

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 10-KSB**

**Annual Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

(Mark One)

☒ Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2001

☐ Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number

333-85787

**TRADING SOLUTIONS.COM, INC.**

(Name of small business issuer in its charter)

<b>Nevada</b>	<b>88-0425691</b>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

**2 Rodeo Court, Toronto, Ontario Canada M2M 4M3**

(Address and Zip Code of principal executive offices)

Issuer's telephone number, including area code: **416-512-2356**

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

\$.001 par value, common voting shares

(Title of class)

Check whether the Issuer (1) filed all reports required to be filed by section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-KSB or any amendment to this Form 10-KSB. ☐

The issuer's revenue for its most recent fiscal year was: \$-0-

The aggregate market value of the issuer's voting stock held as of September 30, 2001, by non-affiliates of the issuers was \$2,212,275

As of September 30, 2001, issuer had 18,403,500 shares of its \$.01 par value common stock outstanding.

Transitional Small Business Format: Yes ☐ No ☒

Documents incorporated by reference: none

**PART I**

**Item 1. Description of Business.**

Trading Solutions.com, Inc. was incorporated on May 14, 1999 in the state of Nevada. Originally, the business of the company was to offer a trading school designed to provide education for people interested in online investing. The Company offered training for beginners as well as experienced traders. Courses consisted of a combination of theory sessions linked closely with a practical hands-on approach. The Company provided online training, individual training, small group sessions and seminars on various trading and computer-related subjects.

The Company was not successful with its online trading school and on August 18, 2001, pursuant to an Exchange Agreement between the Company and Springland Beverages, Inc., 15,542,500 shares of the Company were exchanged for all of the issued and outstanding shares of Springland Beverages, Inc. making Springland Beverages, Inc. a wholly owned subsidiary of the Company. This transaction created a change in control of the Company. Mr. Ralph Moyal received 15,000,000 of the exchanged shares placing him in a position of owning 81.5% of the Company. Also, pursuant to the Exchange Agreement, Mr. Moyal became a director of the Company and the current officers and directors resigned. In addition to the shares issued, 602,772 warrants were issued to the shareholders of Springland Beverages, Inc. to purchase an equal number of the Company's shares. The warrants expired September 16, 2001 without being exercised.

The Company will operate through its wholly owned subsidiary, Springland Beverages, Inc., an Ontario, Canada corporation. Springland intends to supply natural spring water and water related beverages, initially in the U.S. market but eventually as a global operation.

The Company has registered the trademarks "Springland" and "Aurora" in both the United States and Canada. The Company is in the process of negotiating the purchase of an operating beverage plant. The Company intends to identify operating beverage and beverage related companies for future acquisitions.

Natural spring water is defined by the U. S. Food and Drug Administration as "bottled water derived from an underground formation from which water flows naturally to the surface of the earth." Springland's potential source of water meets this definition as evidenced by studies conducted on the lands including a reporting letter from the Ontario Ministry of the Environment. The water source the is under the option held by Springland is located on approximately 62 acres with two major springs. The Ontario Ministry of the Environment has issued permits allowing for 150,000 imperial gallons per day for 300 days on an annual basis. The permits were originally issued in 1984 and subsequently renewed in 1993 until the year 2003.

In the realm of nonalcoholic drinks, consumers spend more money on carbonated soft drinks than anything else. The sector is dominated by three major competitors that together control nearly 80% of the global market. Coca-Cola controls approximately 50% of the market, followed by Pepsi at about 21% and Cadbury Schweppes at 7%. For many years the nonalcoholic sector has engaged in a power struggle between the Cola War principals, Coke and Pepsi. The industry giants have begun looking to the non-carbonated beverage sector and relying on new product introduction for growth.

Worldwide consumption of natural spring water is a \$35 billion market. In the U.S. water sales rose 13.9% in 1999 to \$5.2 billion according to Beverage Marketing Corporation. The bottled water market is divided into two distinct categories: non-carbonated which accounts for approximately 91% of bottled water sales and carbonated which accounts for approximately 9% of bottled water sales. Bottled water continues to have increased sales. In 2000, the segment rose some 28%. Sales volume rose 8.3% to 5 billion gallons, twice what it was in 1992. Wholesale dollars increased 9.3%. Currently, per capita consumption of bottled water is at an all time high of 18.2 gallons.

Following the acquisition of an operating plant, the Company plans to initiate an aggressive marketing campaign to establish the Springland name. The Company will strive for corporate brand identification by increasing exposure within the water and water related industry. The Company intends to develop sales literature, demonstration materials and direct response promotions. In addition, the Company intends to use direct mail, fax and telemarketing campaigns for sales generation. The Company recognizes that advertising and promotion must be done aggressively in order to accomplish sales goals. Along with ad campaigns, the Company will release key press releases and reports to appropriate journals and market specific trade shows. Trade show marketing may include informational brochures and giveaways.

In October, the Company entered into an Investment Banking Agreement with Geneva Capital & Finance Group, LLC whereby Geneva will act as a consultant to provide investment banking and advisory services to the Company.

Subsequent to the date of this report, the Company adopted the 2001 Stock Option Plan and allocated 500,000 shares of common stock to be granted pursuant to the plan.

## **Employees**

At the present time, Ralph Moyal is the only employee. At such time as the Company commences operations additional employees will be hired as necessary.

## **Item 2. Description of Property.**

Until such time as the Company completes a plant acquisition, the President of the Company, Ralph Moyal is providing office space at no cost to the Company. The address is 2 Rodeo Court, Toronto, Ontario Canada M2M 4M3, telephone 416-512-2356.

## **Item 3. Legal Proceedings.**

None.

#### Item 4. Submission of Matters to a Vote of Securities Holders.

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

## PART II

#### Item 5. Market for Common Equity and Related Stockholder Matters.

The Company's common stock is quoted on the Over the Counter Bulletin Board under the symbol TLSU. Trading in the common stock has been limited and sporadic and the quotations set forth below are not necessarily indicative of actual market conditions. Further, these prices reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not necessarily reflect actual transactions. The high and low bid prices for the common stock for each quarter of the fiscal years ended September 2000 and 2001 are as follows:

YEAR	BID	BID	ASK	ASK
2000	HIGH	LOW	HIGH	LOW
Oct. 18 Thru Dec. 29 (First Available)	1.875	1.50	3	2.125

YEAR	BID	BID	ASK	ASK
2001	HIGH	LOW	HIGH	LOW
First Quarter	2.125	.625	2.50	1.125
Second Quarter	1.41	.46	1.50	1.06
Third Quarter	1.60	.31	2.40	.80
Oct. 1 thru Dec. 24	.60	.25	1	.65

As of September 30, 2001, there were approximately 58 shareholders of record holding a total of 18,403,500 shares of common stock. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

The Company has not paid, nor declared, any dividends since its inception and does not intend to declare any such dividends in the foreseeable future. The Company's ability to pay dividends is subject to limitations imposed by Nevada law. Under Nevada law, dividends may be paid to the extent that the corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business.

#### Item 6. Management's Discussion and Analysis or Plan of Operation.

##### Results of Operations for the period ending September 30, 2001

The Company changed its fiscal year end from March 31 to September 30 as reported in the Form 8-K filed August 2001.

The Company discontinued its educational service business on August 18, 2001 and has not yet implemented operations in the beverage industry.

For the six months ended September 30, 2001 the Company had expenses of \$6,734 consisting of office expense and professional fees. Also during this period, the Company experienced a loss on expiration of land options in the amount of \$63,407. Loss on sale of discontinued operations was \$2,674 and loss from discontinued operations was \$826. The total net loss for the six months ended September 30, 2001 was \$71,989.

##### Liquidity and Capital Resources

As of September 30, 2001, the Company had \$1,745 cash on hand and total current liabilities of \$61,643 for a working capital deficit of \$59,898.

Management believes the Company's ability to raise additional capital to meet its needs depends on the ability to demonstrate that the Company can generate profits from sales of its products and services. If necessary, the Company may raise additional capital in an equity offering.

The Company has no material commitments for capital expenditures for the next twelve months.

#### Item 7. Financial Statements.

The financial statements of the Company appear at the end of this report beginning with the Index to Financial Statements on page 10.

**Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**PART III****Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.**

The following table sets forth the name, age, position and office term of each executive officer and director of the Company as of October 31, 2001.

Name	Age	Position	Director or Officer Since
Ralph Moyal	66	President, Treasurer, Secretary and Director	August 2001
David Shaw	53	Chairman of the Board	August 2001
Walter Perchal	49	Director	August 2001
Mario DiGenova	46	Director	August 2001

All officers hold their positions at the will of the Board of Directors. All directors hold their positions for one year or until their successors are elected and qualified. Set forth below is certain biographical information regarding each of the Company's executive officers and directors:

**Ralph Moyal, President and Director.** Mr. Moyal was the Chief Executive and then later was the Chairman of Blue Mountain Beverages and founder of Distribution Canada, Inc. In 1995 he retired as the President of Blue Mountain Beverages and has been self employed since that time. He has over 30 years in the food and beverage industry and was selected two years consecutively as Ontario's Top 100 Entrepreneurs by the Ontario Business Journal.

