities who sponsor development corporations also include larger banks, the Small Business Administration, and venture capital firms. It is also not uncommon for a development corporation to be sponsored by a group of private and public sponsors.

Dilution - Either the percentage reduction of ownership in a company resulting from the sale of additional shares of stock, or in the difference between the price paid by investors in either a private-placement or public financing, and the tangible book value per share prior to the offering.

Direct Issuers - Companies that are able to sell commercial paper directly to investors, rather than have to sell commercial paper through commercial paper brokers.

Dividends - A portion of company earnings that are authorized by the company's board of directors to be paid to the holders of the various classes of its shares, based on the class of the security. While it is usually paid in cash, it can also be paid in the form of stock, or scrip.

D/K - Debt to Capital Ratio - Interest Bearing Debt divided by Total Capital (Debt plus Equity). This financial ratio represents the amount of leverage or debt used in the calculation of the discount rate used in your analysis.

Due Diligence - The investigation of company information including any disclosure documents including private placement memorandum, registration statement, or proposed prospectus by attorneys, investment bankers, and accountants to ensure that



no material facts are omitted, and the information is accurate. Also, a general term relating to any investigation by venture capital firms and other investors of the company, its business and financial plans prior to proceeding with an investment.

EBITDA - Earnings Before Interest Taxes Depreciation and Amortization - Fundamental measure of your company's operational health. A key measure in determining the amount of financing a lender can provide. Positive EBITDA allows the business to pay interest, taxes, dividends, and repay loans. EBITDA is equal to Revenue less Cost of Sales and SGA.

Effective Date - The date the registration statement becomes "effective" and the securities can be sold to the public.

Employee Stock Ownership Plans (ESOPs) - A tax-advantaged benefit plan for employees who want to acquire a significant or total ownership in a company. It can also be considered a credit mechanism, with the ESOP borrowing money for the purpose of raising money to purchase or acquire shares.

Equity Kicker - A feature of what is usually a debt funding transaction that provides additional incentive to the funding source as a "bonus" that provides usually small ownership in the company, as an inducement to provide the funding. The equity kicker can also be in the form of a convertible feature, or a stock warrant.

Equity Stake - An equity ownership position in the company that is provided to a funding source, usually a venture capital firm, but also lenders or other investors as compensation, or additional compensation for providing management consulting, financing or miscellaneous services.

Equity Value Definition: Equal to Business Value less Net Debt. If your business opportunity has debt outstanding it must be subtracted to determine what the business owner is entitled to.

Exempt Offering - An offering "exempt" from SEC requirements for registration. For example, a private placement offering.

Export- Import Bank (Eximbank) - A bank established by the U.S. Congress to assist U.S. companies with financing exports, and foreign borrowers with financing imports. It can provide financing directly to foreign borrowers, and can also provide export guarantees, and discounted loans.

Export License - The granting of approval by the U.S. Department of Commerce to sell, manufacture or utilize U.S. technology in foreign countries.

Face Value - The value of a bond or other debt instrument, as shown on the instrument itself.

Feasibility Study - A study, usually prepared by an independent party that provides detailed information regarding the potential for the success of a product, technology or business/corporate relationship. The study usually includes, as applicable, an analysis of design, financing opportunities, research & development, pricing, market demand and market information, company strength, analysis of break-even thresholds, also both revenue and potential profit projections.

Financial Accounting Standards Board (F.A.S.B.) - The primary private sector organization that sets auditing and accounting standards.

Financial Guarantee Instruments - Usually a performance bond or other type of insurance contract used to guarantee the repayment of debt and interest, or only debt of a financing transaction.

Financial Reporting Releases - Releases by the SEC announcing changes in accounting or regulatory requirements and matters of general and accounting interest.

Firm commitment Offering - An offering agreement that provides for the underwriter, investment banking firm, or stock brokerage firm to purchase the entire issue of securities or resale to investors and other brokerage firms. (See also "Best Efforts Offering")

Forecast Period - Equal to the number of years in your business projections. **Goodwill Definition:** Excess of the purchase price over a company's acquired assets. The goodwill value shown on a company's books is periodically revised based upon an updated valuation of the company's future prospects. Publicly traded companies must reassess goodwill on an annual basis.

Foreign Corporation - A corporation chartered in a state or country other than the state in which it does business, e.g. an out-of-state corporation. It can also apply to a corporation chartered in a foreign country, which are also called "alien corporations."

