

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

SUMMIT LIFE CORP
Form 10QSB
November 14, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the period 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 000-25253

SUMMIT LIFE CORPORATION
(Exact name of registrant as specified in its charter)

OKLAHOMA

73-1448244

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer identification No.)

3021 Epperly Dr., P.O. Box 15808, Oklahoma City, Oklahoma 73155

(Address of principal executive offices)

(405) 677-0781
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of shares outstanding of the Issuer's Common Stock, \$.01 par value, as of November 14, 2001 was 2,669,805.

Transitional Small Business Disclosure Format (check one): Yes _____ No

FORM 10-QSB

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

TABLE OF CONTENTS

	Page	
PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements	
	Consolidated Balance Sheets - September 30, 2001 (unaudited) and December 31, 2000.....	3
	Consolidated Statements of Operation - Three months and nine months ended September 30, 2001 and 2000 (unaudited)....	5
	Consolidated Statement of Stockholders' Equity - Nine months ended September 30, 2001 (unaudited).....	6
	Condensed Consolidated Statement of Cash Flows - Nine months ended September 30, 2001 and 2000 (unaudited).....	7
	Notes to Consolidated Financial Statements.....	8
Item 2.	Management's Discussion and Analysis or Plan of Operation....	9
PART II.	OTHER INFORMATION	
Item 6.	Exhibits and Reports on Form 8-K.....	16
	Signatures.....	14

2

Summit Life Corporation and Subsidiaries

Consolidated Balance Sheets

ASSETS

	September 30, 2001
	(Unaudited)
INVESTMENTS	
Debt securities-held to maturity	\$328,075
Debt securities-available for sale	2,467,010
Equity securities-trading	99,097
Equity securities-available for sale	127,158
Equity securities-other	66,788
Mortgages	706,871
Notes receivable	198,582

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Short-term investments	0
Policy loans	65,501
Investment in limited partnerships	55,400

	4,114,482
CASH AND CASH EQUIVALENTS	1,878,191
RECEIVABLES	
Accrued investment income	58,059
Other	18,773

	76,832
PROPERTY AND EQUIPMENT-AT COST	
Building and improvements	129,419
Furniture and equipment	119,198
Automobiles	22,015

	270,632
Less accumulated depreciation	(123,398)

	147,234
Land	56,000

	203,234
OTHER ASSETS	
Cost in excess of net assets of businesses acquired, less accumulated amortization	120,858
Deferred policy acquisition costs	96,289
Value of purchased insurance business	269,351
Deferred income taxes	37,241
Other	52,660

	576,399

	\$6,849,138
	=====

The accompanying notes are an integral part of these interim financial statements

Summit Life Corporation and Subsidiaries

Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

September 30,
2001

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

	(Unaudited)
LIABILITIES	
Policy reserves and policyholder funds	\$5,454,421
Unpaid claims	20,663
Accounts payable	13,803
Accrued liabilities	7,373
Notes payable	59,970
Other liabilities	0

	5,556,230
STOCKHOLDERS' EQUITY	
Common stock, \$.01 par value	26,888
Preferred stock, series A, \$.001 par value, stated at liquidation value	500,000
Preferred stock, series B, \$1.00 par value	350,000
Preferred stock, series B subscribed	-
Additional paid-in capital	3,340,584
Common stock of parent held by subsidiary	(95,000)
Accumulated other comprehensive income (loss)	
Unrealized appreciation (depreciation) of available for sale securities	46,953
Accumulated deficit	(2,876,517)
Less preferred stock subscriptions receivable	-

	1,292,908

	\$6,849,138
	=====

The accompanying notes are an integral part of these interim financial statements

Summit Life Corporation and Subsidiaries
Consolidated Statements of Operation
(Unaudited)

	Three Months Ended September 30,		N
	2001	2000	20
	-----	-----	-----
Revenues			
Insurance premiums	\$ 117,709	\$ 63,841	\$ 33

