

Doney, Scott

From: Doney, Scott
Sent: Monday, July 31, 2006 11:15 AM
To: jan wallace; Munjit Johal
Cc: Dickson, Kayla
Subject: SDI

We have contacted the NASD and transfer agent and otherwise begun the documentation for the reverse split of the preferred and common shares. In this process, we have encountered an amendment to the articles in May of 2005 that increased the authorized shares of common stock from 100,000,000 to 300,000,000. We ordered the amendment from the Nevada secretary of state, and will be having you sign a certificate of correction to fix this problem. I am not sure how this happened, but speculate that an amendment was filed in anticipation of the shareholder meeting last year. Simultaneous to fixing this problem, we will have a board resolution for the board to sign authorizing the reverse split to set things in motion. We should have that to you later today. Call if you have any questions. Thanks.

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id <2006073115155601200kvquce>; Mon, 31 Jul 2006 15:15:56 +0000
X-Originating-IP: [207.168.91.194]
Received: from pluto.ad.lati.com ([10.10.2.175]) by mail.canecclark.com with
Microsoft SMTPSVC(6.0.3790.1830); Mon, 31 Jul 2006 08:15:55 -0700
Importance: normal
Priority: normal
Subject: SDI
Date: Mon, 31 Jul 2006 08:15:54 -0700
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X-MS-Has-Attach:
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Thread-Topic: SDI
thread-index: Aca0tDenQxaBV7riS/m2E5Jo1rIMzQ==
From: "Doney, Scott" <sdoney@canecclark.com>
To: "jan wallace" <janwallace@att.net>,
"Munjit Johal" <munjit_j@sbcglobal.net>
Cc: "Dickson, Kayla" <KDickson@canecclark.com>
Return-Path: <sdoney@canecclark.com>
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