Foreign Corrupt Practices Act (FCPA) - A law enacted in 1977 that requires all public companies to maintain adequate internal controls and accounting practices, and also prohibits certain payments to be made to foreign politicians and officials.



Foreign Direct Investments - Used to describe the investment by a foreign company in a company or project in another country, or a joint venture or other type of business combination.

Foreign Exchange - Anything used to make payments between two countries, including wire transfers, checks, bills of exchange or currency.

Form 8-K - A report to be filed with the SEC when certain material events have occurred.

Form 10-K - The annual report that is required to be filed with the SEC, which includes the company's audited year-end financial statements.

Form 10-Q - The quarterly report that is required to be filed with the SEC, which includes the company's quarterly unaudited financial statements.

Form S-1 - The most comprehensive registration statement to be filed with the SEC, by companies that do not qualify for any of the abbreviated registration statement forms.

Form S-2 - A registration form that is available to certain "seasoned" companies that incorporates by reference the company's annual report and other information, and which requires delivery of the company's latest annual report to investors.

Form S-3 - A registration form that is available to certain "seasoned" companies that incorporates by reference the company's annual report and other information, and which does not require delivery of the company's latest annual report to investors.

Form S-4 - An abbreviated registration statement form that is used to register securities in conjunction with "Rule 145" transactions involving certain mergers, consolidations and transfers of assets, and exchange offers for securities of the issuer or another company.

Founders' Shares - Shares of common stock issued to officers, directors and other "insiders" prior to the company, but also prior to other types of private placement equity financing. These shares are usually sold at a significant discount from the price that the shares are later offered to the public or to other investors.

Free Trade Zone - Specified geographical areas located in many countries throughout the world that allow the inspection, sorting, labeling, assembling, manufacturing and re-packaging of products without paying import taxes. The Free Trade Zone also provides for the export of products without the company having to pay import duties on the imported content.

Generally Accepted Accounting Principals (GAAP) - Accounting standards and practices established by recognized standard setting bodies, or through general practice.

Green Shoe Option - an overallotment option to purchase securities (usually shares of common stock) granted to underwriters that allows them to purchase up to a specified number of additional securities from the company in the event that they sell more shares than are allocated to them in the underwriting agreement. (First used by The Green Shoe Corporation)

Gross Margin Definition: Revenue less COS. Expressed as a percentage. This is the first measure of a company's financial performance.

In Place Value Appraisal - An opinion of the gross dollar amount to be realized between a willing buyer and a willing seller, in the open market, assuming that neither party is under compulsion to buy or sell, both are fully aware of all relevant facts, as installed for intended utilization as of the date of the appraisal.

Income Partnerships - Usually a limited partnership or joint venture structure that is normally used for certain types of real estate, oil and gas or equipment leasing financing. Potential tax benefits are usually not a key feature of income partnerships, and the motivation of investors to invest is the desire for an income stream.

Incubator Tenant - A company that leases space in an incubator facility. The facility would usually consist of a warehouse, office park, or office/research and development space. The tenant also receives services normally including administrative services such as computer time, accounting assistance, and secretarial assistance.

Initial Public Offering (IPO) - An offering of usually common stock in a company, with the result that the company obtains capital, and becomes publicly-held.



Insider trading - Trading in a company's securities by company insiders, including officers, directors and principal shareholders, or others with access to non-public information regarding the company.

Interest or Fixed-Charge Coverage - The ratio of profit before payment of interest or income taxes to interest on long-term debt or bonds. It indicates how many times interest charges are "earned" prior to the payment of taxes. This is a key debt ratio utilized in evaluating potential debt transactions by lenders.

Inter-State Offering - An offering of the sale of securities nationally.

Intra-State Offering - An offering of the sale of securities within the borders of one state, or within only several states.

Intrinsic Value - The value of your company based upon the forecasted cash flow fundamentals, plus the cash flow beyond your forecast (known as the Terminal Value). Intrinsic Value is best thought of as what the projected cash flows of your business opportunity are worth to you. Helping others to understand your company's Intrinsic Value based upon its cash flow potential will maximize the sales price.

Investment Bankers - Specialist firms who advise companies on available sources, structures, and timing of offerings. Investment bankers often act as underwriters of public offerings, or placement agents for private offerings.