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Reinsurance premium ceded	(18,087)	(11,149)	(3)
	-----	-----	-----
Net premium income	99,622	52,692	30
Investment activity			
Investment income	73,906	92,233	43
Net realized gains on sale of available for sale securities	--	9,596	(
Net losses on trading securities	(104,479)	--	(17
Other	29,460	6,126	4
	-----	-----	-----
	98,509	160,647	59
Benefits, losses and expenses			
Policy benefits	48,697	21,053	10
Change in policy reserves	(3,973)	66,344	22
Interest expense	3,179	7,429	1
Taxes, licenses and fees	5,463	16,163	1
Depreciation and amortization	31,985	17,726	8
General, administrative and other operating expenses	67,209	105,875	29
	-----	-----	-----
	152,560	234,590	74
	-----	-----	-----
Earnings (Loss) before income taxes	(54,051)	(73,943)	(14
Income tax provision	--	--	
	-----	-----	-----
NET EARNINGS (LOSS)	\$ (54,051)	\$ (73,943)	\$ (14
Preferred Stock Dividend Requirement	12,500	12,500	3
	-----	-----	-----
NET EARNINGS (LOSS) APPLICABLE TO COMMON SHARES	\$ (66,551)	\$ (86,443)	\$ (18
	=====	=====	=====
Earnings (Loss) per common share - Basic and diluted	\$ (0.03)	\$ (0.04)	\$
	=====	=====	=====
Weighted average outstanding common shares, basic and diluted	2,492,283	2,248,605	2,33
	=====	=====	=====

The accompanying notes are an integral part of these interim financial statements

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

(Unaudited)

	Total	Common Stock		Preferred Stock "A"	
		Shares Issued	Par Value	Shares Out-standing	Liqui atio Valu
Balance at January 1, 2001	\$ 975,300	2,267,605	\$ 22,676	5,000	\$ 500
Issuance of common stock	421,200	421,200	4,212	--	
Dividends on preferred stock	(25,000)	--	--	--	
Comprehensive income					
Net income (loss)	(145,427)	--	--	--	
Other comprehensive inc (loss)					
Unrealized gain on investments	66,835	--	--	--	
Comprehensive inc. (loss)	(78,592)				
Balance at September 30, 2001	\$ 1,292,908	2,688,805	\$ 26,888	5,000	\$ 500

	Additional Paid-in Capital	Common Stock of Parent Held by Subsidiary	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit
Balance at January 1, 2001	\$ 2,923,596	\$ (95,000)	\$ (19,882)	\$ (2,706,090)
Issuance of common stock	416,988	--	--	--
Dividends on preferred stock	--	--	--	(25,000)
Comprehensive income				
Net income (loss)	--	--	--	(145,427)
Other comprehensive inc (loss)				
Unrealized gain on investments	--	--	66,835	--
Comprehensive inc. (loss)				
Balance at September 30, 2001	\$ 3,340,584	\$ (95,000)	\$ 46,953	\$ (2,876,517)

The accompanying notes are an integral part of these interim financial statements

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

6

Summit Life Corporation and Subsidiaries
 Condensed Consolidated Statement of Cash Flows
 (Unaudited)

	Nine Months Ended September 30,	
	2001	2000
Increase (Decrease) in Cash and Cash Equivalents		
Net cash provided by (used in) operating activities	\$ (205,528)	\$ (161,704)
Net cash provided by (used in) investing activities	204,782	1,325,670
Net cash provided by (used in) financing activities	442,599	(702,445)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	441,853	461,521
Cash and cash equivalents at the beginning of the period	1,436,338	935,746
	-----	-----
Cash and cash equivalents at the end of the period	\$1,878,191	\$ 1,397,267
	=====	=====

The accompanying notes are an integral part of these interim financial statements

7

Summit Life Corporation and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month and nine month periods ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001. For further information, refer to the consolidated annual financial statements and footnotes thereto for the year ended December 31, 2000.

8

Item 2. Management's Discussion and Analysis or Plan of Operation.

This Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this Report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected costs and plans and objectives of Management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate" or "believe" or the negative thereof or variations thereon or similar terminology. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are based upon numerous assumptions about future conditions which may ultimately prove to be inaccurate and actual events and results may materially differ from anticipated results described in such statements. Important factors that could cause actual results to differ materially from the Company's expectations ("cautionary statements") include the risks inherent generally in the insurance and financial services industries, the impact of competition and product pricing, changing market conditions, the risks disclosed in the Company's Annual Report on Form 10-KSB for the Year Ended December 31, 2000 under "ITEM 6--Management's Discussion and Analysis or Plan of Operation," as well as the risks disclosed in this Report. All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. The Company assumes no duty to update or revise its forward-looking statements based on changes in internal estimates or expectations or otherwise. As a result, the reader is cautioned not to place reliance on these forward-looking statements.