**David Shaw, Chairman of the Board.** Mr. Shaw is the President and CEO of Knightbridge Human Capital Management, Inc. since 2001. From 1996 to 1999 Mr. Shaw was President and CEO of Pepsi Cola Canada Beverages and from 1994 to 1996, Mr. Shaw was General Manager for Pepsi Cola Turkey, Istanbul Turkey. He currently is a director for two public companies. Since 1999 he has been a director for Maxxcom, Inc. and since 2001 he has been a director for Microforum, Inc.

**Walter Perchal, Director.** Since 1980, Professor Perchal has been employed at York University in Toronto, Ontario. Professor Perchal has taught a variety of classes at York University in the Faculty of Arts and The Schulich School of Business. He is also a director of the following companies; Trimol Group, Inc. since 2001, Aluminum Power, Inc. since 1999, Peter Mielzynski Agencies, Inc. since 1996 and Wave Genetics, Inc. since 2000.

**Mario DiGenova, Director.** For the past ten years, Mr. DiGenova has been co-owner of Brentview Construction and Toronto Concrete & Drain where he is engaged in the residential construction business.

**Compliance with Section 16(a) of the Exchange Act**

Based solely upon a review of Forms 3, 4 and 5 furnished to the Company, the Company is not aware of any person who at any time during the fiscal year ended September 30, 2001 was a director, officer, or beneficial owner of more than ten percent of the Common Stock of the Company, and who failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934 during such fiscal year.

**Item 10. Executive Compensation****SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation
Ralph Moyal	2001	-0-	-0-	-0-
Chief Executive Officer Director				
Natalie Shahvaran	2001	30,500	-0-	-0-
	2000	11,300	-0-	-0-
Chief Executive Officer Director	1999	-0-	-0-	-0-
Michael Strahl	2001	22,500	-0-	-0-
	2000	1,550	-0-	-0-
Secretary	1999	-0-	-0-	-0-
Susan Turner	2001	1,000	-0-	-0-
Treasurer	2000	-0-	-0-	-0-

No retirement, pension, profit sharing, stock option or insurance programs or other similar programs have been adopted by the Company for the benefit of its employees.

### Employment Contracts and Termination of Employment and Change in Control Arrangement.

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Compensation set out above which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change of control of the Company.

### Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth as of September 30, 2001, the name and the number of shares of the Registrant's Common Stock, par value \$.01 per share, held of record or beneficially by each person who held of record, or was known by the Registrant to own beneficially, more than 5% of the 18,403,500 issued and outstanding shares of the Registrant's Common Stock, and the name and shareholdings of each director and of all officers and directors as a group. Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common	Ralph Moyal (1)	15,000,000	81.5%
	2 Rodeo Court Toronto, Ontario Canada M2M 4M3		
Common	David Shaw (1)	-0-	-0-
	2 Glenallan Road Toronto, Ontario Canada M5R 2A9		
Common	Walter Perchal (1)	-0-	-0-
	25 Holbrooke Ave. Toronto, Ontario Canada M8Y 3B3		
Common	Mario DiGenova (1)	-0-	-0-
	35 Oak Street, Suite 110 Westen, Ontario Canada M9N 1A1		
Common	Officers and Directors as a Group: 4 people	15,000,000	81.5%

(1) Officer and/or director.

There are no contracts or other arrangements that could result in a change of control of the Company.

### Item 12. Certain Relationships and Related Transactions.

As of September 30, 2001, the Company owed \$40,359 to Ralph Moyal for various advances made to the Company's wholly owned subsidiary. The advances are unsecured and due on demand.

During the year ended March 31, 2001, the Company paid \$17,000 to Internet Finance, a company controlled by Robert Strahl, a shareholder of the Company, for assistance in the formation of its corporate structure and for the use of their contacts in assisting with the development of a public market for the Company's common stock. The Company also paid \$2,000 to the same shareholder for additional services.

During the year ended March 31, 2001, the Company paid \$30,500 to our President, Natalie Shahvaran, for consulting services.

During the year ended March 31, 2001, the Company paid \$4,700 to one of the Company's founders, Melissa DeAnzo, for support services.

Ralph Moyal provides office space to the Company at no charge.

Other than as described herein, the Company is not expected to have significant further dealing with affiliates. However, if there are such dealings, the parties will attempt to deal on terms competitive in the market and on the same terms that either party would deal with a third person. Presently, none of the officers and directors have any transactions which they contemplate entering into with the Company.

### Item 13. Exhibits and Reports on Form 8-K.

#### Reports on Form 8-K

A report on Form 8-K was filed with the Securities and Exchange Commission on August 28, 2001 reporting on Changes in Control of Registrant, Acquisition or Disposition of Assets, and Changes in Registrant's Certifying Accountant. Another Form 8-K was filed on September 14, 2001 that provided the remaining financial information regarding the Acquisition of Assets.

## Exhibits

Exhibit No.	Description	Location
10	Geneva Securities Agreement	Attached
99	2001 Stock Option Plan	Attached

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Trading Solutions.com, Inc.

Date: December 27, 2001	By: /s/ Ralph Moyal
	Ralph Moyal, Chief Executive Officer and Director
Date: December 27, 2001	By: /s/ Ralph Moyal
	Ralph Moyal, Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: December 27, 2001	By: /s/ Ralph Moyal
	Ralph Moyal
	Director
Date: December 27, 2001	By: /s/ David Shaw
	David Shaw
	Director
Date: December 27, 2001	By: /s/ Walter Perchal
	Walter Perchal
	Director
Date: December 27, 2001	By: /s/ Mario DiGenova
	Mario DiGenova
	Director

## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

## CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended September 30, 2001 and the Year Ended March 31, 2001

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To the Board of Directors

Trading Solutions.com Incorporated

Toronto, Ontario Canada

We have audited the accompanying consolidated balance sheet of Trading Solutions.com Incorporated and Subsidiary (A Development Stage Enterprise) as of September 30, 2001 and the related consolidated statement of income, stockholders' equity, and cash flows for the six months ended September 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Trading Solutions.com Incorporated for the year ended March 31, 2001 were examined by other auditors whose report dated June 27, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessment of the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Trading Solutions.com Incorporated and Subsidiary as of September 30, 2001 and the results of its operations and its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 12 to the financial statements, the Company has incurred net losses from operations and has received minimal revenue, which raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Respectfully,

/s/ Freedman & Goldberg

Freedman & Goldberg

Certified Public Accountants

Farmington Hills, Michigan

December 15, 2001

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## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

### CONSOLIDATED BALANCE SHEETS

As of September 30, 2001 and March 31, 2001

	ASSETS	
	September 30,2001	March 31,2001
Current Assets		
Cash	\$ 1,745	\$ -0-
Total Current Assets	1,745	-0-
Total Assets	\$ 1,745	\$ -0-
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		

Current Liabilities		
Accounts Payable - Trade	\$ 9,251	\$ -0-
Accrued Expenses	6,733	-0-
Shareholder Advances	40,359	-0-
Net Current Liabilities of Discontinued Operations	5,300	3,452
Total Current Liabilities	61,643	3,452
Total Liabilities	61,643	3,452
Stockholders' Equity (Deficit)		
Common Stock, \$.01 Par Value, 20,000,000 Shares Authorized, 18,403,500 and 2,861,000, Shares Issued and Outstanding, Respectively	44,153	28,610
Additional Paid-In Capital	207,380	207,380
Accumulated Deficit During The Development Stage	(311,431)	(239,442)
Total Stockholders' Equity (Deficit)	(59,898)	(3,452)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 1,745	\$ -0-

The accompanying notes are an integral part of the financial statements

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## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

### CONSOLIDATED STATEMENTS OF INCOME

For the Six Months Ended September 30, 2001 and For the Year Ended March 31, 2001

	Cumulative From Inception May 14, 1999 to September 30, 2001	September 30, 2001	March 31, 2001
<b>Income</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Expenses</b>			
Office Supplies	11	11	-0-
Professional Fees	6,723	6,723	-0-
Total Expenses	6,734	6,734	-0-
Operating Loss	(6,734)	(6,734)	-0-
Other Income (Expense)			
Loss on Expiration of Land Options	(63,407)	(63,407)	- -0-
Total Other Income (Expense)	(63,407)	(63,407)	-0-
Loss From Continuing Operations	(70,141)	(70,141)	
Loss on Sale of Discontinued Operations, Net of Income Taxes	(2,674)	(2,674)	-0-
Income From Discontinued Operations, Net of Income Taxes	(238,616)	826	(110,578)
Net Income (Loss)	\$ (311,431)	\$ (71,989)	\$ (110,578)
Weighted Average Number of Shares Outstanding	3,585,433	4,751,373	2,828,334
Loss From Continuing Operation Per Share	\$ (.02)	\$ (.01)	\$ (.00)
Net Loss Per Share	\$ (.09)	\$ (.02)	\$ (.04)

