

**QUESTIONNAIRE FOR
OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS**

TO: Directors, Officers and Principal Shareholders of _____.

FROM: Lawler & Associates

DATE: _____, 20_____

Enclosed please find one copy of a "Directors' and Officers' Questionnaire" relating to the **[Annual Report or Registration Statement]** of **[Name of Client Company]**, Inc. (the "Company") on Form _____.

The information called for by this Questionnaire is required in connection with the preparation of a **[insert title of filing document – "Annual Report" or "Registration Statement"]** to be filed with the Securities and Exchange Commission (the "SEC"). It is presently anticipated that the **[insert title of filing document – "Annual Report" or "Registration Statement"]** will be filed on _____, 20_____.

[USE THE FOLLOWING PARAGRAPH ONLY IN CONNECTION WITH THE PREPARATION OF A REGISTRATION STATEMENT, NOT AN ANNUAL REPORT.]

If you are an officer or director, you may be personally liable under Section 11 of the Securities Act of 1933, as amended (the "Act"), to a purchaser of the Company's shares if the Registration Statement contains a material misstatement or omits material information. A more specific description of such personal liability is included at the end of this memorandum.

The Information requested in this questionnaire is for your protection and that of the Company. The information supplied in response to this Questionnaire will be used to assure that certain of the information to be included in the **[insert title of filing document – "Annual Report" or "Registration Statement"]** will be correct. Accordingly, great care should be exercised in the completion of this Questionnaire.

[USE THE FOLLOWING SENTENCE ONLY IN CONNECTION WITH THE PREPARATION OF A REGISTRATION STATEMENT, NOT AN ANNUAL REPORT.] You will be furnished with a copy of the Registration Statement for your review prior to its filing with the SEC.

It is very important that an answer be given for each question; please type or print your answers. If the answer to any question is "No," "None" or "Not Applicable," please so indicate.

Please complete the enclosed Questionnaire and return it to _____ at Lawler & Associates, as soon as possible, but no later than _____, 20____. The firm of Lawler & Associates is legal counsel to the Company.

If, in completing the Questionnaire, you are in doubt as to the meaning or implication of any terminology used herein or as to the significance of any particular fact situation, please contact _____ at Lawler & Associates (888) 695-0888.

[USE THE FOLLOWING SECTION ONLY IN CONNECTION WITH THE PREPARATION OF A REGISTRATION STATEMENT, NOT AN ANNUAL REPORT.]

Description of Personal Liability

Some case law interpretation of Section 11 implies that the liability of directors and principal officers "approaches that of the issuer as the guarantor of the accuracy of the prospectus." Controlling persons of the Company are subject to the same liability under Section 15 of the Act unless they have no knowledge of or reasonable grounds to believe in the existence of the facts giving rise to liability.

The only defense provided by Section 11 of the Act is that you have satisfied yourself through diligent effort as to the accuracy and adequacy of the information in the Registration Statement. With respect to portions of the Registration Statement that do not purport to be made on the authority of an expert, the defense provided by Section 11 of the Act is that "no person, other than the issuer, shall be liable who shall *sustain the burden of proof* that... he had, *after reasonable investigation*, reasonable ground to believe and did believe, at the time such part of the registration statement be-

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

came effective, that the statements therein contained were true and that there was no omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading...

The only parts of the Registration Statement that are included on the authority of an expert are the audited financial statements and the related notes to financial statements. Directors and officers of the Company who sign the Registration Statement are also liable for material misstatements and omissions in these portions of the Registration Statement. The statutory standard as to these “expertised” portions is similar for other portions of the Registration Statement -- the defendant must not have had reasonable grounds to believe and must not have believed that the expert’s statements were untrue or omitted a material fact. However, the statute does not impose on such officers and directors a requirement of “reasonable investigation” with respect to expertised portions. Nevertheless, “reasonable grounds for belief” varies with the degree of involvement of the individual, his expertise and his access to pertinent information; for example, an inside director with finance expertise and high access to financial data may be held liable if, knowing the facts, he had reason to question the expertised portion of the prospectus and failed to investigate. Counsel who have prepared the Registration Statement with the assistance of Company officers are not “experts” within the meaning of the statute. “Reasonable Investigation” and “reasonable ground for belief” are defined as those required of “a prudent man in the management of his own property.