General

The Company's primary focus is its life insurance operations.

Recent Events

On August 1, 2001, the Company's wholly owned subsidiary, Great Midwest Life Insurance Company ("Great Midwest"), acquired from Presidential Life Insurance Company of Dallas, Texas ("Presidential Life"), a block of approximately 1,400 life insurance policies with estimated annual premium of

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

\$120,000 for a purchase price of \$85,000 (the "Acquisition"). The Acquisition resulted in the transfer of liabilities in the amount of \$712,000 and assets in the amount of \$627,000 to Great Midwest. The purchase was funded with cash flow from Great Midwest's operations. The purchase increased policies serviced by more than 200% and in-force life insurance increased \$14.8 million, or 106%. The Company expects the Acquisition to be immediately accretive to earnings.

Results of Operations

Three Months Ended September 30, 2001 Compared to Three Months ended September 30, 2000

Revenue. Total revenues decreased from \$160,647 to \$98,509 for the three months ended September 30, 2000 and September 30, 2001, respectively. The decrease in total revenues was directly attributable to unrealized holding losses on trading securities which the Company believes were impacted by the terrorist acts of September 11, 2001. Revenues attributable to life insurance increased 89% from \$52,692 to \$99,622 for the three months ended September 30, 2001, compared to the same period ended September 30, 2000. The increase was due primarily to the Acquisition of the block of insurance policies from Presidential Life during the quarter. The increase was also attributable to the recruiting of new agents, which has increased new policy issue by 98% on an annualized basis. The Company expects the Acquisition will improve earnings over the next twelve months.

9

Investment income decreased from \$92,233 for the three months ended September 30, 2000 to \$73,906 for the three months ended September 30, 2001, primarily as a result of interest rate decreases by the Federal Reserve and other entities.

Net losses, mainly, unrealized holding losses, on trading securities of \$104,479 were reported for the three months ended September 30, 2001. The terrorist attacks of September 11, 2001 severely impacted the market and reduced equity valuations throughout most business sectors. The Company continues to anticipate a recovery in the valuation of its equity portfolio. The Company began trading securities in the fourth quarter of 2000 and is required to report unrealized gains and losses in operations. The realized gain or loss for each trading security may differ materially depending on the date of sale, the underlying performance of the represented company and other market conditions.

Other income increased from \$6,126 for the three months ended September 30, 2000 to \$29,460 for the three months ended September 30, 2001.

Costs and Expenses. Total expenses decreased 35% from \$234,590 to \$152,560 for the three months ended September 30, 2000 and 2001, respectively. Such decreases were primarily attributable to continuing cost containment measures taken by the Company.

Policy benefits increased from \$21,053 to \$48,697 for the comparable periods. Policy reserves decreased \$70,317 for the comparable periods. Depreciation and amortization increased from \$17,726 to \$31,985 for the three months ended September 30, 2000 and 2001, respectively, as the Company continued to amortize the block of business acquired with Great Midwest. General expenses decreased 37% from \$105,875 to \$67,209 for the comparable periods as a result of the Company's cost containment programs. Costs associated with the Acquisition were capitalized and will be amortized over the expected life of the policies.

Income/Loss. The Company reported a net loss for the three months ended

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

September 30, 2001 of \$54,051, a reduction in loss compared to the net loss for the three months ended September 30, 2000 of \$73,943. The Company continued to increase revenues from life insurance and reduce operating costs during the quarter. The Company expects the Acquisition to be accretive to earnings and believes the cost containment programs have been effective in reducing general expenses.

The Company reported a net loss per share of \$0.03 per share for the three months ended September 30, 2001, compared to a net loss of \$0.04 per share for the three months ended September 30, 2000. Unrealized holding losses from trading securities in the Company's portfolio represented a loss of \$.04 per share for the quarter while the Company's other operations represented a gain of \$.01 per share during the same period. The Company expects that the Acquisition will contribute to earnings and believes the cost containment programs currently in place will continue to be effective in containing general expenses.