The accompanying notes are an integral part of the financial statements



## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

From the Date of Inception (May 14, 1999) through September 30, 2001

Common Stock Shares	Common Stock Amount	Additional Paid-In Capital		Accumulated Deficit	Total	
Shares Issued						
May 14, 2000 Founders Stock		2,495,000	\$ 24,950	\$ (22,455)	\$ -0-	\$ 2,495
May 14, 2000 Options		85,000	850	41,645	-0-	42,495
May 18, 1999		14,000	140	6,860	-0-	7,000
May 21, 1999		2,000	20	980	-0-	1,000
May 24, 1999		3,000	30	1,470	-0-	1,500
May 27, 1999		2,000	20	980	-0-	1,000
June 2, 1999		10,000	100	4,900	-0-	5,000
June 3, 1999		2,000	20	980	-0-	1,000
June 4, 1999		4,000	40	1,960	-0-	2,000
June 7, 1999		2,000	20	980	-0-	1,000
June 13, 1999		2,000	20	980	-0-	1,000
June 16, 1999		3,000	30	1,470	-0-	1,500
June 17, 1999		10,000	100	4,900	-0-	5,000
June 22, 1999		2,000	20	980	-0-	1,000
June 25, 1999		1,000	10	490	-0-	500
June 27, 1999		6,000	60	2,940	-0-	3,000
June 29, 1999		12,000	120	5,880	-0-	6,000
June 30, 1999		2,000	20	900	-0-	1,000
July 1, 1999		15,000	150	7,350	-0-	7,500
July 2, 1999		14,000	140	6,860	-0-	7,000
July 5, 1999		3,000	30	1,470	-0-	1,500
July 8, 1999		6,000	60	2,940	-0-	3,000
July 12, 1999		2,000	20	980	-0-	1,000
July 14, 1999		3,000	30	1,470	-0-	1,500
November 23, 1999		2,000	20	980	-0-	1,000
November 29, 1999		2,000	20	980	-0-	1,000
December 3, 1999		20,000	200	9,800	-0-	10,000
December 9, 1999		2,000	20	980	-0-	1,000
December 13, 1999		10,000	100	4,900	-0-	5,000
December 20, 1999		20,000	200	9,800	-0-	10,000
December 21, 1999		4,000	40	1,960	-0-	2,000
Net Loss for the Period Ended March 31, 2000		-0-	-0-	-0-	(128,864)	(128,864)
Balance, March 31, 2000		2,760,000	27,600	107,390	(128,864)	6,126
Shares Issued						
June 26, 2000		35,000	330	34,650	-0-	35,000
July 18, 2000		21,000	210	20,790	-0-	21,000
July 19, 2000		3,000	30	2,970	-0-	3,000
July 21, 2000		25,000	250	24,750	-0-	25,000

<b>August 1, 2000</b>	<b>13,000</b>	<b>130</b>	<b>12,870</b>	<b>-0-</b>	<b>13,000</b>
<b>August 4, 2000</b>	<b>2,000</b>	<b>20</b>	<b>1,980</b>	<b>-0-</b>	<b>2,000</b>
<b>November 21, 2000</b>	<b>2,000</b>	<b>20</b>	<b>1,980</b>	<b>-0-</b>	<b>2,000</b>
<b>Net Loss for the Year Ended March 31, 2001</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(110,578)</b>	<b>(110,578)</b>
<b>Balance, March 31, 2001</b>	<b>2,861,000</b>	<b>28,610</b>	<b>207,380</b>	<b>(239,442)</b>	<b>(3,452)</b>
<b>August 18, 2001 Exchange Of Shares for Springland Beverages, Inc.</b>	<b>15,542,500</b>	<b>15,543</b>	<b>-0-</b>	<b>-0-</b>	<b>15,543</b>
<b>Net Loss For the Six Months Ended September 30, 2001</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(71,989)</b>	<b>(71,989)</b>
<b>Balance, September 30, 2001</b>	<b>18,403,500</b>	<b>\$ 44,153</b>	<b>\$ 207,380</b>	<b>\$ 549,796</b>	<b>\$(59,898)</b>

The accompanying notes are an integral part of the financial statements

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## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

### CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended September 30, 2001 and For the Year Ended March 31, 2001

	<b>Cumulative From Inception May 14, 1999 to September 30, 2001</b>	<b>September 30, 2001</b>	<b>March 31, 2001</b>
<b>Cash Flows From Operations</b>			
<b>Net Loss From Continuing Operations</b>	<b>\$ (70,141)</b>	<b>\$ (70,141)</b>	<b>\$ -0-</b>
<b>Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities</b>			
<b>Land Option Acquired in Stock Exchange</b>	<b>60,260</b>	<b>60,260</b>	<b>-0-</b>
<b>Increase (Decrease) In:</b>			
<b>Accounts Payable and Accrued Expenses</b>	<b>5,890</b>	<b>5,890</b>	<b>-0-</b>
<b>Net Cash Used In Continuing Operations</b>	<b>(3,991)</b>	<b>(3,991)</b>	<b>-0-</b>
<b>Net Cash Used In Discontinued Operations</b>	<b>(198,111)</b>	<b>(4)</b>	<b>(104,614)</b>
<b>Net Cash Used In Operating Activities</b>	<b>(202,102)</b>	<b>(3,995)</b>	<b>(104,614)</b>
<b>Cash Flows From Investing Activities</b>			
<b>Equipment Purchases</b>	<b>(3,879)</b>	<b>-0-</b>	<b>( 1,073)</b>
<b>Net Cash Used In</b>	<b>(3,879)</b>	<b>-0-</b>	<b>( 1,073)</b>

Investing Activities			
Cash Flows From Financing Activities			
Proceeds From Shareholder Advances	3,969	3,969	-0-
Short Term Borrowing	3,000	-0-	-0-
Payment of Short Term Borrowing	(3,000)	-0-	-0-
Issuance of Common Stock	201,990	-0-	101,000
Cash From Subsidiary Acquired Via Stock Exchange	1,767	1,767	-0-
Net Cash Provided By Financing Activities	207,726	5,736	101,000
Increase (Decrease) in Cash	1,745	1,741	( 4,687)
Balance, Beginning of Period	-0-	4	4,691
Balance, End of Period	\$ 1,745	\$ 1,745	\$ 4

The accompanying notes are an integral part of the financial statements

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## TRADING SOLUTIONS.COM INCORPORATED AND SUBSIDIARY

(A Development Stage Enterprise)

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Trading Solutions.com Incorporated and Subsidiary (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**A. Nature of Operations** - Trading Solutions.com Incorporated was incorporated under the laws of the State of Nevada on May 14, 1999. The Company was established to provide educational services for people interested in on-line investing. The Company also intended to establish a corporate trading account and manage money. The Company further intended to establish or acquire an e-commerce business to link with the trading school. Since its inception, the Company has been in a developmental stage. The only activities have been organizational matters and the sale of stock. During the six months ended September 30, 2001, the company ceased its development of the above business.

In August 2001, the Company acquired Springland Beverages, Inc., a wholly owned subsidiary. Springland Beverages, Inc. is also in a developmental stage and is pursuing the bottled water and related beverage market. The only activities of Springland Beverages, Inc. has been the acquisition of an option to purchase land and the registration of trademarks in the United States and Canada.

**B. Basis of Consolidation** - The consolidated financial statements include the accounts of Springland Beverages, Inc., a wholly owned subsidiary located in Toronto, Ontario. All significant intercompany accounts and transactions have been eliminated in consolidation.

**C. Revenues** - The Company recognizes revenue at time services are rendered for educational services and upon shipment for beverage sales.

**E.** For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**F. Property, Equipment and Related Depreciation** - Property and equipment are recorded at cost. Depreciation is computed by the straight-line method for financial reporting purposes and accelerated methods for tax reporting purposes. Estimated lives range from five to ten years. Depreciation charged to discontinued operations was \$189 and \$840 for the periods ended September 31, 2001 and March 31, 2001, respectively. When properties are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized currently. Maintenance and repairs which do not improve or extend the lives of assets are expensed as incurred.

**G.** In accordance with SFAS No. 121, the Company reviews its long-lived assets, including property and equipment, goodwill and other identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine recoverability of its long-lived assets, the Company evaluates the probability that future undiscounted net cash flows, without interest charges, will be less than the carrying amount of the assets. Impairment is measured at fair value. The Company had no impairment of assets during the periods ended September 30, 2001 and March 31, 2001.

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**H. Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**I. Income Taxes** - The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

**J. Foreign Currency Translation** - The income statements of foreign operations are translated into U.S. dollars at rates of exchange in effect each month. The balance sheets of these operations are translated at period-end exchange rates, and the differences from historical exchange rates are reflected in stockholders' equity as unrealized currency translation adjustments. During the periods ended September 30, 2001 and March 31, 2001, there were no unrealized currency translation adjustments.