In the case of *Escott v. BarChris Construction Corp.*, 283 F. Supp. 643, 688 (S.D.N.Y. 1968), the court interpreted the applicable provisions of the Act as follows, with respect to a recently elected outside director:

“He [the recently elected outside director] can escape liability only by using that reasonable care to investigate the facts which a prudent man would employ in the management of his own property. In my opinion, a prudent man would not act in an important matter without any knowledge of the relevant facts, in sole reliance upon representations of persons who are comparative strangers and upon general information which does not purport to cover the particular case.”

Inside directors and principal officers may be held to an even stricter standard of care, because of their level of involvement in the issuer. *Feit v. Leasco Data Processing Equipment*, 332 F. Supp. 544, 578 (E.D.N.Y. 1971) interpreted additional language of *BarChris* as follows:

“BarChris imposes such stringent requirements of knowledge of corporate affairs on inside directors [and officers signing the registration statement] that one is led to the conclusion that liability will lie in practically all cases of misrepresentation. Their liability approaches that of the issuer as a guarantor of the accuracy of the prospectus.”

The foregoing material and the following questions and information to be provided by you relate solely to Sections 11 and 15 of the Act and are not intended to cover other Federal or state securities laws.

**QUESTIONNAIRE FOR
OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS**

Lawler & Associates
11622 El Camino Real, Suite 100
San Diego, California 92130

Ladies and Gentlemen:

The following information is furnished to you for use in connection with the **[Annual Report or Registration Statement]** of **[Name of Client Company]**, Inc. (the "Company") on Form _____ (the "**Annual Report**" or the "**Registration Statement**") proposed to be filed by the Company with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933 covering a public offering of Common Stock of the Company. I will promptly notify you of any changes in such information which may occur subsequent hereto and prior to the effective date of the Registration Statement. I understand and agree that this questionnaire, as completed by me and my further communications regarding the matters contemplated herein will be relied upon by you, the Company, the Representatives of the Underwriter and Underwriter's Counsel in connection with the preparation of the Registration Statement.

"Last fiscal year" refers to the Company's fiscal year ended _____, _____.

"Current fiscal year" refers to the Company's fiscal year ending _____, _____.

[Only use the next two (2) sentences in connection with a Registration Statement]

The "Proposed Effective Date" is _____, _____.

The "Representative of the Underwriters" is Shady Securities. The "Underwriter's Counsel" is the firm of Scriveners & Associates.

The "Company's Auditor" is the firm of _____.

1. Business Experience

(a) My principal occupations and employment during the last five years are described below. I have included all positions (including directorships) with the Company.

Click here to view image.

(b) I am presently a director of the following public companies:

(c) If I am a director, executive officer or nominee to become a director of the Company, I consent _____ / do not consent _____ to being named in the Registration Statement as such and, if a nominee to become a director, to serve as a director if elected.

2. Personal Information

(a) Date of Birth: _____

(b) Degrees held:

Degree	Field of Study	Year Awarded	College Awarding Degree

3. Family Relationships

(a) Described below are all family relationships (see definition) I have had or currently have with any director or officer (or nominee for director or officer) of the Company:

(b) I am _____ / am not _____ married.

The names of my spouse and children, if any:

Spouse _____

Children _____

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

4. Arrangements for Selection

All arrangements (see definition) or understandings I have entered into with any persons pursuant to which I have been selected as an officer or director of the Company, are described below:

5. No Adverse Interest

All interests I or my associates (see definition) have or will have that are adverse to Company interests in any pending or contemplated legal proceeding or government investigation to which the Company is or will be a party (or to which its property may be subject) are described below:

6. Promoters

(a) I could _____ / could not _____ be considered a “founder” of the Company.

(b) If I could be considered a “founder” of the Company, I did _____ / did not _____ receive (or purchase) ten percent (10%) or more of the Company shares outstanding at the time of founding.

7. Legal Proceedings; Investigations

All legal proceedings or government investigations pending or contemplated to which the Company is or would be a party (or to which its property may be subject) are described below:

8. 5% Shareholders

To the best of my knowledge, all persons (including myself and my associates and including corporations, partnerships, trusts, associations and other such groups) who own beneficially (see definition) more than 5% of any class of the Company's stock are described below:

Name of Beneficial Owner	Class of Shares Beneficially Owned	Older of Voting or Investment Power
--------------------------	------------------------------------	-------------------------------------

9. Voting Arrangements

All voting trusts or similar agreements or arrangements (see definition) under which more than 5% of the Company's outstanding Common Stock is held or to be held are described below:

Names and Addresses of Voting Trustees	Voting Rights and Other Powers Under Trust, Agreement or Arrangement
----------------------------------------	----------------------------------------------------------------------

10. Change in Control

All arrangements (see definition), including any pledge by any person of Securities of the Company, the operations of which may at a subsequent date result in a change in control (see definition) of the Company, are described below:

11. Share Ownership

(a) Information as to my beneficial (see definition) stock ownership of Company stock is furnished on the following page. I have included all shares which are (i) registered in my name, including shares registered in my name as trustee, executor, custodian, pledgee, agent or nominee, either alone or with others, (ii) owned beneficially by me or any

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

associate (see definition) of mine, (iii) registered in the name of a nominee or in street name, including any such shares held for the account of any of the above or (iv) held for my account under any other arrangement (see definition).

I have indicated in the Remarks column whether I have sole or shared voting or investment power with respect to any such securities, and in what capacity (i.e. individual, general partner, trustee) I have such power or powers.

If I wish to disclaim beneficial ownership of any shares listed, I have so indicated by writing the word "Disclaim" in the Remarks column below; and I understand that such shares will be shown separately from my beneficial holdings and an appropriate disclaimer set forth.

If any co-trustee, etc., acting with me is an officer or director of the Company, I have set forth his name in the Remarks column.

If any of the shares listed are subject to any claim, encumbrance, pledge or lien, I have so indicated in the Remarks column.

[Click here to view image.](#)

(b) All rights I have to acquire (through exercise of warrants or options, conversion of Preferred Stock, or otherwise), at any time within sixty days of the Proposed Effective Date, beneficial ownership of shares of Common Stock or Preferred Stock of the Company are described below:

Type(s) of securities obtainable through such right(s): _____; _____ shares through the exercise of any option, warrant or right (description of such option, warrant or right: _____);

_____ shares pursuant to the power to revoke a trust, discretionary account similar arrangement, and/or;

_____ shares through other means (description of such means: _____).

12. Remuneration

(a) Salary and Bonus. The amount of cash remuneration (including salary, bonuses, deferred compensation, fees, commissions and directors' fees) paid or accrued to me by the Company (or by third parties engaged in transactions with the Company where the primary purpose was to furnish remuneration to me for services rendered to the Company) during the Company's last fiscal year is furnished below:

[Click here to view image.](#)

(b) Described below are all significant changes since the end of the last fiscal year in cash or other compensation that I am receiving or am to receive as well as all changes since such date regarding stock options, etc. described above.

(c) Described below are all arrangements, standard or otherwise, pursuant to which I am compensated for all services as a director, including all additional amounts payable for Committee participation or special assignments:

(d) Described below are all compensatory plans or arrangements, including payments received from the Company for the Company's last fiscal year, or the period since the end of the last fiscal year, if (i) such plans or arrangements result or will result from my resignation, retirement or any other termination of my employment with the Company or from a change in control of the Company or a change in my responsibilities after such a change in control, and (ii) the amount involved, including all periodic payments or installments, exceeds \$ 60,000.

(e) Securities or Property. Information regarding all stock (or other property) of the Company acquired by me during the Company's last three fiscal years and the period since the end of the last fiscal year, excluding stock issued upon exercise of options (see definition) is furnished below:

[Click here to view image.](#)

(f) Pension and Retirement. Information regarding all contributions, payments or accruals for my account by the Company under any retirement plan, annuity, employment contract deferral, deferred compensation plan or similar arrangement (other than contributions to plans for which specific allocations for specific individuals are not made) during the Company's last fiscal year is furnished below:

Identification of	Amount	Estimated Annual
-------------------	--------	------------------

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

“Plan”
(See
Definition)

Benefits Upon Retirement

(g) Life Insurance. Information regarding all premiums paid by the Company on all life insurance policies, where the Company is not the sole beneficiary, during the Company's last fiscal year is furnished below:

(h) Health Insurance. Information regarding all premiums or other costs paid by the Company under health insurance or medical reimbursement plans, other than non-discriminatory group plans, during the Company's last fiscal year is furnished below:

(i) Contributions to Plans. Information regarding all contributions made for my account by the Company to any stock purchase, profit-sharing, thrift or similar plan during the Company's last fiscal year is furnished below:

