

Financial Statements (unaudited)
Month Ended March 31, 2010

I hereby certify that the statements and the notes thereto, present fairly, in all material respects, the financial position of the Company and the results of operations and for the period presented in conformity with accounting principles generally accepted in the United States.

Tom Miller
President and CEO
Premier Information Management, Inc.

Premier Information Management, Inc.

Balance Sheet

As of March 31, 2010

Accrual Basis

	<u>Mar 31, 10</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	(2,860)
Accounts Receivable	48,316
Other Current Assets	<u>29,609</u>
TOTAL CURRENT ASSETS	75,065
PROPERTY AND EQUIPMENT	
Vehicles, net	19,018
Machinery and Equipment, net	22,974
Furniture and Fixtures, net	<u>13,939</u>
TOTAL PROPERTY AND EQUIPMENT	55,931
OTHER ASSETS	
Deposits	6,229
Software Development, net	5,401
TOTAL OTHER ASSETS	<u>11,630</u>
TOTAL ASSETS	<u>142,626</u>
LIABILITIES & EQUITY	
CURRENT LIABILITIES	
Accounts Payable, net	18,380
Accrued Expenses	<u>87,291</u>
TOTAL CURRENT LIABILITIES	105,671
LONG TERM LIABILITIES	
Notes Payable	12,740
Due to Officers	<u>7,039</u>
TOTAL LONG TERM LIABILITIES	<u>19,779</u>
TOTAL LIABILITIES	125,449
STOCKHOLDER'S EQUITY	
Common Stock (\$.001 par, 200,000,000 authorized 58,553,593 issued and outstanding)	43,030
Preferred Stock (\$.001 par, 1,000,000 authorized 400,000 issued and outstanding)	10,000
Additional Paid in Capital	964,322
Retained Earnings	(988,588)
Net Income	<u>(11,588)</u>
TOTAL STOCKHOLDER'S EQUITY	<u>17,176</u>
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	<u>142,626</u>

Premier Information Management, Inc.

Profit & Loss

January through March 2010

Accrual Basis

	<u>Jan - Mar 10</u>
INCOME / EXPENSE	
INCOME	
Operating Income	99,887
TOTAL INCOME	<u>99,887</u>
COST OF GOODS SOLD	
Total Med Source Fees	12,200
TOTAL COST OF GOODS SOLD	<u>12,200</u>
GROSS PROFIT	87,687
EXPENSE	
Total Sales and Marketing	882
Total General and Administrative	89,151
Total Depreciation and Amortization	8,715
TOTAL EXPENSE	<u>98,748</u>
NET INCOME	(11,061)
OTHER EXPENSE	
Write Offs	527
TOTAL OTHER EXPENSE	<u>527</u>
NET OTHER EXPENSE	<u>(527)</u>
NET INCOME	<u><u>(11,588)</u></u>

Premier Information Management, Inc.
Statement of Cash Flows
January through March 2010

	<u>Jan - Mar 10</u>
OPERATING ACTIVITIES	
Net Income	(11,588)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(234)
Loan Receivable	(85)
Accounts Payable	(523)
Accrued Expenses	3,015
Loan Payable	2,000
Net cash provided by Operating Activities	<u>(7,414)</u>
INVESTING ACTIVITIES	
Machinery and Equipment - AD	2,160
Furniture and Fixtures - AD	896
Software Development - Cost	(500)
Software Development - AD	5,659
Net cash provided by Investing Activities	<u>8,215</u>
FINANCING ACTIVITIES	
Due to Officers	(10,445)
Net cash provided by Financing Activities	<u>(10,445)</u>
Net cash increase for period	(9,644)
Cash at beginning of period	<u>6,860</u>
Cash at end of period	<u><u>(2,783)</u></u>

PREMIER INFORMATION MANAGEMENT, INC.
NOTES TO FINANCIAL STATEMENTS (Unaudited)

Note 1. Nature of Operations

Premier Information Management, Inc. ("Company"), located in Phoenix, AZ, is a provider of business outsourced processing services to insurance underwriters and brokers throughout North America and to some extent overseas. The Company implements process solutions to efficiently procure and manage medical information necessary for insurance carriers, brokers, and agents to evaluate risks associated with life underwriting and claims requirements.

