

Justification of Purchase Test

Dramatic changes in the value of shares in a short period of time, particularly when shares are purchased in a private transaction then sold in a public market significantly higher, can be a red flag signaling manipulation, insider trading or other inequitable trading activity. The Justification of Purchase tests whether a concluded value is reasonable. Note first that the "concluded value" is the value of 100% of the common stock of a business. As described here, it cannot be used to test fractional or illiquid values (control, minority, or non-marketable minority), because it makes no allowances for premiums or discounts. It also assumes that the buyer pays cash at closing (and perhaps receives seller financing). It is, however, necessary to satisfactorily explain fractional or illiquid values in the context of corporate changes to determine that we are not aiding or abetting fraudulent activity. The questions below are designed to determine that past and present valuations are representative of the marketplace, taking into effect the risks of illiquid or non-marketable securities.

Account No. _____ Account Title _____

Symbol _____ Issuer Name _____

Purchase Date _____ Purchase Value _____ Present Value _____

Was this issue the subject of a reverse merger? Yes No. If yes, was the account holder an officer, director or control insider of either the target or the receiving company? Yes No.

Does the account holder have a duty to the issuer, and/or any predecessor company, to keep inside information confidential?
 Yes No.

Describe how you came about to purchase the shares and what factors you considered in your decision, including answers to the following:

Was the stock recommended to you? Yes No. If yes, by whom? _____.

How did you come to contact/what is your relationship to the seller?

Were representations of future prospects, if any, for the company made to you? Who made the representations and what were they?

Are you aware of any conditions or changes concerning the issuer that might substantiate a sudden increase in the market value of the issuers' shares, i.e. new business lines, capital infusion, earned or acquired good will, promotions, etc. :

Are you aware if the company has recently been, or is currently, the subject of a promotion or other campaign designed to increase the value of the stock, paid for by the company or a third party promoter?

I (WE) AFFIRM THAT THE INFORMATION CONTAINED HEREIN IS TRUE, CORRECT, AND COMPLETE, TO THE BEST OF MY (OUR) KNOWLEDGE AND BELIEF.

Account Holder Signature

Joint Account Holder Signature