(j) Personal Benefits. Personal benefits furnished to me during the Company's last fiscal year from the Company, directly or through third parties, are described below. I have included personal benefits such as payments made by the Company for (i) home repairs and improvements, (ii) housing and other living expenses provided at my principal and/or vacation residences, (iii) personal travel expenses, (iv) personal entertainment and related expenses, (v) medical expenses, and (vi) legal, accounting and other professional fees for matters unrelated to the Company's business. I have also described all instances in which I have had the personal use of the property of the Company, such as Company automobiles, planes, yachts, apartments, hunting lodges or Company vacation houses or the use by me of corporate staff for personal purposes:

(k) Future Remuneration. I have briefly described below all remuneration payments proposed to be made to me in the future pursuant to all existing plans (see definition) or arrangements (see definition), except for those previously reported above. As to defined benefit or actuarial plans, I have indicated the estimated annual benefits payable to me upon retirement.

Description

(l) Third Party Transactions. Information regarding all transactions between the Company and third parties, where the primary purpose of such transactions are to furnish remuneration to me, is provided below:

13. Stock Options and Warrants

(a) Grants. Information regarding all stock options (see definition) granted to me by the Company during the last three fiscal years and the period since the end of the last fiscal year is provided below.

[Click here to view image.](#)

(b) Exercises. Information regarding all stock options exercised by me during the last three fiscal years and the period since the end of the last fiscal year is provided below:

[Click here to view image.](#)

14. Indebtedness to the Company

Information regarding all indebtedness I or any of my associates (see definition) have incurred to the Company during the Company's last three fiscal years and the period since the end of the last fiscal year (except for amounts due for purchases subject to usual trade terms, for ordinary travel and expense advances and for other transactions in the ordinary course of business) is provided below:

(a) The largest total of indebtedness at any time during such period:

(b) The nature of the indebtedness and of the transaction in which it was incurred:

(c) The amount thereof outstanding as of the end of the Company's last fiscal year:

15. Transactions with the Company

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

Information regarding all material (see definition) interests of mine or my associates in any actual or proposed transaction during the last three fiscal years to which the Company was or is to be a party, is provided below. *However, no such transaction need be described if:*

(a) the amount involved (including all periodic installments in the case of any lease or other agreement provided for periodic payments or installments and including the value of all transactions in a series of similar transactions) does not exceed \$ 60,000;

(b) the rates or charges involved in the transaction are fixed by law or governmental authority or determined by competitive bids;

(c) the services involved are as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar service;

(d) my interest arises solely from my ownership of securities of the Company and I received no extra or special benefit not shared on a pro rata basis by all other holders of securities in the same class;

(e) my interest in the corporation that is a party to the transaction is solely as a director; or

(f) my interest arose solely as an officer and/or director of the Company (e.g., my compensation arrangement with the Company).

Description:

16. Indemnification

Information regarding all manners of insurance or indemnification of any director or officer of the Company against any liability which he may incur in his capacity as such, other than pursuant to a statutory provision or by-law, is provided below:

17. Identity of Associates

Information regarding my associates (see definition) is provided below:

[Click here to view image.](#)

18. Present and Prior Legal Proceedings and Investigations

(a) Respondent. Except as described below, the following statements are accurate with respect to me as to the past five years:

(i) No petition under the federal bankruptcy laws or any state insolvency law has been filed by or against, and no receiver, fiscal agent or similar officer has been appointed by a court for the business or property of (i) myself, (ii) any partnership in which I was a general partner at or within two years before the time of such filing, or (iii) any corporation or business association of which I was an executive officer at or within two years before the time of such filing;

(ii) I have not been convicted in a criminal proceeding (excluding traffic violations and other minor offenses), nor am I the subject of any criminal proceeding which is presently pending;

(iii) I have not been the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court, permanently or temporarily enjoining me from or otherwise limiting me, in the following activities:

(A) Acting as a futures commission merchant, introducing broker, commodities trading advisor, community pool operator, floor broker, leverage transaction merchant, any other person or activity regulated by the Commodity Futures Trading Commission, or an associated person (see definitions attached) of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

(B) Engaging in any type of business practice; or

(C) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

(iv) I have not been the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days my right to engage in any activity described under subsection (3) above or to be associated with persons engaged in any such activity.

(v) I have not been found by a court in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law except where the judgment in such civil action or the finding by the Commission has been subsequently reversed, suspended or vacated; nor am I subject to any current investigation by the Securities and Exchange Commission.