The company operates on a calendar year. Unless otherwise noted, reference to a particular year relates to the year ending December 31.

Note 2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

Revenue Recognition

Revenues for information services are recognized upon completion of the services or project. The period of time from initial order to completion of services or project typically ranges from nine to fifteen days. However, actual invoicing and payment thereof can range from 15 to 45 days with an average of 36 days.

Sales and Marketing Costs

Sales and marketing costs consist of advertising, production of marketing related materials and other costs related to selling and promotional functions. The Company expenses sales and marketing costs as incurred. Due to the difficulties in raising investment during 2009 and the subsequent risk of an aggressive sales campaign, costs incurred for the month ending March 31, 2010 was \$882.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include money market funds and bank overnight deposits. The company has not experienced any losses on its cash and cash equivalents.

Allowance for Doubtful Accounts

The Company reduces accounts receivable by an allowance for amounts that may become uncollectible in the future. Estimates are used in determining the allowance for doubtful accounts and are based on historical collection experience and current trends. In determining the amounts, the Company looks at historical write off experience and length of time the account has been outstanding to assess whether adjustments are necessary. The Company believes its allowance for doubtful accounts reflects the most recent collection experience and is responsive to changes in trends. The Company's accounts receivable are written off once the account is determined to be uncollectible. This typically occurs once the Company has

exhausted all efforts to collect the account. The Company restates Accounts Receivables by a journal adjustment debit to reflect previous amounts estimated uncollectable that were agreed by clients as now collectable.

Adjustment to Accounts Payable

The Company instituted a policy to adjust accounts payable accounts to more accurately reflect current liabilities. Due to the nature of Company's business relative to accounts payables, the policy purges any accounts payables on the books over 12 months relative to cost of goods sold, as it recognizes these liabilities as either a previous credit, duplicate, or misstated transaction.

Property and Equipment, net

Property and equipment is recorded at cost less accumulated depreciation. Furniture, equipment, and software are depreciated using the straight line method over the estimated useful lives of the related assets, which range from three to seven years.

Software Development Costs

The Company capitalizes certain internal software development costs in accordance with Statement of Position ("SOP") 98-1, "Accounting for Costs of Computer Software Developed or Obtained for Internal Use". Such costs consist primarily of direct labor associated with building the internally developed software. Capitalized costs are amortized using the straight line method over the estimated lives of the software, not to exceed five years. SOP 98-1 describes three stages of software development projects: the preliminary project stage (all costs expensed as incurred), the application development stage (certain costs capitalized (certain costs expensed as incurred)), and the post implementation stage (all cost expensed as incurred). Costs capitalized in the application stage include the costs of designing the chosen path, coding, installation of hardware, and testing. The Company capitalizes costs incurred during the development phase of the project as permitted.

Impairment of Long Lived Assets

In accordance with SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), the Company evaluates the carrying amount of its major long-lived assets whenever changes in circumstances or events indicate that the value of such assets may not be fully recoverable. The Company's major long lived assets as of month ending March 31, 2010 are furniture and fixtures, machinery, and computer equipment. The Company believes the carrying amounts are fully recoverable and no impairment exists.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with SFAS 109 "Accounting for Income Taxes" (SFAS 109). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted laws and tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. Management judgment is required in determining the provision for income taxes and, in particular, whether or not a valuation allowance should be recorded against the Company's deferred tax assets.

Fair Value of Financial Instruments

The carrying amounts reported in the Balance Sheets for cash and cash equivalents, accounts receivable and accounts payable approximate the fair value because of the short term nature of these financial instruments.