**K. Change in Fiscal Year** - On August 28, 2001, the Board of Directors determined it is in the Company's best interest to change its fiscal year to be the same as its wholly owned subsidiary. Therefore, the Company has changed its fiscal year from March 31 to September 30.

## Note 2. Property and Equipment

The major components of property and equipment are as follows:

	September 30, 2001	March 31, 2001
Computer Equipment	\$ -0-	\$ 2,606
Office Furniture	-0-	1,273
	-0-	3,879
Less: Accumulated Depreciation	-0-	1,016
Net Property and Equipment	\$ -0-	\$ 2,863

The above property and equipment were all used in the education services business segment which was discontinued during the six months ended September 30, 2001. (See Note 11)

## Note 3. Shareholder Advances

As of September 30, 2001 the Company owed \$40,359 to an officer/stockholder for various advances made to the Company's wholly owned subsidiary. The advances are unsecured and due on demand.

## Note 4. Common Stock

On August 18, 2001, the company exchanged 15,542,500 shares of its common stock in exchange for 100% of the outstanding stock of Springland Beverages, Inc. (See Note 9)

During the year ended March 31, 2001, the Company initiated a public stock offering of 300,000 shares of its common stock. The offering was closed in July 2000 and raised \$101,000 from the sale of 101,000 shares of common stock.

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#### Note 5. Per Share Computation

Earnings per share have been calculated based on the weighted average number of shares outstanding.

#### Note 6. Income Taxes

The provision for income taxes consists of the following components:

	September, 30, 2001	March 31, 2001
<b>Current:</b>		
Current Tax Benefit	\$ 566	\$ 35,916
Deferred Tax Expense	(566)	(35,916)
Net Tax Expense	\$ -0-	\$ -0-

Deferred taxes are detailed as follows:

	September 30, 2001	March 31, 2001
<b>Deferred Income Tax Assets</b>		
Net Operating Loss Available	\$ 55,962	\$ 55,396
Valuation Allowance	55,962	55,396
Net Deferred Income Tax Asset	\$ -0-	\$ -0-

The valuation allowance is evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time the allowance will either be increased or reduced; reduction would result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer required.

#### Note 7. Related Party Transaction

During the year ended March 31, 2001, the Company paid \$17,000 to a shareholder for assistance in the formation of its corporate structure and for the use of their contacts in assisting with the development of a public market for the Company's common stock. The Company also paid \$2,000 to the same shareholder for additional services.

During the year ended March 31, 2001, the Company paid \$30,500 to another shareholder for consulting services.

During the year ended March 31, 2001, the Company paid \$4,700 to one of the Company's founders for support services.

#### Note 8. Cash Flow Disclosures

On August 18, 2001, the Company issued 15,542,500 shares of its common stock in exchange for 100% of the outstanding stock on Springland Beverages, Inc. in a non-cash transaction. (See Note 9)

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#### Note 9. Acquisition of Subsidiary

On August 18, 2000, the Company acquired 100% of the outstanding stock of Springland Beverages, Inc., a Canadian corporation, via the issuance of 15,542,500 shares of its common stock valued at par value (\$.001 per share) or \$15,543. Springland Beverages, Inc. is in a developmental stage and is pursuing the bottled water and related beverage market. The only activities of Springland Beverages, Inc. has been the acquisition of a option to purchase land and the registration of trademarks in the United States and Canada. The exchange created a change in control of the Company. As a result, the majority shareholder of Springland Beverages, Inc. became the majority shareholder and also became the sole director and officer of the company. The Company accounted for this acquisition using the purchase method of accounting. The purchase price was allocated as follows:

Cash	\$ 1,767
Land Option	60,260
Total Assets	62,027

Accounts Payable	5,881
Accrued Expenses	4,213
Shareholder Advances	36,390
Total Liabilities	46,484
Net Assets Acquired	\$ 15,543

On a pro-forma basis, reflecting this acquisition as if it had taken place at the beginning of the respective periods, net revenues, net earnings (loss) and earnings (loss) per share for the six months ended September 30, 2001 and for the year ended March 31, 2001 would have been as follows:

	September 30, 2001	March 31, 2001
Net Revenues	\$ -0-	\$ -0-
Net Loss	\$(80,030)	\$(126,782)
Net Loss per Share	\$ (.01)	\$ (.01)

The above pro-forma results are not indicative of either future financial performance or actual results which would have occurred had the acquisition taken place at the beginning of the respective periods.

#### Note 10. Segmental Data

The Company's operations are classified into two principal reportable segments that provide different products or services. Separate management of each segment is required because each business unit is subject to different marketing strategies. Below is summarized segmental data for the six months ended September 30, 2001 and for the year ended March 31, 2001.

	Education Services	Education Services	Beverage Market	Beverage Market	Total	Total
	September 30	March 31	September 30	March 31	September 30	March
External Revenue	8,000	22,963	-0-	-0-	8,000	22,963
Intersegment Revenue	-0-	-0-	-0-	-0-	-0-	-0-
Interest Revenue	-0-	-0-	-0-	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-	-0-	-0-	-0-
Depreciation and Amortization	189	840	-0-	-0-	189	840
Profit (Loss)	( 1,848)	( 110,578)	(70,141)	-0-	(71,989)	(110,578)
Total Assets	-0-	4,562	1,745	-0-	1,745	4,562
Expenditures for Long-Lived Assets	- 0-	1,073	- 0-	- 0-	- 0-	1,073

#### Note 10. Segmental Data (Continued)

The education services segment derives its revenues from the service fees charge for educational services relating to on-line investing. During the period ended September 30, 2001, the Company discontinued the development of this business.

The beverage market segment will derive its revenues from the sale of bottled water to distributors initially in the United States. As of September 30, 2001, the Company has not begun any operations for this segment.

The Company maintains separate records for each segment. The accounting policies applied by each of the segments are the same as those used by the Company in general.

#### Note 11. Discontinued Operations

In August 18, 2001, the Company discontinued the development of its educational service business segment. This disposal has been accounted for as a discontinued operation and, accordingly, its net assets (liabilities) have been segregated from continuing operations in the accompanying consolidated balance sheets, and its operating results are segregated and reported as discontinued operations in the accompanying consolidated statement of income and cash flows.

Information relating to the discontinued operations of the educational service business segment for the six months ended September 30, 2001 and the year ended March 31, 2001 is as follows:

	September 30, 2001	March 31, 2001

Income	\$ 8,000	\$ 22,963
Expenses		
Advertising	-0-	17,975
Bad Debts	1,695	-0-
Bank Charges	-0-	149
Consulting Fees	-0-	63,984
Depreciation	189	840
Dues and Subscriptions	-0-	453
Office Supplies	141	5,808
Postage	-0-	1,424
Professional Fees	5,000	13,722
Rent	-0-	3,600
Tax and Licenses	-0-	180
Telephone	-0-	3,292
Travel	149	21,314
Total Expenses	7,174	132,741
Operating Income (Loss)	826	(109,778)
Other Income (Expense)		
State Franchise Tax	-0-	(800)
Total Other Income (Expense)	-0-	(800)
Net Income (Loss)	\$ 826	\$ (110,578)

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**Note 11. Discontinued Operations (Continued)**

The net assets and liabilities of the discontinued operations of the education services business segment included in the accompanying consolidated balance sheets as of September 30, 2001 and March 31, 2001 are as follows:

	September 30,2001	March 31,2001
Current Assets		
Cash	\$ -0-	\$ 4
Other Receivables	-0-	1,695
Property and Equipment, Net	-0-	2,863
Current Liabilities		
Accounts Payable	(4,500)	(7,214)
Accrued Expenses	(800)	(800)
Net Assets (Liabilities)	\$ (5,300)	\$ (3,452)

**Note 12. Going Concern**

From the date of inception to September 30, 2001, the Company has net losses from operations with raise substantial doubt about its ability to continue as a going concern.

Management has discontinued its efforts to develop an educational service business.

Through the acquisition of a new subsidiary, the Company is looking to develop a business in the bottled water and related beverage market. The Company is seeking to acquire an operating plant and source of natural spring water. Upon location of a plant and water source, the Company will need to raise capital to finance such acquisition and begin marketing its product.

The Company's ability to continue as a going concern is dependent upon the Company ability to raise capital and acquire or establish a profitable operation in the bottled water market.

