

On February 15, 2011, the Company and then Chairman of the Board, Chief Executive Officer and Chief Financial Officer Robert F. McCullough, Jr. settled with the Securities and Exchange Commission for alleged charges including paid compensation to unregistered broker dealers and for failing to accurately report the beneficial ownership of certain officers and directors. In connection with the settlement, the Company agreed to impose certain controls and procedures to prevent future violations and McCullough consented to a civil penalty and a final judgement to permanently comply with Sections 14 (a) and 16(a) of the Exchange Act and a 12 month suspension from association with a broker dealer and registered investment advisor. Full details of the Securities and Exchange Commission's complaint and the settlement can be found in the links below.

<https://www.sec.gov/litigation/complaints/2011/comp21811.pdf>

<https://www.sec.gov/litigation/admin/2011/34-63913.pdf>