(vi) I have not been found by a court in a civil action or by the Commodities Futures Trading Commission to have violated any federal commodities law, except in a judgment in such civil action or finding by the Commodities Futures Trading Commission which has been subsequently reversed, suspended or vacated; nor am I subject to any current investigation regarding any alleged violation of any federal commodities law.

_____ The above statements are accurate.

_____ The above statements are not accurate.

Description:

(b) Promoters and Control Persons. If I am a promoter or control person (see definitions), to the best of my knowledge, the statements set forth in paragraphs (a)(i) through (a)(vi) of this question are also accurate with respect to any other promoters or control persons of the Company as to the past five years.

_____ The above statements are accurate.

_____ The above statements are not accurate.

Description:

19. Board of Directors and Committees of Board of Directors

(a) I am _____ / am not _____ a director.

(b) During the last fiscal year I attended _____ meetings of the Board of Directors, of a total of _____ meetings held.

(c) I am aware of the existence of the following Committees of the Board of Directors of the Company:

(d) I am a member of the following committees of the Board of Directors of the Company:

20. Foreign Corrupt Practices Act

Information regarding any of the following activities or types of conduct that I have knowledge of or reason to believe have been or may have been engaged in, either directly or indirectly, at any time since _____, 1995, is given below:

(a) The payment of any money or gift of, or promise to give, anything of value to government officials or their relatives, or any other payments to such persons, or their relatives, whether or not legal, to obtain or retain business or to receive favorable treatment with regard to business.

(b) The payment of any money or gift of, or promise to give, anything of value to government officials, or to relatives of such persons, or any other payments to such persons or their relatives, whether or not legal, to obtain or retain business or to receive favorable treatment with regard to business.

(c) Any contributions in any form, whether or not legal, made to any political party, political candidate or holder of governmental office.

(d) Any bank accounts, funds or pools of funds created or maintained without being reflected on the corporate books of account, or as to which the receipts and disbursements therefrom have not been reflected on such books.

**QUESTIONNAIRE FOR
OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS**

(e) Any receipts or disbursements of any form, the actual nature of which has been “disguised” or intentionally mis-recorded on the corporate books of account.

(f) Any fees paid in any form to consultants or commercial agents which exceeded the reasonable value of the services purported to have been rendered.

(g) Any payments or reimbursements in any form made to personnel of the Company for the purposes of enabling them to expend time or to make contributions or payments of the kind or for the purpose referred to in subparts (a)-(f) above.

21. Reports or Studies on Company

Any engineering, management or similar report or memorandum relating to broad aspects of the business, operations or products of the Company which has been prepared within the last twelve months for or by the Company, any holder of more than 5% of the Company's Common Stock, or any underwriter or any report or memorandum other than the Registration Statement which has been prepared for external use by the Company in connection with the proposed offering is described below:

22. Certain Business Relationships

(a) Described below is any service by me as an executive officer for, or director of, or ownership by me in excess of a ten percent (10%) equity interest in, any business or professional entity:

(1) that has made during any of the Company's last three fiscal years, or proposes to make during the Company's current fiscal year, payments to the Company for property or services in excess of five percent (5%) of (i) the Company's consolidated gross revenues for any of its last three fiscal years, or (ii) the other entity's consolidated gross revenues for any of its last three fiscal years;

(2) to which the Company has made during any of the Company's last three fiscal years, or proposes to make during the Company's current fiscal year payments for property or services in excess of five percent (5%) of (i) the Company's consolidated gross revenues for any of its last three fiscal years, or (ii) the other entity's consolidated gross revenues for any of its last three fiscal years;

(3) to which the Company was indebted at the end of any of the Company's last three fiscal years in an aggregate amount in excess of five percent (5%) of the Company's total consolidated assets at the end of such fiscal year;

(4) Any other relationships between myself and the Company that are substantially similar in nature and scope to those relationships listed in paragraphs (1) and (3).

Description:

(b) If I am a director, I have described below any partner or executive officer positions I have held with any investment banking firm which has performed or may perform services for the Company.

23. Affiliation with Accountants and Counsel

Described below is any interest, affiliation or Connection I have with the firm of Orrick, Herrington & Sutcliffe, Big 6, the Company's Auditor; or Scriveners & Associates, the Underwriter's Legal Counsel; or any other law firm or accounting firm that has been retained by the Company during the last three fiscal years or is proposed to be retained by the Company:

24. Transactions with Underwriter

Described below is any material relationship (see definition) I or my associates (see definition) have or have had with the Representative of the Underwriter or with any other investment firm.