Loss Contingencies

In accordance with SFAS No. 5, "Accounting for Contingencies" (SFAS 5), when the Company becomes aware of a claim or potential claim, the likelihood of any loss or exposure is assessed. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company records a liability for the loss. The liability recorded includes probable and estimable legal cost associated with the claim or potential claim. If the loss is not probable or the amount cannot be reasonably estimated, the Company discloses the claim if the likelihood of a potential loss is reasonably possible and the amount is material. For matters where no loss contingency is recorded, the Company's policy is to expense legal fees as incurred.

Leases

The Company currently leases its operating and administrative facilities under an operating lease. The Company records rent expense for its operating lease.

Share Based Compensation

The Company accounts for share based compensation in accordance with SFAS 123 (R) which requires the measurement and recognition of compensation expense for all share based awards made to employees and officers, based on estimated fair value of the share awards on the date of grant. The cost is recognized over the period during which the employee is required to provide service in exchange for the award. No cost is recognized for equity instruments for which the employee does not render the requisite service. At the date of grant the stock was not publicly traded and no industry sector index was available to measure the volatility. At the vesting date, the shares were trading at less than .01 per share and the company had net losses from operations. Management has determined that the recognition of share based compensation is not appropriate at this time.

Earnings Per Share

Earnings per share are calculated in accordance with SFAS No. 128, "Earnings Per Share" (SFAS 128). The basic (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the weighted average number of common shares during the year. Because the results of operations are negative, this has not been calculated.

Recent Accounting Pronouncements

FIN 48: Accounting for Uncertainty in Income Taxes- An Interpretation of FASB Statement No. 109 is effective for fiscal years after December 15, 2006. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements. The Company is evaluating the impact of the adoption of FIN 48 will have on the results of operations.

FAS 157: Fair Value Measurements is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Statement defines fair value and establishes a framework for measuring fair value. The Company is evaluating the impact of the adoption of FAS 157 on its financial statements.

Note 3. Merger

Premier Information Management, Inc. was organized June 10, 1997, under the laws of the State of Nevada as C.N.T., Inc. On June 17, 2005, the Board of Directors and majority shareholders approved an increase in the authorized capital to 200,000,000 common shares, 10,000,000 Class A Convertible Preferred Stock (See Note 18) and changed its name to Premier Information Management, Inc. On September 13, 2005, the Nevada Secretary of State approved the aforementioned increase in shares with an effective date of June 17, 2005. On June 17, 2005, the Company entered into a stock purchase agreement with Green Tree Records Management, Inc., whereby the Company acquired 100% right, title and interest to all of the issued and outstanding shares of all classes of capital stock in Green Tree Records Management, Inc.

Note 4. Receivables, net

Accounts receivable, net consists of the following as of month ending March 31, 2010:

Accounts Receivable	\$48,316
Allowance for doubtful accounts	<u>\$0</u>
Net accounts receivable	\$48,316

Accounts receivable is composed primarily of customer accounts for insurance information services.

MG Receivable	\$13,868
Less allowance for doubtful accounts	<u>\$13,868</u>
Net accounts receivable	\$0

MG receivable consists of customer accounts for medical groups prior to the merger. Although management intends to pursue collection of these accounts, collection is highly uncertain.

Note 5. Property and Equipment, net

Property and equipment before depreciation consists of the following as of month ending March 31, 2010:

Vehicles	\$22,500
Furniture and Fixtures	\$33,100
Office Equipment	\$14,200
Computer Equipment	\$82,613

Fixed Asset Cost represents adjustment to equipment entered into service in June 2007. Depreciation expense was \$3,056 for the month ending March 31, 2010.

Note 6. Software Development, net

Software development costs before amortization were \$191,712. Amortization expense was \$5,659 for the month ending March 31, 2010.