IPO - See "Initial Public Offering"

Lead Underwriter - The underwriter who manages a securities offering. Also sometimes called a Managing Underwriter.

Letter of Credit - A financial instrument, often used in international trade or business that is issued by a bank. It guarantees the payment of up to a maximum amount of money, for a specified period of time and subject to certain terms and conditions.

Letter of Intent - A preliminary agreement usually between an underwriter and a company stating the terms and conditions that will be contained in the underwriting agreement.

Leveraged Buy-Out - An acquisition of a company utilizing high percentage of debt.

Licensing Agreement - An agreement entered into by the owner of a technology or product. The licensing agreement provides the right to manufacture, market or sell the product, or use the technology for a specific period of time, subject to specific license fees and/or ongoing fees to be paid to the owner of the technology or product. The ongoing fees can be in the form of royalty payments or a percentage of gross revenue obtained.

Limited Offering - An offering of securities that is exempt from registration pursuant to certain exemptions limiting the number of purchasers or the size of the offering.

Limited Partnerships - A form of business organization that offers limited liability to the investors who become limited partners, and which offers in certain cases tax benefits. Limited partnerships are often used for research and development, real estate and oil and gas investments.

Loyalty Shares - Additional shares of stock issued to purchasers of shares in an initial public offering who agree to not sell their shares for a specific period of time, often one year from the date of the offering.

LTM - Last Twelve Months - Generally referred to in this manner when referencing a financial statistic, e.g., Business Value as a Multiple of Sales (using LTM results).

Managing Underwriter - The brokerage or investment banking firm that is the "lead" or primary underwriter in a securities offering, or the manager or leading brokerage or investment banking firm of a syndicate of brokerage or investment banking firms. (See "Lead Underwriter")

Market-Maker - A brokerage firm that "makes a market" in an over-the-counter stock. He offers to purchase shares for his inventory at the "bid" price, and offers shares for sale from his inventory at the offered or "ask" price.

Market Value Appraisal - An opinion of the gross dollar amount to be realized between a willing buyer and a willing seller, in the open market, assuming that neither party is under compulsion to buy or sell, both are fully aware of all relevant facts as of the date of the appraisal.



Master Limited Partnerships - Limited partnerships that are fully registered with the Securities and Exchange Commission (SEC) and publicly traded. They are usually oil and gas or real estate partnerships that are “spun-off” by the sponsoring company either to existing shareholders, or sold as a result of a public offering to obtain cash.

Maturity - The date on which the principal amount of a debt instrument or bond is due and payable.

Maturity Factoring - A method of accounts receivable financing in which the factoring company provides credit approval, collections, and pays to the selling company the amount of the accounts receivable “sold” by the selling company to the factoring company each month.

Mezzanine Financing - A financing that is provided, usually by private investors or venture capital firms prior to a company going public, or initiating its next stage of financing.

Mini-Maxi Offering - A “best-efforts” offering of the sale of securities where there is both a minimum amount that can be raised and a maximum amount that can be raised.

Monetary Authority of Singapore (MAS) - A governmental agency that regulates the banking system, insurance industry and the Stock Exchange of Singapore.

N.A.S.D. - See “National Association of Securities Dealers”

NASDAQ - An automated securities quotation system which provides price and volume information on stock traded over the counter.

National Association of Securities Dealers - The quasi-public regulatory body that regulates many brokerage firms, and the U.S. over-the-counter market.

National Association of Securities Dealers Automated Quotations - See “NASDAQ” .

NCF - Net Cash Flow - Equal to Operating Cash Flow (OCF) minus CAPX. The amount of cash generated or used by the business for a given year after Net Income, Working Capital, Capital Expenditures, and market adjusted business owner’s compensation. Net Cash Flow whether historical or projected is considered the ultimate measure of business performance.

Net Debt - Interest bearing debt minus cash balance. Used in the calculation of Equity Value (Business Value less Net Debt). n.a. - Not Available, Not Applicable n.m. - Not Meaningful Used when a calculation produces an erroneous result.

NOL - Net Operating Loss - Equals negative earnings before taxes on the income statement. The net operating loss is carried forward to a year or years where this historical loss can be offset against current year earnings. Doing so reduces the current year tax liability and provides a positive impact to cash flow and value. Normalized Definition: To place on a comparable basis. In a typical valuation, historical results are adjusted to remove interest expense, goodwill amortization, and any taxes paid. Both historical and future financial results are also adjusted to remove any excess business owner’s compensation. Typically, any discretionary expenses that would not be paid to a non-business owner, professional manager are also removed. Normalizing financial results allows for a better comparison of company results over time.