25. NASD Matters

(a) Described below is all information I know of pertaining to underwriting compensation and arrangements or any dealings between any underwriter or related person (see definition), member (see definition) of the National Association of Securities Dealers, Inc. (“NASD”) or person associated with a member (see definition) and the Company or any con-

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

trolling shareholder thereof since the beginning of the Company's last fiscal year, other than information relating to the proposed Underwriting Agreement.

(b) I am a member (see definition) of the NASD, a controlling shareholder of a member, a person associated with a member (see definition) or an underwriter or related person (see definition) with respect to the proposed offering.

_____ True.
 Description:

_____ False. **If False is checked, skip to question (f).**

(c) Information as to all purchases and acquisitions (including contracts to purchase or to acquire) of securities of the Company or any subsidiary of the Company by me during the last eighteen months, as well as to all proposed purchases and acquisitions which are to be consummated in whole or in part within the next twelve months, is set forth below.

Seller or Prospective Seller	Amount and Nature of Securities	Price or Other Consideration	Date
------------------------------------	------------------------------------	---------------------------------	------

(d) Information as to all sales and dispositions (including contracts to sell or to dispose) of securities of the Company or any subsidiary of the Company during the last eighteen months by me to any member (see definition) of the NASD or any person associated with a member (see definition) or any underwriter or related person (see definition) with respect to the proposed public offering, as well as to all proposed sales and dispositions by me which are to be consummated in whole or in part within the next twelve months, is set forth below.

Buyer or Prospective Buyer	Amount and Nature of Securities	Price or Other Consideration	Date
----------------------------------	------------------------------------	---------------------------------	------

(e) If I have had during the last eighteen months, or am to have within the next twelve months, any transaction of the character referred to in either Item 27(c) or 27(d) above, I have described briefly below the relationship, affiliation or association of both me and, if known, the other party or parties to any such transaction with an underwriter or others "in the stream of distribution" with respect to the proposed offering. In any case, where the purchaser (whether me or any such party) is known by me to be a member of a "private investment group," such as a hedge fund or other group of purchasers, I have furnished, if known, the names of all persons comprising the "group" and their "association with" or "relationship to" any broker-dealer:

(f) **To be answered only by 5% stockholders who are not individual investors.** Except as described below, I do not know of any director, officer or holder of 5% of any class of securities of the entity on behalf of which I am completing this Questionnaire who is (i) a member of the NASD, (ii) a controlling shareholder of a member of the NASD, (iii) associated or affiliated with member of the NASD or (iv) associated or affiliated with any underwriter or financial or legal advisor involved in the Company's proposed offering.

_____ True.
 _____ False.

Description:

26. Arrangements Regarding Sale of Securities.

(a) To the best of my knowledge, there is no arrangement made or to be made by any person, or any transaction already effected:

(i) to limit or restrict the sale of the Common Stock during the period of the offering of the Common Stock registered on Form S-1;

(ii) to stabilize the market for the Common Stock;

(iii) to withhold commissions or otherwise to hold each underwriter or dealer responsible for the distribution of his participation in the offering;

**QUESTIONNAIRE FOR
OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS**

(iv) to allocate the Common Stock of the Company to be registered to me or any of my associates or to any officer, director, principal stockholder, employee or customer of the Company; or

(v) to pay any finder's fee or similar compensation.

_____ True.

_____ False.

Description:

(b) To the best of my knowledge, I know of no plan of distribution of the Common Stock proposed to be registered otherwise than through an underwriter.

_____ True.

_____ False.

Description:

27. Contracts with the Company

Described below are all contracts with the Company or in which the Company has a beneficial interest, or to which the Company has succeeded by assumption or assignment, to which I am or any of my associates is a party, which are to be performed in whole or in part at or after the date of the proposed filing of the Registration Statement, or which were made not more than two years prior thereto:

I understand that material misstatements or the omission of material facts in the Registration Statement may give rise to civil and criminal liabilities to the Company, to each officer and director of the Company signing the Registration Statement and other persons signing the Registration Statement. I will notify you and the Company of any misstatement of a material fact in the Registration Statement or any amendment thereto, and of the omission of any material fact necessary to make the statements contained therein not misleading, as soon as practicable after a copy of the Registration Statement or any such amendment has been provided to me.

I confirm that the foregoing statements are correct, to the best of my knowledge and belief.

Dated: _____.