Note 7. Accrued Liabilities

Accrued liabilities consist of the following as of month ending March 31, 2010:

Federal payroll tax liabilities	\$81,405
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State payroll tax liabilities	\$5,043
Other accrued liabilities	\$1,612

Salaries, wages, and benefits represent amounts due to employees for salaries, bonuses, vacation pay, and benefits. Federal and state payroll tax liabilities represent unpaid amounts for 2006 through year ending March 31, 2010. Premier Information Management, Inc. has contracted with an outside consulting firm to settle its liability with the Internal Revenue Service for payment of back payroll taxes.

Note 8. Lease Commitments

In 2008, the Company entered into a lease for office space for a 40 month term, expiring in October 2011. In February 2009, the Company rightfully terminated its lease agreement to reduce expenditures, and entered into a month to month lease agreement at a lower rate. Future minimum monthly lease payments under the lease engagement are \$1150 per month. In 2009, the Company entered into a year lease for housing the various software and management consultants engaged from time to time as this has proved more cost effective than numerous hotel fees.

Rent expense under leases totaled \$4,645 for the month ending March 31, 2010.

Note 9. Income Taxes

Deferred tax assets and liabilities result primarily from temporary difference in book value versus tax basis accounting. Deferred tax assets largely consist of timing differences in the recognition of bad debt and share based compensation. Deferred tax liabilities consist largely of timing differences related to depreciation and amortization. SFAS 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the deferred tax asset. Accordingly, the deferred tax asset is zero.

For the tax year ending December 31, 2009 loss carry forwards of \$999,312 were available for a 15 year carry forward against future federal tax liabilities and for a 5 year carry forward against future Arizona tax liabilities. A portion of the federal loss carry forward is available to carry back to tax year 2005. Management expects the loss carry forward available for future years to decrease, as it looks towards profitability in 2010.

Note 10. Related Party Transactions

On June 17, 2005, the Company entered into an employment agreement with the Company's Chief Executive Officer, granting the following share based compensation:

- On signing, 1,000,000 shares of Class A Convertible Preferred Stock vesting over five years at 20% per year on each successive anniversary date of the agreement.
- Five million shares of Class B Common Stock vesting over five years at 20% per year on each successive anniversary date of the agreement
- Annual grants of 1.5 million in stock options to be granted on each successive anniversary date of the agreement (up to an aggregate of 7.5 million options) with a stock price equal to the lowest quoted market price for the preceding twelve months.

Share based compensation of \$20,000 valued by the Company was recognized for the year ending December 31, 2005. See Note 2. The employment contract with the Chief Executive Officer also provided for a signing bonus of \$10,000 and an annual salary of \$150,000, increasing to \$200,000 on the first

anniversary and to \$250,000 on the second anniversary of the signing. See Note 17 for changes to the Company's Chief Executive Officer's compensation package.

On June 17, 2005, the Company entered into an employment agreement with the Company's Chief Operating Officer, granting the following compensation:

- On signing, 5,000,000 shares of Class B Common Stock
- Five million shares of Class B Common Stock vesting over five years at 20% per year on each successive anniversary date of the agreement

The employment contract with the Chief Operating Officer provided for a signing bonus of \$10,000 and an annual salary of \$125,000. As of June 30, 2006, the Chief Operating Officer left the employment of the Company. No share based compensation was recognized for the Chief Operating Officer. See Note 2.

On January 31, 2006 a loan agreement between Tom Miller, Chief Executive Officer and the Company was entered into. As of month ending March 31, 2010, the balance on the loan by Company to Tom Miller, Chief Executive Officer, is \$17,532.

The Chief Executive Officer was a guarantor on obligations incurred by Premier Information Management, Inc's predecessor organization and he has assumed personal responsibility for a lease payable, several vendor payables and credit card liabilities.

Note 11. Stock Based Compensation

In addition to the stock based compensation described in Note 10 above, stock options were granted to the Company's Chief Technology Officer and a consultant.

Pursuant to an employment agreement dated January 30, 2006, the Company is required to make annual stock option grants of 200,000 options per year to be granted on each successive anniversary date of the agreement (up to an aggregate of 1 million options), with a stock price equal to the lowest quoted market price for the preceding twelve months. The Chief Technology Officer left the employment of the Company, did not receive any options, and the options are no longer available to him.