New Funding - If your business opportunity has negative NCF (Net Cash Flow), based upon your projections, then additional equity investment or loans will be required to finance the business. Also referred to as New Money, External Funding Requirement.

New Replacement Cost Appraisal - An opinion of the amount it would cost. F.O.A, the new manufacturers plant, to purchase a new item of like quality and specifications in the open market place. When such an item is unavailable in the marketplace. the appraiser should use his or her best judgment in providing an estimate of value as of the date of the appraisal

Non-Recourse Loans - Loans which provide that the lenders have no recourse against any assets of the borrowers directly, but instead solely against the assets of the corporation, partnership, joint venture or project.

Offering Circular - A general term for a disclosure document prepared usually for a private placement offering.

OCF - Operating Cash Flow - Cash flow generated from business operations prior to CAPX. OCF is another key measure of financial performance that illustrates the financial health of a business. Companies with positive Operating Cash Flow can more easily invest in machinery and equipment to grow the business.



Orderly Liquidation Value Appraisal - An opinion of the expected gross dollar amount to be realized at an orderly negotiated sale held within a reasonable period of time as of the date of the appraisal.

Other Income/(Expense) - Not considered part of the core business operations. Should only be included if expected to continue into the future. Prospective business owners will likely completely ignore any financial projections in this category.

Overadvance - A loan provided in advance of anticipated sales, that provides the borrowing company with the ability of increasing inventory levels to support anticipated greater levels of sales.

Over-the-Counter - Securities of companies that do not trade on an exchange, but instead on either the “pink sheet” market, or on NASDAQ. Most companies that “go public” start trading on the over-the-counter market.

Oversubscribed - Refers to an initial public offering where the underwriter has the ability to sell more shares than it has agreed to purchase in a firm commitment offering. Underwriters try to achieve this condition, and then exercise the overallotment option (“green shoe”) to fill those orders. This results in additional profits for the underwriter, and additional proceeds from the offering for the company. Typically an oversubscribed offering will trade at a premium in the after market.

Par - The face or nominal value of a security, usually preferred stock or bonds. The interest paid on the bond issues is usually based on a percentage of the bond’s par value.

PCFwOC - Pretax Cash Flow with Business Owner’s Compensation - Sum of EBITDA, Working Capital Source/(Use) of Funds, and Market Value of Business Owner’s Compensation. Very useful in showing how much money the business owner/operator expects to cash flow from the business before income taxes and capital expenditures are paid. If this value is negative, then operations must improve significantly within one to two years to avoid bankruptcy (duration depends upon the business owners access to financing).

Performance Bond - A surety bond that provides protection against non-performance. Traditionally, performance bonds have been required by small issuers or commercial paper. Recently performance bonds have become increasingly used by small and medium sized companies as credit enhancers in a variety of traditional and non-traditional financing transactions.

Petrodollars - Dollars that are paid to oil exporting countries, and that are then re-deposited into U.S. banks, or invested into US companies and investments. Petrodollars have become a key part of the worldwide economy.

Post-Export Financing - Includes a variety of financing methods designed to finance accounts receivables, and bankers acceptances.

PPE - Balance Sheet amount of Gross Property Plant and Equipment (PPE). After accumulated depreciation is subtracted, it is referred to as Net PPE.

Pre-Export Financing - Includes a variety of debt financing including short-term commercial credit, term loan commercial credit, working capital guarantees, and letters of credit used normally to enable a company to finance the manufacture of a product for export.

Preferred Stock - Preferred stock is a class of capital stock that is usually junior to the company’s debt obligations which are paid first in the event of a liquidation. It pays dividends at a specific rate, and has preference over common stock in the payment of dividends, and in the event of liquidation. Preferred shares can carry voting rights, or special voting rights.

Present Value - Value of future cash flows as if they were available today. A simple example is that an individual might be willing to receive \$100 per year for the next ten years for a total of \$1,000 as an alternative to receiving \$600 (the “present value” of \$1,000) today. The \$600 is less than the total of \$1,000, but it is a “bird in the hand” - and the investor doesn’t have to wait for ten annual payments. Buying or selling a business is much the same way. What are you willing to pay or receive now for a company in exchange for its future cash flows?