There is no assurance that the Company will be successful in its efforts to raise additional proceeds or achieve profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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## **Investment Banking Agreement**

**This Agreement is made on October 3, 2001, by and between Trading Solutions, Inc., a Nevada Corporation ("Trading Solutions") with its principal offices at 2 Rodeo Court, Toronto, Ontario Canada M2M 4M3, and Geneva Capital & Finance Group, LLC, a California LLC, ("Geneva CFG") with its principal offices at 5425 Oberlin Drive, Second Floor, San Diego, CA 92121.**

**Witnesseth**

**WHEREAS, Trading Solutions requires expertise in the area of investment banking to support its business and growth;**

**WHEREAS, Geneva CFG has substantial contacts among the members of the investment community, investment banking expertise, and desires to act as a consultant to provide investment banking and advisory services;**

**NOW, THEREFORE, in consideration of the premise and the mutual promises and covenants contained herein and subject specifically to the conditions hereof, and intending to be legally bound thereby, the parties agree as follows:**

**1. Certain Definitions - When used in this Agreement, the following terms shall have the meanings set forth below:**

**1.1 Affiliate - any persons or entities controlled by a party.**

**1.2 Trading Solutions - the contractor who uses the services of Geneva CFG.**

**1.3 Trading Solutions Clients - Trading Solutions' clients who use the services of Geneva CFG through Trading Solutions.**

**1.4 Contact Person - the person who shall be primarily responsible for carrying out the duties of the parties hereunder. Trading Solutions and Geneva CFG shall each appoint a Contact Person to be responsible for their respective duties. In the event that one party gives notice to the other party in writing that, in their reasonable opinion, the other party's Contact Person is not able to fulfill their duties and responsibilities hereunder, both parties shall mutually agree upon a replacement Contact Person within 10 days of the said notice.**

**1.5 Equity- cash, securities or liquid assets, specifically excluding real property.**

**1.6 Payment or Payable in kind - distribution of the proceeds of a transaction in the same type and form as was given as valuable consideration for the transaction.**

**2. Contact Persons. The Contact Person for Trading Solutions is Ralph Moyal, President. The Contact Person for Geneva CFG is Roland L. Chapin, President.**

**3. Services to be Rendered by Geneva CFG. Services to be rendered, on a best efforts basis, by Geneva CFG are as follows:**

**3.1 Advice and Counsel. Geneva CFG will provide advice and counsel regarding Trading Solutions' strategic business and financial plans, strategy and negotiations with potential lenders/investors, merger/acquisition candidates, joint ventures, corporate partners and others involving financial and financially related transactions.**

**3.2 Introductions to the Securities Brokerage Community. Geneva CFG has a close association with numerous broker/dealers and investment professionals across the country and will enable contact between Trading Solutions and/or Trading Solutions Clients to facilitate business transactions among them. Geneva CFG shall use their contacts in the brokerage community to assist Trading Solutions in establishing relationships with securities dealers and to provide the most recent corporate information to interested securities dealers on a regular and continuous basis. Geneva CFG understands that this is in keeping with Trading Solutions' business objective to establish a nationwide network of securities dealers who have an interest in Trading Solutions' securities.**

**It is also understood and agreed that Geneva CFG will be responsible for buying and selling the shares of Trading Solutions, either as a broker or underwriter, in order to provide the company with the required capital, at no additional cost to Trading Solutions.**

**3.3 Market-making Intelligence. Geneva CFG monitors markets in several securities and has access to proprietary information through the Firm's facilities and personnel. Geneva CFG will monitor and react to sensitive market information on a timely basis and provide advice and counsel and proprietary intelligence (including but not limited to information on price, volume and the identification of market-makers, buyers and sellers) to Trading Solutions in a timely fashion with respect to securities in which Trading Solutions has an interest. Trading Solutions understands that this information is available from other sources but acknowledges that Geneva CFG can provide it in a more timely fashion and with substantial value-added interpretation of such information. The foregoing notwithstanding, no information will be provided to Trading Solutions with respect to the activities of any other Geneva CFG customers or customer accounts without such customer's prior consent.**

**3.4 Trading Solutions and/or Trading Solutions Client Transaction Due Diligence. Geneva CFG will undertake due diligence on all proposed financial transactions affecting Trading Solutions, of which Geneva CFG is notified in writing in advance,**



including investigation and advice on the financial, valuation and stock price implications thereof.

**3.5 Best Efforts.** Geneva CFG shall devote such time and best efforts to the affairs of Trading Solutions as is reasonable and adequate to render the consulting services contemplated by this Agreement. Geneva CFG is not responsible for the performance of any services which may be rendered hereunder without Trading Solutions providing the necessary information in writing prior thereto, nor shall Geneva CFG include any services that constitute the rendering of any legal opinions or performance of work that is in the ordinary purview of the Certified Public Accountant. Geneva CFG cannot guarantee results on behalf of Trading Solutions, but shall pursue all avenues available through its network of financial contacts. At such time as an interest is expressed in Trading Solutions' needs, Geneva CFG shall notify Trading Solutions and advise it as to the source of such interest and any terms and conditions of such interest. The acceptance and consummation of any transaction is subject to acceptance of the terms and conditions by Trading Solutions. It is understood that the compensation to be paid hereunder is being paid hereunder by Trading Solutions to have Geneva CFG remain available to assist with transactions on an as-needed basis.

**4. Compensation to Geneva CFG.** Trading Solutions shall pay Geneva CFG a non-refundable fee Five Hundred Thousand (500,000) shares of Trading Solutions' free trading stock.

**5. Indemnification.** Trading Solutions agrees to indemnify and hold harmless Geneva CFG, each of its officers, directors, employees and each person, if any, who controls Geneva CFG against any and all liability, loss and costs, expenses or damages, including but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever or howsoever caused by reason of any injury (whether to body, property, personal or business character or reputation) sustained by any person or to any person or property by reason of any act, neglect, default or omission, or any untrue or alleged untrue statement of a material fact, or any misrepresentation of any material fact or any breach of any material warranty or covenant as the Trading Solutions or any of its agents, employees, or other representatives arising out of, or in relation to, this Agreement. Nothing herein is intended to nor shall it relieve either party from liability for its own act, omission or negligence. All remedies provided by law, or in equity shall be cumulative and not in the alternative.

Geneva CFG agrees to indemnify and hold harmless Trading Solutions, each of its officers, directors, employees and each person, if any, who controls Trading Solutions against any and all liability, loss and costs, expenses or damages, including but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever or howsoever caused by reason of any injury (whether to body, property, personal or business character or reputation) sustained by any person or to any person or property by reason of any act, neglect, default or omission, or any untrue or alleged untrue statement of a material fact, or any misrepresentation of any material fact or any breach of any material warranty or covenant as Geneva CFG or any of its agents, employees, or other representatives arising out of, or in relation to, this Agreement. Nothing herein is intended to nor shall it relieve either party from liability for its own act, omission or negligence. All remedies provided by law, or in equity shall be cumulative and not in the alternative.

**6. Trading Solutions Representations.** Trading Solutions hereby represents, covenants and warrants to Geneva CFG as follows:

**6.1 Authorization.** Trading Solutions and its signatories herein have full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

**6.2 No Violation.** Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will violate any provision of the charter or by-laws of Trading Solutions, or violate any terms of provision of any other agreement or any statute or law.

**6.3 Agreement in Full Force and Effect.** All contracts, agreements, plans, leases, policies, and licenses referenced herein to which Trading Solutions is a party are valid and in full force and effect.

**6.4 Litigation.** Except as set forth below, there is no action, suit, inquiry, proceeding or investigation by or before any court or governmental or other regulatory or administrative agency or commission pending or, to the best knowledge of Trading Solutions threatened against or invoking Trading Solutions, or which questions or challenges the validity of this Agreement and its subject matter; and Trading Solutions does not know or have any reason to know of any valid basis for any such action, proceeding or investigation.

**6.5 Consents.** No consent of any person, other than the signatories hereto, is necessary to the consummation of the transactions contemplated hereby, including, without limitation, consents from parties to loans, contracts, lease or other Agreements and consents from governmental agencies, whether federal, state, or local.

**6.6 Geneva CFG Reliance.** Geneva CFG has and will rely upon the documents; instruments and written information furnished to Geneva CFG by the Trading Solutions' officers or designated employees.

**A. Trading Solutions' Material.** All representations and statements provided herein about Trading Solutions are true and complete and accurate to the best of Trading Solutions' knowledge. Trading Solutions agrees to indemnify, hold harmless, and defend Geneva CFG, its officers, directors, agents and employees, at Trading Solutions' expense for any proceeding or

suit which may raise out of any inaccuracy or incompleteness of any such material or written information supplied to Geneva CFG.

**B. Trading Solutions Client and Other Material.** Trading Solutions warrants that all representation and statements provided, other than that about the Trading Solutions, are, to the best of its knowledge, true, complete and accurate.

#### **6.7 Services NOT EXPRESSED OR IMPLIED.**

**A.** Geneva CFG has not agreed with Trading Solutions in this Agreement or any other agreement, verbal or written, to be a market-maker (but may be a placement agent by other "Selling Agreement" from time-to-time) in Trading Solutions' securities or in any specific securities or securities in which Trading Solutions or Trading Solutions' Clients have an interest; and,

**B.** Any payments made herein to Geneva CFG are not, and shall not be construed as, compensation to Geneva CFG for the purposes of making a market, to cover Geneva CFG's out-of-pocket expenses for making a market, or for the submission by Geneva CFG of an application to make a market in any securities; and,

**C.** No payments made herein to Geneva CFG are for the purpose of affecting the price of any security or influencing any market-making functions, including but not limited to bid/ask quotations, initiation and termination of quotations, retail securities activities, or for the submission of any application to make a market.