On April 15, 2006, the Company entered into an agreement with an investor relations consultant. In exchange for investor relations services, the consultant will receive the following compensation:

- Monthly fees of \$8,000 payable in cash and 5,000 shares of the Company's common stock
- 2,000,000 shares of free trading Common Stock
- Options to purchase 6% of the total of any material investment (exceeding \$500,000 in any three month period) with an exercise price of \$0.15 per share
- 1% of any monies raised to be paid in Options at an exercise price of \$0.15 per share
- Bonus of 25,000 stock options with an exercise price of \$0.50 per share upon the attainment of stock prices exceeding \$1.00 per share for two months from June 15, 2006 to June 15, 2007.
- Bonus of up to 250,000 stock options with an exercise price of \$0.50 per share upon the attainment of stock prices exceeding \$1.50 per share for a period exceeding six months from August 15, 2006 to August 15, 2008.

In April 2007, prior to renewing the investor relations consultant's contract, the Company recognized that the previous targets were, in light of the circumstances, unrealistic. In addition, the Company recognized additional valuable contributions made by the investor relations consultant to date and in expectation of the

same going forward, awarded a signing bonus of 2,000,000 unrestricted common stock shares at the time of the contract renewal.

For 2008, the company changed and the consultant has agreed to a modified contract. Under the new agreement, the consultant shall still receive a monthly fee payable in cash but all other compensation will be made on a bonus basis every three months after review by the company and related audit committee.

Note 12. Stockholders' Equity

The Company had 58,803,593 shares of common stock outstanding as of month ending March 31, 2010. Of the shares outstanding, 14,737,476 shares were restricted as month ending March 31, 2009.

The company had 1,000,000 shares of Class A convertible preferred stock outstanding as of December 31, 2007. All shares of the Class A convertible preferred stock were held by Tom Miller, Chief Executive Officer. See Note 17: Changes to the Executive Compensation Package.

In accordance with the Audit Committee findings of December 2007 (previously published), instructions were given to dissolve the 600,000 preferential shares in Mr. Miller's name. Mr. Miller as Chief Executive Officer is contractually due to receive 200,000 preferential shares for each complete year of service as CEO of the company. To date, Mr. Miller has not been issued his contractually due amount of preferential stock for 2007-2008, and 2008-2009 years. For additional information See Notes 17 and 18.

Note 13. Going Concern

As part of the company's ongoing technological development program, Premier recently engaged its former CTO adding to the existing technical team. The company is looking at growing opportunities in adjacent business sectors by capitalizing on existing in house software to build a wider base of operations. The company feels a lack of dependence to and specific type of client or sector will reduce sensitivities to market changes.

The company increased income from first quarter 2009 of \$76,515 to first quarter of 2010 of \$99,887. Adjusted net loss was reduced from \$45,568 to \$11,588.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The company saw 23% growth in 2009 but still made a small net loss. As announced in the press, the company was successful in negotiating a number of new contracts that will begin to enter the workflow in 2010 with additional major contracts expected to close before the end of the year.

The Company is still looking to finalize agreements with three new board members in a reorganization move to provide additional skill sets, market knowledge and commercial experience. These new members will guide the company to better position itself in the marketplace and in move towards new vertical and alternative business segments. The company will disclose the new board members as agreements are reached.

As could be seen from 2009 end of year financials, cost performance continues to be an area of strong focus for the company and in addition to existing projects, the corporate technical team is investigating the possibility of a decentralized work environment which would also remove an additional 15% of costs on a permanent basis.

Refer to year end 2009 financials for historical Going Concern.

Note 14. Prior Periods Adjustments

Certain errors resulting in a misstatement of assets and liabilities discovered certain periods are adjusted. The Company made no adjustments for the month ending March 31, 2010.