Price/Earnings Ratio - The price of a share of common stock divided by the earnings per share.

Primary Offering - An offering by a company of previously unissued securities.

Prime Rate - The interest rate that banks charge their most credit-worthy customers. It is determined by market forces, and is usually “set” by major market banks, and then “followed” by smaller banks.



Private Placement - An offering of usually debt, equity or limited partnership interests to a small number of investors on a “private” basis. A private placement offering is exempt from the registration requirements of the securities laws.

Prospectus - A disclosure document prepared to provide potential investors with detailed information regarding the purchase of securities including debt offering, equity offerings or limited partnership offerings. As it pertains to a registered offering, the prospectus is Part 1 of the registration statement.

Proxy - A shareholder’s written authorization for another person to vote and represent him at a shareholders’ meeting.

Proxy Statement - The information provided to shareholders pursuant to SEC regulations by those soliciting shareholder proxies.

Public Float - The aggregate market value of a company’s securities that are available for trading in the market. The public float usually does not include shares subject to sale under Rule 144, nor shares held by officers, directors and principal shareholders.

Public Offering - An offering of usually debt or equity that is offered for sale to the public through stock brokerage or investment banking firms.

Public Shell Company - A company that is publicly-held, but has either minimal assets or no assets, but its attractiveness is its shareholder base. The utilization of public shell companies can be beneficial in obtaining financing.

Quiet Period - The ninety-day time period between the effective date of a registration statement for shares that are sold in a public offering. During this time period only information that is disclosed in the prospectus or amendments to the prospectus can be publicly disclosed.

Rate of Return - The return on a company’s common stock or equity, or the dividend yield (the dividend divided by the purchase price of the shares). For bonds and preferred stock, the current yield, which is determined by dividing the coupon rate by the price paid for the bond.

Ratio of Earnings to Fixed Charges - An analytical technique required by the SEC to be disclosed with selected financial data, and in an exhibit as part of certain registration statements. Earnings is defined as pre-tax income from continuing operations. Fixed charges are generally defined as total interest, whether expensed or capitalized.

Recourse Loan - A loan or debt transaction that provides that the guarantor or other party agrees to provide payment if the borrower defaults.

Red Herring - A preliminary copy of the prospectus used for due diligence purposes prior to the effective date of the offering. The red herring, or preliminary prospectus has red printing on its cover indicating that it is not a final prospectus. The red herring is also utilized to interest potential investors and brokerage firms with participating in the offering of securities.

Registered Offering - See “Public Offering”

Registered Partnerships - Limited partnership offerings that are “registered” with the US Securities and Exchange Commission, and usually with the state securities commissions so that a “public offering” of the limited partnership interests can be made.

Registrar and Transfer Agent - An agency of the company that issues shares to shareholders, and compares the new shares to be issued to the number of shares tendered for cancellation.

Registration - The process of filing a registration statement with the Securities and Exchange Commission, in accordance with the 1933 Securities Act usually either prior to a company “going public”, or as a result of a new issuance of securities.

Registration Statement - The disclosure document filed with the SEC in accordance with the registration requirements of the federal securities laws. The registration includes the prospectus and other information including exhibits.

Regulation A - SEC rules providing exemptions from registration of certain public offerings of up to \$5 million.

Regulation C - Rules that prescribe the procedures to be followed in preparing and filing registration statements, including paper size, number of copies, etc.

Regulation D - SEC rules that govern the exemption from registration for private placements and limited offerings.



Regulation S-B - SEC rules and regulations governing financial and non-financial statement disclosures in both registration statements and periodic reports filed by “small business issuers.”

Regulation S-X - SEC rules and regulations governing the form, content and periods to be covered in financial statements including in registration statements, and periodic reports for companies other than “small business issuers.”

Restricted Shares - Shares of a company’s stock that can not be sold to the public without either registration, or pursuant to Rule 144. These shares are usually either held by insiders including officers, directors or principal shareholders, or by investors who acquired the shares through a private-placement.

Revolving Credit - Also called a revolving line of credit, line of credit, or open-ended credit. The agreement, usually with a bank, provides a maximum amount that can be borrowed over a specific period of time. If the full-amount is “borrowed down” or the line of credit is “drawn against,” as repayments are made, additional borrowings can then be made.