Nine Months Ended September 30, 2001 Compared to Nine Months ended September 30, 2000

Revenue. Total revenues increased 10% from \$542,700 to \$594,877 for the nine months ended September 30, 2000 and September 30, 2001, respectively. Revenues attributable to life insurance increased 163% from \$114,570 to \$301,887 for the nine months ended September 30, 2001, compared to the same period ended September 30, 2000. The increase was due primarily to the Acquisition of the block of insurance policies from Presidential Life during the quarter and continued sale of new insurance products.

10

Investment income increased 50% from \$285,821 for the nine months ended September 30, 2000 to \$430,195 for the nine months ended September 30, 2001, primarily as a result of the sale of a communications tower lease in the first quarter.

Net losses, mainly, unrealized holding losses, on trading securities of \$178,341 were reported for the period ended September 30, 2001. The terrorist attacks of September 11, 2001 severely impacted the market and reduced equity valuations throughout most business sectors. The Company continues to anticipate a recovery in the valuation of its equity portfolio. The Company began trading securities in the fourth quarter of 2000 and is required to report unrealized gains and losses in operations. The realized gain or loss for each trading security may differ materially depending on the date of sale, the underlying performance of the represented company and other market conditions.

Other income decreased from \$103,182 for the nine months ended September 30, 2000 to \$47,966 for the nine months ended September 30, 2001. A one time gain of \$67,592 from the sale of real estate was recognized in the second quarter of 2000. Excluding the one time gain, other income increased 35%.

Costs and Expenses. Total expenses increased 5% from \$703,593 to \$740,304 for the nine months ended September 30, 2000 and 2001, respectively. Such increase was primarily attributable to reserve increases associated with the new business written by the Company.

Policy benefits increased from \$81,603 to \$106,597 for the comparable periods. Policy reserves increased \$63,632 for the comparable periods. Depreciation and amortization increased from \$48,093 to \$89,470 for the nine months ended September 30, 2000 and 2001, respectively, as the Company continued to amortize the block of business acquired with Great Midwest and deferred acquisition costs associated with new business. General expenses decreased 20%

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

from \$363,040 to \$290,378 for the comparable periods as a result of management cost containment programs. Costs associated with the Acquisition were capitalized and will be amortized over the expected life of the policies.

Loss. The Company reported a net loss for the nine months ended September 30, 2001 of \$145,427, a reduction of 10% compared to the net loss for the nine months ended September 30, 2000 of \$160,893. The Company continued to increase revenues from life insurance and held operating costs steady during the period. The Company expects the Acquisition to improve earnings and believes the cost containment programs have been effective in reducing general expenses.

The Company reported a net loss per share of \$0.08 per share for the nine months ended September 30, 2001, compared to a net loss of \$0.09 per share for the nine months ended September 30, 2000. Unrealized holding losses from trading securities in the Company's portfolio resulted in a loss of \$.08 per share for the nine months while the Company's other operations resulted in breakeven results of \$.00 per share. The Company expects that the Acquisition will contribute to earnings and believes the cost containment programs have been effective in reducing general expenses.

Liquidity and Capital Resources

Total assets were \$6,849,138 at September 30, 2001, compared to \$6,162,682 at December 31, 2000, an increase of 11.0%. The increase was due to the Acquisition and the receipt of new annuity deposits.

Total liabilities (primarily insurance reserves for future policyholder benefits) were \$5,556,230 at September 30, 2001, compared to \$5,187,382 at December 31, 2000, an increase of 7%. The increase was due primarily to the Acquisition and new annuity deposits.

11

Total stockholders' equity was \$1,292,908 at September 30, 2001, compared to \$975,300 at December 31, 2001, an increase of 33%. The increase was attributable to the ongoing public offering of the Company's stock. A total of 421,200 shares were sold through September 30, 2001.