#### **7. Confidentiality.**

**7.1** Geneva CFG and Trading Solutions each agree to provide reasonable security measures to keep information confidential where release may be detrimental to their respective business interests. Geneva CFG and Trading Solutions shall each require their employees, agents, affiliates, subcontractors, other licensees, and others who will have access to the information through Geneva CFG and Trading Solutions respectively, to first enter appropriate non-disclosure agreements requiring the confidentiality contemplated by this Agreement in perpetuity.

**7.2** Geneva CFG will not, either during its engagement by Trading Solutions pursuant to this Agreement or at any time thereafter, disclose, use or make known for its or another's benefit, any confidential information, knowledge, or data of Trading Solutions or any of its affiliates in any way acquired or used by Geneva CFG during its engagement by the Trading Solutions. Confidential information, knowledge or data of the Trading Solutions and its affiliates shall not include any information, which is, or becomes generally available to the public other than as a result of a disclosure by Geneva CFG or its representatives.

#### **8. Miscellaneous Provisions.**

**8.1 Amendment and Modification.** This Agreement may be amended, modified and supplemented only by written agreement of Geneva CFG and Trading Solutions.

**8.2 Waiver of Compliance.** Any failure of Geneva CFG, on the one hand, or Trading Solutions, on the other, to comply with any obligation, agreement, or condition herein may be expressly waived in writing, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

**8.3 Expenses: Transfer Taxes, Etc.** Whether or not the transaction, if any, contemplated by this Agreement shall be consummated, Geneva CFG agrees that all fees and expenses incurred by Geneva CFG in connection with this Agreement shall be borne by Geneva CFG and Trading Solutions agrees that all fees and expenses incurred by Trading Solutions in connection with this Agreement shall be borne by Trading Solutions, including, without limitation as to Geneva CFG or Trading Solutions, all fees of counsel and accountants.

**8.4 Other Business Opportunities.** Except as expressly provided in this Agreement, each party hereto shall have the right independently to engage in and receive full benefits from business activities. In case of business activities which would be competitive with the other party, notice shall be given prior to this Agreement or, if such activities are proposed, within ten (10) days prior to engagement therein. The doctrines of "corporate opportunity" or "business opportunity" shall not be applied to any other activity, venture, corporation of either party.

**7.5 Compliance with Regulatory Agencies.** Each party agrees that all actions, direct or indirect, taken by it and its respective agents, employees and affiliates in connection with this agreement and any financing or underwriting hereunder shall conform to all applicable Federal and State securities laws.

**7.6 Notices.** Any notices to be given hereunder by any party to the other may be effected by personal delivery in writing or in by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the contact persons listed below. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of five (5) days after mailing.

Trading Solutions, Inc.	Geneva Capital & Finance Group, LLC
Attn: Ralph Moyal, President	Attn: Roland L. Chapin, President

2 Rodeo Court	5425 Oberlin Drive, 2nd Floor
Toronto, Ontario	San Diego, CA 92121
Canada M2M 4M3	U. S. A.
Fax: (416) 223-7431	Fax: (858) 554-1146

**8.7 Assignment.** This agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any right, interest or obligations hereunder will be assigned by any of the parties hereto without the prior written consent of the other parties, except by operation of law.

**8.8 Delegation.** Neither party shall delegate the performance of its duties under this agreement without the prior written consent of the other party.

**8.9 Publicity.** Neither Geneva CFG nor Trading Solutions shall make or issue, or cause to be made or issued, any announcement or written statement concerning this Agreement or the transaction contemplated hereby for dissemination to the general public without the prior consent of the other party. This provision shall not apply, however, to any announcement or written statement required to be made by law or the regulations of any Federal or State governmental agency, except that the party concerning the timing and consent of such announcement before such announcement is made.

**8.10 Governing Law.** This Agreement and the legal relations among the parties hereto shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of law doctrine. Trading Solutions and Geneva CFG agree that if any action is instituted to enforce or interpret any provision of this Agreement, the jurisdiction and venue shall be San Diego County, CA.

**8.11 Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**8.12 Headings.** The heading of the sections of this Agreement are inserted for convenience only and shall not constitute a part hereto or affect in any way the meaning or interpretation of this Agreement.

**8.13 Entire Agreement.** This Agreement, including any Exhibits hereto, and the other documents and certificates delivered pursuant to the terms hereto, sets forth the entire Agreement and understanding of the parties hereto in respect of the subject matter contained herein, and supersedes all prior agreements, promise, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto.

**8.14 Third Parties.** Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the parties hereto and their successors or assigns, any rights or remedies under or by reason of this Agreement.

**8.15 Attorneys' Fees and Costs.** If any action is necessary to enforce and collect upon the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled. This provision shall be construed as applicable to the entire Agreement.

**8.16 Survivability.** If any part of this Agreement is found, or deemed by a court of competent jurisdiction to be invalid or unenforceable, that part shall be severable from the remainder of the Agreement.

**8.17 Further Assurances.** Each of the parties agrees that it shall from time-to-time take such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

**8.18 Right to Data After Termination.** After termination of this Agreement each party shall be entitled to copies of all information acquired hereunder as of the date of termination and not previously furnished to it.

**8.19 Relationship of the Parties.** Nothing contained in this Agreement shall be deemed to constitute either party becoming the partner of the other, the agent or legal representative of the other, nor create any fiduciary relationship between them, except as otherwise expressly provided herein. It is not the intention of the parties to create nor shall this Agreement be construed to create any commercial relationship or other partnership. Neither party shall have any authority to act for or to assume any obligation or responsibility on behalf of the other party, except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the parties shall be separate, not joint or collective. Each party shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein.

**8.20 No Authority to Obligate the Trading Solutions.** Without the consent of the Board of Directors of Trading Solutions, Geneva CFG shall have no authority to take, nor shall it take, any action committing or obligating the Trading Solutions in any manner, and it shall not represent itself to others as having such authority.

**9. Arbitration.** WITH RESPECT TO THE ARBITRATION OF ANY DISPUTE, THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT:

**A. ARBITRATION IS FINAL AND BINDING ON THE PARTIES;**

**B. THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDY IN COURT, INCLUDING THEIR RIGHT TO JURY TRIAL;**

**C. PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED AND DIFFERENT FROM COURT PROCEEDING;**

**D. THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT OF APPEAL OR TO SEEK MODIFICATION OF RULING BY THE ARBITRATORS IS STRICTLY LIMITED;**

**E. THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH SECURITIES INDUSTRY; AND**

**F. THIS ARBITRATION AGREEMENT IS SPECIFICALLY INTENDED TO INCLUDE ANY AND ALL STATUTORY CLAIMS WHICH MIGHT BE ASSERTED BY ANY PARTY.**

**G. ALL DISPUTES, CONTROVERSIES, OR DIFFERENCES BETWEEN TRADING SOLUTIONS, GENEVA CFG OR ANY OF THEIR OFFICERS, DIRECTORS, LEGAL REPRESENTATIVES, ATTORNEYS, ACCOUNTANTS, AGENTS OR EMPLOYEES, OR ANY CUSTOMER OR OTHER PERSON OR ENTITY, ARISING OUT OF, IN CONNECTION WITH OR AS A RESULT OF THIS AGREEMENT, SHALL BE RESOLVED THROUGH ARBITRATION RATHER THAN THROUGH LITIGATION.**

**H. THE UNDERSIGNED TRADING SOLUTIONS HEREBY AGREES TO SUBMIT THE DISPUTE FOR RESOLUTION TO EITHER THE AMERICAN ARBITRATION ASSOCIATION, IN LOS ANGELES, CALIFORNIA, OR THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., IN LOS ANGELES, CALIFORNIA, WHICHEVER ASSOCIATION MAY ASSERT JURISDICTION OVER THE DISPUTE WITHIN FIVE (5) DAYS AFTER RECEIVING A WRITTEN REQUEST TO DO SO FROM ANY OF THE AFORESAID PARTIES.**

**I. IF ANY PARTY FAILS TO SUBMIT THE DISPUTE TO ARBITRATION ON REQUEST, THEN THE REQUESTING PARTY MAY COMMENCE AN ARBITRATION PROCEEDING, BUT IS UNDER NO OBLIGATION TO DO SO.**

**J. ANY HEARING SCHEDULED AFTER AN ARBITRATION IS INITIATED SHALL TAKE PLACE IN LOS ANGELES COUNTY, CALIFORNIA, AND THE FEDERAL ARBITRATION ACT SHALL GOVERN THE PROCEEDING AND ALL ISSUES RAISED BY THIS AGREEMENT TO ARBITRATE.**