Road Show - A series of meetings held in different cities that provides an opportunity for members of the underwriting syndicate and prospective investors to ask company management questions relating both to the company and to the offering.

Royalty Payment - Compensation paid to the owner of a product or technology for the right to manufacture, market or utilize the product or technology. Royalties are paid, usually as a percentage of sales, with a usually a minimum quarterly, semi-annually or annually as the product is sold.

Rule 144 - The sale of insider or restricted or control stock in the public market without registration of the shares.

Rule 144A - A non-exclusive “safe harbor” exemption from the registration requirements of the Securities Act of 1933 for specified resale of restricted securities to “Qualified Institutional Buyers.” Securities that are normally eligible for resale under Rule 144A are securities that generally were initially sold by issuers in offerings which were not required to be registered.

Safe Harbor Rule - An SEC provision that protects companies from legal action if the company has made a “good faith” effort to comply with SEC regulations and requirements.
SEC - See “Securities and Exchange Commission”

Secondary Offering - An offering of securities, usually shares of common stock after the company is already public. The secondary offering can consist of shares owned by officers, directors and principal shareholders, new shares issued by the company, or a combination of both.

Securities Act of 1933 (1933 Act) - An act passed by Congress and which has been amended which generally requires that public offerings of securities be registered with the SEC before they can be sold.

Securities and Exchange Commission (SEC) - The US governmental agency that regulates the securities industry and which is responsible for administration of US securities laws, including the 1933 Act and the 1934 Act.

Securities Exchange Act of 1934 (1934 Act) - An act passed by Congress and which has been amended that regulates securities exchanges and the over-the-counter markets. It also, generally requires publicly held companies to file periodic reports with the SEC.

Security - Usually either a stock or bond. A stock indicates equity ownership, and a bond indicates that the bondholder is a creditor.

Self-Underwriting - An underwriting of securities where the offering is sold and/or syndicated directly by the company itself and not by a managing underwriter or investment banking firm.

Senior Security - A bond or stock that has a “prior claim” in the event of the liquidation of the company. Senior security obligations are paid first, prior to any claims of subordinated debt, or prior to any moneys paid to shareholders of the company.

SGA - Sales General & Administrative - General overhead and fixed expenses of the business that typically must be paid in a given year regardless of sales volume. FYI, many companies split their labor expense between production (COS) and administration/management (SGA) to allocate the variable versus fixed labor charges.

Shell - See “Public Shell Company”



Short-Swing Profits - Profits realized by certain company insiders on transactions in the company's securities completed within a six month period, whether or not based on insider information.

Sinking Fund - Funds that are accumulated in a separate account by a company to "pay off" debt or redeem preferred stock.

Small Business Issuer - A company incorporated in the US that has less than \$25 million of revenue and public float, as defined in the SEC regulations for the past two fiscal years.

Spin-Off - A form of reorganization that results in either part or all of existing company operations being distributed to shareholders in the form a separate company, which in many cases becomes a publicly-held company. Spin-offs can be most effective in obtaining financing for new technologies, or for expansion.

Sponsor - A term typically used in conjunction with limited partnerships or other investment programs. The term used to identify the general partner or "promoter" of the program. As it relates to the stock of a company, the institution, investment banking, or brokerage firm whose favorable opinion and recommendation of the stock stimulates other interest from investors and institutions.

Spread - the percentage difference, or the difference in dollars between the current market price of a company's stock, and the anticipated value upon the completion of a reorganization, or acquisition.

Staff Accounting Bulletins (SABs) - Published interpretations and practices followed by the staff of the SEC.

Strategic Partnership - A collaboration of a company with usually a larger, financially stronger company that can provide resources to achieve corporate, economic and strategic goals. Also known as a strategic alliance or a corporate venture.

Straight Line Depreciation - Depreciation expense evenly amortized over an asset's useful life.

Subscription - An agreement to purchase debt or equity securities of a company.

Tax Effect Definition: Tax payments or benefits based upon taxable income will impact the cash flow of your business opportunity. This is an important assumption in estimating the economic value of your business opportunity, regardless of whether taxes are paid at the company level or personal level.

Technology Transfer - A transfer of technology from one company or country to another company or country. Originally technology transfers were utilized primarily to assist the economies of developing countries. In recent years, technology transfers have become more significant between countries and companies worldwide. The transfer of technology is usually accomplished with a licensing agreement, joint venture agreement or the direct sale of the products or technology.