The principal requirements for liquidity in connection with the Company's operations are its contractual obligations to policyholders and annuitants. The Company's contractual obligations include payments of surrender benefits, contract withdrawals, policy loans and claims under outstanding insurance policies and annuities. Payment of surrender benefits is a function of "persistence," which is the extent to which insurance policies are maintained by the policyholder. Policyholders sometimes do not pay premiums, thus causing their policies to lapse, or policyholders may choose to surrender their policies for their cash surrender value. If actual experience of a policy or block of policies is different from the initial or acquisition date assumptions, a gain or loss could result. Depending on the nature of the underlying policy, a lapse or surrender may result in surrender charge revenue or surrender benefit expense. Such amounts may be less than, or greater than, unamortized acquisition expenses and/or the related policy reserves; accordingly, current period earnings may either increase or decrease. Additionally, policy lapses and surrenders may result in lost future revenues and profits associated with those policies that are lapsed or surrendered.

On August 1, 2001, Great Midwest acquired from Presidential Life, a block of approximately 1,400 life insurance policies with estimated annual premium of \$120,000 for a purchase price of \$85,000. The Acquisition resulted in the transfer of liabilities in the amount of \$712,000 and assets in the amount

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

of \$627,000 to Great Midwest. The purchase was funded with cash flow from Great Midwest's operations. The purchase increased policies serviced by more than 200% and in-force life insurance increased \$14.8 million, or 106%.

On September 28, 2001, the investor who had subscribed for an aggregate 1,000,000 shares of the Company's Series B preferred stock did not make the final payment due with respect to his subscription. Under the terms of his subscription agreement, pursuant to which the investor was deemed to have been issued only that number of shares that were fully paid, a total of 350,000 shares of Series B preferred stock was deemed to be sold, and the subscription receivable of \$650,000 was canceled.

The Company has made and intends to make substantial expenditures in connection with its subsidiary's acquisition and marketing programs. Historically, the Company has funded these expenditures from cash flow from operations.

The Company believes that the liquidity resulting from the transactions described above, together with anticipated cash from continuing operations, should be sufficient to fund its operations and the annual 10% dividend on the Series A Preferred Stock, for at least the next 12 months. The Company may not, however, generate sufficient cash flow for these purposes. The Company's ability to fund its operations and to make scheduled dividend payments will depend on its future performance, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

12

Exhibit Number -----	Name of Exhibit -----
3.1	First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
3.2	First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.1	Specimen Certificate of the common stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.2	See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

- 4.3 Form of Promotional Shares Lock-In Agreement (filed as Exhibit 4.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
- 4.4 Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
- 4.5 Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
- 4.6 Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference)

(b) Reports on Form 8-K:

On July 6, 2001, the Company filed a Form 8-K reporting that, as of June 29, 2001, the Company dismissed Grant Thornton LLP as the Company's independent accountants and appointed Gary Skibicki CPA, P.C. as the Company's independent accountants. No financial statements were filed as part of the report.

On July 13, 2001, the Company filed a Form 8-K/A reporting additional information regarding the Company's and Grant Thornton LLP's interpretation of Statement of Financial Accounting Standards 13 with respect to the Form 8-K filed by the Company on July 6, 2001. No financial statements were filed as part of the report.

On July 20, 2001, the Company filed a Form 8-K reporting that, on July 20, 2001, the Company issued a press release announcing that Great Midwest executed an agreement to acquire 100% of the life insurance business owned by Presidential Life. No financial statements were filed as part of the report.

13

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUMMIT LIFE CORPORATION
an Oklahoma corporation

Date: November 14, 2001

/s/Charles L. Smith

Charles L. Smith
President and Chief Operating Officer

Edgar Filing: SUMMIT LIFE CORP - Form 10QSB

Date: November 14, 2001

/s/Quinton L. Hiebert

Quinton L. Hiebert
Vice-President and Chief Financial Officer

14

INDEX TO EXHIBITS

Exhibit Number -----	Name of Exhibit -----
3.1	First Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
3.2	First Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.1	Specimen Certificate of the common stock (filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.2	See Articles V and X of the Company's Certificate of Incorporation and Article VI of the Company's Bylaws (filed as Exhibit 4.2 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.3	Form of Promotional Shares Lock-In Agreement (filed as Exhibit 4.3 to the Company's Registration Statement on Form SB-2, file number 333-65097 and incorporated herein by reference)
4.4	Specimen Certificate of the Series A Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
4.5	Certificate of Designation of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended June 30, 1999 and incorporated herein by reference)
4.6	Certificate of Designation of Series B Convertible Preferred Stock (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-QSB for the Quarter ended September 30, 2000 and incorporated herein by reference)