Very truly yours,

(Signature)

(Typed or Printed Name)

The term "arrangement" means any plan, contract, authorization or understanding whether or not set forth in a formal document.

The term "associate," as used throughout this questionnaire, means (a) any corporation or organization (other than the Company) of which I am an officer, director or partner or of which I am, directly or indirectly, the beneficial owner of 5% or more of any class of equity securities, (b) any trust or other estate in which I have a substantial beneficial interest or as to which I serve as trustee or in a similar capacity, (c) my spouse, (d) any relative of my spouse or any relative of mine who has the same home as me or who is a director or officer or key executive of the Company, (e) any partner, syndicate member or person with whom I have agreed to act in concert with respect to the acquisition, holding, voting or disposition of shares of the Company's securities.

The term "beneficially," when used in connection with the ownership of securities, means (a) any interest in a security which entitles me to any of the rights or benefits of ownership even though I may not be the owner of record or (b) securities owned by me directly or indirectly, including those held by me for my own benefit (regardless of how registered) and securities held by others for my benefit (regardless of how registered), such as by custodians, brokers, nominees, pledgees, etc., and including securities held by an estate or trust in which I have an interest as legatee or beneficiary, securities owned by a partnership of which I am a partner, securities held by a personal holding company of which I

<http://www.jdsupra.com/post/documentViewer.aspx?fid=20038602-4c4b-4eeb-a28a-e12effaf6c61>
QUESTIONNAIRE FOR**OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS**

am a stockholder, etc., and securities held in the name of my spouse, minor children and any relative (sharing the same home). A “beneficial owner” of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares:

- (a) voting power which includes the power to vote, or to direct the voting of, such security; and/or
- (b) investment power which includes the power to dispose, or to direct the disposition, of such security.

The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

A “control person” of a specified person is a person that directly, or indirectly through one or more intermediaries, controls the person specified.

The term “family relationship” means any relationship by blood, marriage or adoption, not more remote than first cousin.

The term “material,” when used in this questionnaire to qualify a requirement for the furnishing of information as to any subject, limits the information required to those matters as to which an average prudent investor ought reasonably to be informed before purchasing the Common Stock of the Company.

The term “material relationship” has not been defined by the Securities and Exchange Commission. However, the Commission has indicated that it will probably construe as a “material relationship” any relationship which tends to prevent arms-length bargaining in dealings with a company, whether arising from a close business connection or family relationship, a relationship of control or otherwise. It seems prudent, therefore, to consider that I would have such a relationship, for example, with any organization of which I am an officer, director, trustee or partner or in which I own, directly or indirectly, 10% or more of the outstanding voting stock, or in which I have some other substantial interest, and with any person or organization with whom I have, or with whom any relative or spouse (or any other person or organization as to which I have any of the foregoing other relationships) has, a contractual relationship.

The NASD defines a “member” as being any individual, partnership, corporation or other legal entity that is a broker or dealer admitted to membership in the NASD.

The NASD defines a “person associated with a member” as being every sole proprietor, partner, officer, director or branch manager of any member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member (for example, any employee), whether or not any such person is registered or exempt from registration with the NASD.

The term “plan” includes all plans, contracts, authorizations or arrangements, whether or not set forth in any formal document.

The term “promoter” includes:

- (a) Any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issuer; or
- (b) Any person who, in connection with the founding and organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, 10 percent or more of any class of securities of the issuer or 10 percent or more of the proceeds from the sale of any class of such securities. However, a person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this paragraph if such person does not otherwise take part in founding and organizing the enterprise.

The term “Stock Options” includes all options, warrants, or rights to purchase securities of the Company, other than those issued to security holders as such on a pro rata basis.

The NASD defines an “underwriter or a related person” with respect to a proposed offering as being underwriters, underwriter's counsel, financial consultants and advisors, finders, members of the selling or distribution group, any member participating in the public offering, and any and all other persons associated with or related to and members of the immediate family of the aforementioned persons.

QUESTIONNAIRE FOR OFFICERS, DIRECTORS AND PRINCIPAL SHAREHOLDERS

FOOTNOTES:

(n1) Footnote 1. “Public companies” are those which either (i) have a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or subject to the requirements of Section 15(d) of that Act; or (ii) are registered as investment companies under the Investment Company Act of 1940.

(n2) Footnote 6. “Indirectly” means done through an intermediary. Payments to sales agents which are passed on in whole or in part to purchasers, or compensation to persons in consideration for their acts, are examples of acts done through intermediaries.