Technology Transfer Agreement - An agreement that provides for the transfer of certain technology, or a portion of certain technology to a third-party. It states what remains under the company's control, and what compensation is paid to the company, and on what terms, by the third-party.

Tender Offer - An offer to purchase existing company securities in usually an attempt to gain control of the company.

Tombstone Ad - A published ad or notice of an offering which generally discloses only the amount of the offering, the name of the company, a description of the security, the offering price and the names of the underwriters.

Total Return Rate - The dividend plus any appreciation in a company's stock, divided by the purchase price of the stock.

Transfer Agent - An agent of the company that records information regarding shareholders, and transmits the shares between buyers and sellers by issuing new shares to purchasers of stock, and canceling share certificates of sellers. See also "Registrar and Transfer Agent"

Transmittal Letter - A letter used to file the registration statement with the SEC. It usually calls attention to matters of uncertainty or importance to facilitate the SEC's review of the registration statement. It also should confirm the results or resolutions of any informal communications or conversations held with the SEC staff.

Treasury Investors Growth Receipt (TIGR) - A special form of a US Government backed zero-coupon security. The principal of the bond and its coupon are sold separately at a usually deep discount from the face value.

TV - Terminal Value - Equals the Present Value of your company's cash flows beyond your forecast projection. The Terminal Value



is combined with the Present Value of your forecast to determine Business Value. We develop the estimate of our client company's Terminal Value based upon the future profile of the company: business longevity, revenue growth, marketability, exit from the business, and end of the business life cycle.

Underwriter - A brokerage firm, securities dealer or investment banking firm that sells company securities to investors and to other brokerage firms, securities dealers and investment banking firms. This can occur either through a private placement offering or public offering.

Underwriting Agreement - The underwriting agreement contains the details of the company's arrangements with the underwriters, including the type of offering (best efforts or firm commitment), the underwriters' compensation, the offering price and the number of shares or securities offered.

Unit - An offering of securities of a company, which usually consists of one or more shares of common stock, and one or more common stock purchase warrants that provide for the purchase of an additional share or shares at a specific price during a specific time period.

Unlevered - Refers to the calculation of cash flow without the effects of debt financing (e.g., no interest expense, issuance or repayment of debt). Unlevered cash flow shows the pure operating performance of a company. Our unlevered financial analysis provides a true picture of your business opportunity's fundamental performance.

USD United States Dollar Volatility - Refers to the movement of your business and your company's industry in relation to the economy as a whole. If your business moves up and down in the same fashion as the economy, then your business has an average level of volatility. However, if your business either performs much better or much worse than the economy, your business has greater volatility. In general, more volatile businesses require a promise of greater financial returns to compensate their investors for greater uncertainty.

Venture Capital - Typically high-risk financing, generally in the form of preferred stock convertible into common stock or common stock, or debentures convertible into common stock, often provided to companies not qualifying for other types of financing. The venture capital investor typically requires a high potential of returns, and will structure the investment so that it can be liquidated through an initial public offering, or in some other manner within a three to seven year period.

Warrant - A security that provides for the purchase of usually a share or shares of stock of a company at a specific price, during a specific time period.

Working Capital - Represents the Current Assets and Current Liabilities of your company - most significantly Accounts Receivable (A/R), Inventory, and Accounts Payable (A/P). Increases or decreases in Current Assets and Current Liabilities create a cash flow source or use of funds. Understanding your Working Capital source or use of funds is important to understanding how your company's Operating Cash Flow (OCF) is calculated. For example when A/R increases as sales grow from year to year, a use of funds will occur because revenues are greater than the actual cash collected. Similarly if your operating expenses increase the company's A/P balance will increase and create a source of funds because recorded expenses are greater than cash payments made to creditors. For example, retailers' changes in the inventory balance can require cash funding to support higher inventory levels or provide a source of funds if inventory balances are lowered, while still maintaining current sales volume levels.

Yield - The return on an investor's investment. With bonds or debt instruments, the yield is the coupon interest rate, divided by the purchase price.

Yield To Maturity - The rate of return on a debt instrument or bond. It is calculated by including the total of annual interest payments, the purchase price, the redemption price and the balance of time until the maturity date.

Zero-Coupon Bond - A bond for which not interest payments are made during the period of time that the bond is outstanding. Instead zero coupon bonds are sold at a deep discount from their face value

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