**K. IF ANY PARTY SHALL INSTITUTE ANY COURT PROCEEDING IN AN EFFORT TO RESIST ARBITRATION AND BE UNSUCCESSFUL IN RESISTING ARBITRATION OR SHALL UNSUCCESSFULLY CONTEST THE JURISDICTION OF ANY ARBITRATION FORUM LOCATED IN LOS ANGELES COUNTY, CALIFORNIA, OVER ANY MATTER WHICH IS THE SUBJECT OF THIS AGREEMENT, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE LOSING PARTY ITS LEGAL FEES AND ANY OUT-OF-POCKET EXPENSES INCURRED IN CONNECTION WITH THE DEFENSE OF SUCH LEGAL PROCEEDING OR ITS EFFORTS TO ENFORCE ITS RIGHTS TO ARBITRATION AS PROVIDED FOR HEREIN.**

**L. EACH PARTY WILL SIGN ANY REQUIRED NASD UNIFORM SUBMISSION AGREEMENT OR THE APPLICABLE PAPERWORK FOR THE AMERICAN ARBITRATION ASSOCIATION, AT THE TIME ANY DISPUTE IS SUBMITTED FOR ARBITRATION OR THE APPLICABLE PAPERWORK FOR THE AMERICAN ARBITRATION ASSOCIATION, AT THE TIME ANY DISPUTE IS SUBMITTED FOR ARBITRATION, WHICHEVER ONE IS APPLICABLE.**

**M. THE PARTIES SHALL ACCEPT THE DECISION OF ANY AWARD AS BEING FINAL AND CONCLUSIVE AND AGREE TO ABIDE THEREBY.**

**N. ANY DECISION MAY BE FILED WITH ANY COURT AS A BASIS FOR JUDGMENT AND EXECUTION FOR COLLECTION.**

**10. Term of Agreement and Termination.** This Agreement shall be effective upon execution, shall continue for two years unless terminated sooner, by mutual consent of both parties, after which time this Agreement is terminated.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed, all as of the day and year first above written.

**Trading Solutions: Trading Solutions, Inc.**

**By: \_\_\_\_\_**

**Ralph Moyal, President**

**Geneva CFG: Geneva Capital & Finance Group, LLC**

**By:** \_\_\_\_\_

**Roland L. Chapin, President**

2001 LONG-TERM STOCK INCENTIVE PLAN

SECTION 1

GENERAL

**1.1. Purpose.** The Trading Solutions.com, Inc., Long-Term Stock Incentive Plan (the "Plan") has been established by Trading Solutions.com, Inc. (the "Company") to (i) attract and retain persons eligible to participate in the Plan; (ii) motivate Participants, by means of appropriate incentives, to achieve long-range goals; (iii) provide incentive compensation opportunities that are competitive with those of other similar companies; and (iv) further identify Participants' interests with those of the Company's other shareholders through compensation that is based on the Company's common stock; and thereby promote the long-term financial interest of the Company and the Subsidiaries, including the growth in value of the Company's equity and enhancement of long-term shareholder return.

**1.2. Participation.** Subject to the terms and conditions of the Plan, the Committee shall determine and designate, from time to time, from among the Eligible Persons (including transferees of Eligible Persons to the extent the transfer is permitted by the Plan and the applicable Award Agreement), those persons who will be granted one or more Awards under the Plan, and thereby become "Participants" in the Plan. In the discretion of the Committee, a Participant may be granted any Award permitted under the provisions of the Plan, and more than one Award may be granted to a Participant. Awards may be granted as alternatives to or replacement of awards outstanding under the Plan, or any other plan or arrangement of the Company or a Subsidiary (including a plan or arrangement of a business or entity, all or a portion of which is acquired by the Company or a Subsidiary).

**1.3. Operation, Administration, and Definitions.** The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 4 (relating to operation and administration). Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Section 6 of the Plan).

SECTION 2

OPTIONS AND SARs

2. 1. Definitions.

(a) The grant of an "Option" entitles the Participant to purchase shares of Stock at an Exercise Price established by the Committee. Options granted under this Section 2 may be either Incentive Stock Options ("ISOs") or Non-Qualified Options ("NQOs"), as determined in the discretion of the Committee. An "ISO" is an Option that is intended to satisfy the requirements applicable to an "incentive stock option" described in section 422(b) of the Code. An "NQO" is an Option that is not intended to be an "incentive stock option" as that term is described in section 422(b) of the Code.

(b) A stock appreciation right (an "SAR") entitles the Participant to receive, in cash or Stock (as determined in accordance with subsection 2.5), value equal to (or otherwise based on) the excess of: (a) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (b) an Exercise Price established by the Committee.

**2.2. Exercise Price.** The "Exercise Price" of each Option and SAR granted under this Section 2 shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option or SAR is granted; except that the Exercise Price shall not be less than 100% of the Fair Market Value of a share of Stock on the date of grant.

**2.3. Exercise.** An Option and an SAR shall be exercisable in accordance with such terms and conditions and during such periods as may be established by the Committee.

**2.4. Payment of Option Exercise Price.** The payment of the Exercise Price of an Option granted under this Section 2 shall be subject to the following:

(a) Subject to the following provisions of this subsection 2.4, the full Exercise Price for shares of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise (except that, in the case of an exercise arrangement approved by the Committee and described in paragraph 2.4(c), payment may be made as soon as practicable after the exercise).

(b) The Exercise Price shall be payable in cash or by tendering, by either actual delivery of shares or by attestation, shares of Stock acceptable to the Committee (including Shares deemed issued for purposes of exercising a conversion right under an Award), and valued at Fair Market Value as of the day of exercise, or in any combination thereof, as determined by the Committee.

(c) The Committee may permit a Participant to elect to pay the Exercise Price upon the exercise of an Option by irrevocably authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option

and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise.

**2.5. Settlement of Award.** Shares of Stock delivered pursuant to the exercise of an option or SAR shall be subject to such conditions, restrictions and contingencies as the Committee may establish in the applicable Award Agreement. Settlement of SARs may be made in shares of Stock (valued at their Fair Market Value at the time of exercise), in cash, or in a combination thereof, as determined in the discretion of the Committee. The Committee, in its discretion, may impose such conditions, restrictions and contingencies with respect to shares of Stock acquired pursuant to the exercise of an Option or an SAR as the Committee determines to be desirable.

## **SECTION 3**

### **OTHER STOCK AWARDS**

#### **3.1. Definitions.**

(a) A "Stock Unit" Award is the grant of a right to receive shares of Stock in the future.

(b) A "Performance Share" Award is a grant of a right to receive shares of Stock or Stock Units which is contingent on the achievement of performance or other objectives during a specified period.

(c) A "Restricted Stock" Award is a grant of shares of Stock, and a "Restricted Stock Unit" Award is the grant of a right to receive shares of Stock in the future, with such shares of Stock or right to future delivery of such shares of Stock subject to a risk of forfeiture or other restrictions that will lapse upon the achievement of one or more goals relating to completion of service by the Participant, or achievement of performance or other objectives, as determined by the Committee.

**3.2. Restrictions on Stock Awards.** Each Stock Unit Award, Restricted Stock Award, Restricted Stock Unit Award and Performance Share Award shall be subject to the following:

(a) Any such Award shall be subject to such conditions, restrictions and contingencies as the Committee shall determine. The Committee may designate whether any such Award being granted to any Participant are intended to be "performance-based compensation" as that term is used in section 162(m) of the Code. Any such Awards designated as intended to be "performance-based compensation" shall be conditioned on the achievement of one or more Performance Measures. For Awards intended to be "performance-based compensation," the grant of the Awards and the establishment of the Performance Measures shall be made during the period required under Code section 162(m). The "performance measures" that may be used by the Committee for such Awards shall be based on one or more of the following, as selected by the Committee:

(i) operating profits (including EBITDA), net profits, earnings per share, profit returns and margins, revenues, shareholder return and/or value, stock price, or working capital, which may be measured on a Company, Subsidiary, or business unit basis; or

(ii) any one or more of the performance criteria set forth in the next preceding paragraph (i) measured on the basis of a relative comparison of entity performance to the performance of a peer group of entities or other external measure of the selected performance criteria; provided, that profit, earnings, and revenues used for any performance measure shall exclude: gains or losses on operating asset sales or dispositions; litigation or claim judgments or settlements; accruals for historic environmental obligations; effect of changes in tax law or rate on deferred tax liabilities; accruals for reorganization and restructuring programs; uninsured catastrophic property losses; the cumulative effect of changes in accounting principles; and any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30.

## **SECTION 4**

### **OPERATION AND ADMINISTRATION**

**4.1. Effective Date.** Subject to the approval of the shareholders of the Company in the manner required by the laws of the state of Nevada, the Plan shall be effective as of October 1, 2001 (the "Effective Date"); provided, however, that to the extent that Awards are granted under the Plan prior to its approval by shareholders, the Awards shall be contingent on approval of the Plan by the shareholders of the Company. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that, to the extent required by the Code, no ISO may be granted under the Plan on a date that is more than ten years from the date the Plan is adopted or, if earlier, the date the Plan is approved by shareholders.