Note 15. Significant Non-cash Investing and Financing Transactions.

For the year ended December 31, 2006, the Company had several significant non-cash investing and financing transactions. Equipment and furniture in the amount of \$21,766 was acquired in exchange for an amount Due to Officers. Various vendor payables and a lease payable totaling \$37,397 were assumed by the Chief Executive Officer in exchange for an amount Due to Officer. Accrued wages of \$53,417 were exchanged for an amount Due to Officer. For the year ended December 31, 2007, 2,000,000 shares of unrestricted common stock were issued to the investor relations consultant. See Note 11. For the year ending December 31, 2009, \$279,459 of Common Stock was re-classified to Par Value. Stock based compensation was re-classified to Paid in Capital in the amount of \$28,000.

Note 16. Control and Procedures

At the end of 2009 the company took a review of past year's disclosure standards and timeliness. Subsequently, the company has installed a new policy to strike the right balance of transparency without creating frivolous news items. Management intends to maintain close control on disclosure standards designed to provide reasonable assurance that information required to be disclosed in reports is recorded, processed, summarized and disclosed within specified time periods to allow effective communication of the financial and operational condition of the Company. The company feels that the addition of future board members may modify the new policy and also expects a move towards fully reporting status during 2010. As with any corporate improvements, such matters are under constant change, review, and documentation. In 2007, the Company engaged the assistance of a corporate Audit Committee and advisory board.

Management is responsible for establishing and maintaining effective internal control over financial reporting. Management's intent is to design this system to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principals in the United States of America.

Internal controls over financial reporting should include those policies and procedures that:

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of assets;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principals, and that receipts and expenditures are being made only in accordance with authorization of management and directors; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on financial statements
- IV. provide reasonable and adequate separation of duties to ensure adequate control of assets and financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As of March 31, 2010 some material weakness in the internal controls of the Company still existed. The new board will address the

process of correcting the material weakness in the separation of duties related to the approval, recording, and reconciliation of financial information.

Note 17. Changes to the Executive Compensation Package.

Upon documentation review, the Audit Committee discovered that the Chief Executive Officer's compensation package had been incorrectly reported with regards to the number of issued convertible preferred stock shares. The actual agreed compensation package verified by the Audit Committee dictates that only 20 percent (20%) of the total of the 1,000,000 shares of the convertible preferred stock shall vest on the anniversary of each contract year. Since the 1,000,000 shares of convertible preferred stock had been issued to the Chief Executive Officer prior to the vesting dates, compensation was determined to have resulted as of December 31, 2005. For purposes of determining the value of the compensation, 1,000,000 of the convertible preferred shares were valued at the par value for the common stock (20,000,000 common stock shares at \$.001 par value to be received upon conversion of the preferred shares). The Company's management had indicated that records have been updated to reflect these changes.

As part of the Company's yearly review process, the Chief Executive Officer determined that his salary and compensation arrangements did not represent a practical burden on the Company and has agreed to update the existing compensatory package to more viably reflect the needs of the Company and its shareholders. As of December 31, 2008, an adjusting entry was made to reflect a deferment of \$50,000 to unpaid wages accrued to Mr. Miller, resulting in a balance Due to Officers of 17,484, for prior leases assumed and capital contributions by Mr. Miller.

Subsequently, the Company has indicated the Chief Executive Officer's salary will be back rated to \$150,000 per annum. In addition, the pricing schedule under which the Chief Executive Officer will be able to purchase stock will now only allow for the lowest market price in the previous 45 days.

Note 18. Changes to Authorized Preferred Shares.

Following correction of the Chief Executive Officer's compensation package, the Audit Committee ordered the incorrectly issued stock returned and this has been done.

In addition, certain paperwork incorrectly stated that the company had authorized the creation of 10 Million Preferred shares. This matter has also been corrected and at this time only 600,000 Authorized (not issued) Preferred shares remain. Notes to Corporate documentation regarding this matter will be filed in due course.