**4.2. Shares Subject to Plan.** The shares of Stock for which Awards may be granted under the Plan shall be subject to the following:

(a) Subject to the following provisions of this subsection 4.2, the maximum number of shares of Stock that may be delivered to Participants and their beneficiaries under the Plan shall be 500,000.

(b) To the extent that any shares of Stock covered by an Award are not delivered to a Participant or beneficiary because the Award is forfeited or canceled, or the shares of Stock are not delivered because the Award is settled in cash or used to satisfy the applicable tax withholding obligation, such shares shall not be deemed to have been delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan.

(c) If the exercise price of any stock option granted under the Plan or any Prior Plan is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation), only the number of shares of Stock issued net of the shares of Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan.

(d) Subject to paragraph 4.2(e), the following additional maximums are imposed under the Plan.

(i) The maximum number of shares of stock that may be issued by Options intended to be ISOs shall be 500,000 shares.

(ii) The maximum number of shares of Stock that may be issued in conjunction with Awards granted pursuant to Section 3 (relating to Stock Awards) shall be 500,000 shares.

(iii) The maximum number of shares that may be covered by Awards granted to any one individual pursuant to Section 2 (relating to Options and SARs) shall be 500,000 shares during any one-calendar year period.

(iv) No more than 500,000 shares of Stock may be subject to Stock Unit awards, Restricted Stock Awards, Restricted Stock Unit Awards and Performance Share Awards that are intended to be "performance-based compensation" (as that term is used for purposes of Code section 162(m)) granted to any one individual during any one-calendar-year period (regardless of when such shares are deliverable).

(e) In the event of a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the Committee may adjust Awards to preserve the benefits or potential benefits of the Awards. Action by the Committee may include: (i) adjustment of the number and kind of shares which may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the Exercise Price of outstanding Options and SARs; and (iv) any other adjustments that the Committee determines to be equitable.

**4.3. General Restrictions.** Delivery of shares of Stock or other amounts under the Plan shall be subject to the following:

(a) Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any shares of Stock under the Plan or make any other distribution of benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.

(b) To the extent that the Plan provides for issuance of stock certificates to reflect the issuance of shares of Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

**4.4. Tax Withholding.** All distributions under the Plan are subject to withholding of all applicable taxes, and the Committee may condition the delivery of any shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. The Committee, in its discretion, and subject to such requirements as the Committee may impose prior to the occurrence of such withholding, may permit such withholding obligations to be satisfied through cash payment by the Participant, through the surrender of shares of Stock which the Participant already owns, or through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan.

**4.5. Use of Shares.** Subject to the overall limitation on the number of shares of Stock that may be delivered under the Plan, the Committee may use available shares of Stock as the form of payment for compensation, grants or rights earned or due under any other compensation plans or arrangements of the Company or a Subsidiary, including the plans and arrangements of the Company or a Subsidiary assumed in business combinations.

**4.6. Dividends and Dividend Equivalents.** An Award (including without limitation an Option or SAR Award) may provide the Participant with the right to receive dividend payments or dividend equivalent payments with respect to Stock subject to the Award (both before and after the Stock subject to the Award is earned, vested, or acquired), which payments may be either made currently or credited to an account for the Participant, and may be settled in cash or Stock as determined by the Committee. Any such settlements, and any such crediting of dividends or dividend equivalents or reinvestment in shares of Stock, may be subject to such conditions, restrictions and contingencies as the Committee shall establish, including the reinvestment of such credited amounts in Stock equivalents.

**4.7. Payments.** Awards may be settled through cash payments, the delivery of shares of Stock, the granting of replacement Awards or combination thereof as the Committee shall determine. Any Award settlement, including payment deferrals, may be subject to such conditions, restrictions and contingencies, as the Committee shall determine. The Committee may permit or require the deferral of any Award payment, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest, or dividend equivalents, including converting such credits into deferred Stock equivalents. Each Subsidiary shall be liable for payment of cash due under the Plan with respect to any Participant to



the extent that such benefits are attributable to the services rendered for that Subsidiary by the Participant. Any disputes relating to liability of a Subsidiary for cash payments shall be resolved by the Committee.

**4.8 Transferability.** Except as otherwise provided by the Committee, Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution.

**4.9 Form and Time of Elections.** Unless otherwise specified herein, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be in writing filed with the Committee at such times, in such form, and subject to such restrictions and limitations, not inconsistent with the terms of the Plan, as the Committee shall require.

**4.10 Agreement With Company.** An Award under the Plan shall be subject to such terms and conditions, not inconsistent with the Plan, as the Committee shall, in its sole discretion, prescribe. The terms and conditions of any Award to any Participant shall be reflected in such form of written document as is determined by the Committee. A copy of such document shall be provided to the Participant, and the Committee may, but need not require that the Participant shall sign a copy of such document. Such document is referred to in the Plan as an "Award Agreement" regardless of whether any Participant signature is required.

**4.11 Action by Company or Subsidiary.** Any action required or permitted to be taken by the Company or any Subsidiary shall be by resolution of its board of directors, or by action of one or more members of the board (including a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or applicable rules of any stock exchange) by a duly authorized officer of such company.

**4.12. Gender and Number.** Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

**4.13. Limitation of Implied Rights.**

(a) Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of the Company or any Subsidiary whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Subsidiary, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the Stock or amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment, and selection as a Participant will not give any participating person the right to be retained in the employ of the Company or any Subsidiary, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. Except as otherwise provided in the Plan, no Award under the Plan shall confer upon the holder thereof any rights as a shareholder of the Company prior to the date on which the individual fulfills all conditions for receipt of such rights.

**4.14. Evidence.** Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information, which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

## **SECTION 5**

### **COMMITTEE**

**5.1. Administration.** The authority to control and manage the operation and administration of the Plan shall be vested in a committee (the "Committee") in accordance with this Section 5. The Committee shall be selected by the Board, and shall consist solely of one or more members of the Board who are not employees. If the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

**5.2. Powers of Committee.** The Committee's administration of the Plan shall be subject to the following:

(a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible Persons those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and (subject to the restrictions imposed by Section 6) to cancel or suspend Awards.

(b) To the extent that the Committee determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Committee will have the authority and discretion to modify those restrictions as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States.

(c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any Award Agreement made pursuant to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(d) Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons.

(e) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the articles and by-laws of the Company, and applicable state corporate law.

**5.3. Delegation by Committee.** Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

**5.4. Information to be Furnished to Committee.** The Company and Subsidiaries shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties. The records of the Company and Subsidiaries as to a Participant's employment, termination of employment, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect. Participants and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

## **SECTION 6**

### **AMENDMENT AND TERMINATION**

The Board may, at any time, amend or terminate the Plan, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Board; provided that adjustments pursuant to subject to subsection 4.2(e) shall not be subject to the foregoing limitations of this Section 6.

## **SECTION 7**

### **DEFINED TERMS**

In addition to the other definitions contained herein, the following definitions shall apply:

(a) **Award.** The term "Award" shall mean any award or benefit granted under the Plan, including, without limitation, the grant of Options, SARs, Stock Unit Awards, Restricted Stock Awards, Restricted Stock Unit Awards and Performance Share Awards.

(b) **Board.** The term "Board" shall mean the Board of Directors of the Company.

(c) **Code.** The term "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code.

(d) **Eligible Person.** The term "Eligible Person" shall mean any director, officer, employee or consultant of the Company or a Subsidiary. An Award may be granted to a person in connection with hiring, retention or otherwise prior to the date the person first performs services for the Company or the Subsidiaries, provided that such Award shall not become vested prior to the date the person first performs such services.

(e) **Fair Market Value.** For purposes of determining the "Fair Market Value" of a share of Stock as of any date, the following rules shall apply:

(i) If the principal market for the Stock is a national securities exchange or the Nasdaq stock market, then the "Fair Market Value" as of that date shall be the mean between the lowest and highest reported sale prices of the Stock on that date on the principal exchange which the Stock is then listed or admitted to trading.

(ii) If sale prices are not available or if the principal market for the Stock is not a national securities exchange and the Stock is not quoted on the Nasdaq stock market, the average between the highest bid and lowest asked prices for the Stock on such day as reported on the NASDAQ OTC Bulletin Board Service or by the National Quotation Bureau, Incorporated or a comparable service.

(iii) If the day is not a business day, and as a result, paragraphs (i) and (ii) next above are inapplicable, the Fair Market Value of the Stock shall be determined as of the last preceding business day. If paragraphs (i) and (ii) next above are otherwise inapplicable, then the Fair Market Value of the Stock shall be determined in good faith by the Committee.

(f) **Subsidiaries.** The term "Subsidiary" means any company during any period in which it is a "subsidiary corporation" (as that term is defined in Code section 424(f)) with respect to the Company.

**(g) Stock.** The term "Stock" shall mean shares of common stock of the Company.