IN THE SUPREME COURT OF THE STATE OF NEVADA

Supreme Court Case No. 82014

Electronically Filed
Sep 29 2022 07:48 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

IN RE: D.O.T. LITIGATION

TGIG, LLC; NEVADA HOLISTIC MEDICINE, LLC; GBS NEVADA PARTNERS, LLC; FIDELIS HOLDINGS, LLC; GRAVITAS NEVADA, LLC; NEVADA PURE, LLC; MEDIFARM, LLC; MEDIFARM IV LLC; THC NEVADA, LLC; HERBAL CHOICE, INC.; RED EARTH LLC; NEVCANN LLC, GREEN THERAPEUTICS LLC; AND GREEN LEAF FARMS HOLDINGS LLC,

Appellants,

v.

THE STATE OF NEVADA DEPARTMENT OF TAXATION; INTEGRAL ASSOCIATES, LLC D/B/A ESSENCE CANNABIS DISPENSARIES; ESSENCE TROPICANA, LLC; AND ESSENCE HENDERSON, LLC

Respondents.

THE ESSENCE ENTITIES' SUPPLEMENTAL APPENDIX
VOLUME 6 OF 16

On appeal from the Eighth Judicial District Court, Clark County
The Honorable Elizabeth Gonzalez, Department XI
District Court Case No. A-19-787004-B and Consolidated Cases.

Todd L. Bice, Esq., Bar No. 4534
Jordan T. Smith, Esq., Bar No. 12097
PISANELLI BICE PLLC
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Attorneys for Respondent Essence Entities

ALPHABETICAL INDEX TO THE ESSENCE ENTITIES' SUPPLEMENTAL APPENDIX

CHRONOLOGICAL INDEX TO THE ESSENCE ENTITIES' SUPPLEMENTAL APPENDIX

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Pisanelli Bice PLLC, and pursuant to NRAP 25(b) and NEFR 9(d), that on this 29th day of September, 2022, I electronically filed and served the foregoing **THE ESSENCE ENTITIES' SUPPLEMENTAL APPENDIX** with the Clerk of the Court for the Nevada Supreme Court by using the Nevada Supreme Courts E-Filing system (Eflex), to all participants in the case who are registered with Eflex system.

/s/ Shannon Dinkel
An employee of PISANELLI BICE PLLC

provided, however, that the limitations set forth in this <u>Section 10.02(b)</u> shall not apply to or have any effect upon any claim for indemnification with respect to Losses suffered, sustained or incurred by a Buyer Indemnified Party in connection with or arising or resulting from fraud or willful misconduct of Sellers.

Section 10.05 <u>Net of Insurance Recoveries</u>. With respect to the amount of any Losses subject to indemnification under ARTICLE X, the determination of such Losses shall be calculated net of any actual recoveries obtained by a Buyer Indemnified Party or Seller Indemnified Party (the "***Indemnified Party***") or any of its Affiliates under any applicable insurance policies, minus: (1) all costs and expenses reasonably incurred by the Indemnified Party and its Affiliates in connection with obtaining such insurance recoveries; and (2) the net present value of any increase in the premiums of the applicable insurance policies relating to the applicable claims having been made against such insurance policies; provided, however, that, notwithstanding the foregoing, nothing herein shall be deemed to: (i) require any Indemnified Party to: (A) use its efforts to effect recovery of any available insurance claims in connection with any indemnification claim hereunder; (B) purchase any insurance with respect to any of the matters subject to indemnification hereunder; or (C) delay or forego making any indemnification claim hereunder pending the results of any insurance claim; or (ii) entitle any Party against whom indemnity is sought (the "***Indemnifying Party***") to delay making any payment or taking other action under this ARTICLE X pending the results of any insurance claim, and decisions regarding the purchase of, and claims under, insurance shall be at each Party's sole discretion.

Section 10.06 <u>Method of Satisfaction of Indemnification Claims</u>. Any Losses payable by any Seller pursuant to <u>Section 10.02</u> shall be satisfied:

(a) first, by offsetting such Losses against any unpaid principal and accrued interest under the Notes held by the Founding Members;

(b) second, at each Seller's election, either (i) by wire transfer of immediately available funds as soon as reasonably practicable (and in any event within fifteen (15) Business Days) after the final, non-appealable determination that such Buyer Indemnified Party is entitled to such amount or (ii) by the transfer by a Founding Member to the Buyer Indemnified Parties of such number of NH Shares received by such Founding Member at the Closing having a dollar value (based on the dollar value ascribed to such NH Shares on the Closing Date) equal to the remaining balance of such Losses for which such Seller is liable.

Section 10.07 <u>Indemnification Procedures</u>. In order for an Indemnified Party to be entitled to any indemnification provided for under this Agreement as a result of Losses or claims or demands made by any Person against the Indemnified Party (a "***Third Party Claim***"), such Indemnified Party shall deliver notice thereof to the Indemnifying Party promptly after receipt by such Indemnified Party of written notice of the Third Party Claim, describing in reasonable detail the facts giving rise to any claim for indemnification hereunder, the amount or method of computation of the amount of such claim (if known) and such other information with respect thereto as the Indemnifying Party may reasonably request. The failure to provide such notice, however, shall not release the Indemnifying Party from any of its obligations under this <u>ARTICLE X</u> except to the extent that the Indemnifying Party is materially prejudiced by such failure.

(a) Subject to Section 8.02, the Indemnifying Party shall have the right, upon written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of such Third Party Claim, to assume the defense thereof at the expense of the Indemnifying Party with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party; provided, that, if the Indemnifying Party is a Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such Third Party Claim that seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party assumes the defense of such Third Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party; provided, that if in the reasonable opinion of counsel for the Indemnified Party, there is a conflict of interest between the Indemnified Party and the Indemnifying Party, the Indemnifying Party shall be responsible for the reasonable fees and expenses of one counsel to such Indemnified Party in connection with such defense. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. So long as the Indemnifying Party has assumed the defense of such Third Party Claim, (i) no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement without the prior written consent of the Indemnified Party (such consent not to be unreasonably withheld), unless such judgment or settlement includes as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Party of a release from all liability in respect of the Third Party Claim and (ii) no Indemnified Party shall consent to the entry of any judgment or enter into any settlement without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld).

(b) If the Indemnifying Party elects not to defend a Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may pay, compromise and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim.

(c) In the event any Indemnified Party should have a claim against any Indemnifying Party hereunder that does not involve a Third Party Claim being asserted against or sought to be collected from such Indemnified Party, the Indemnified Party shall deliver notice of such claim promptly to the Indemnifying Party, describing in reasonable detail the facts giving rise to any claim for indemnification hereunder, the amount or method of computation of the amount of such claim (if known) and such other information with respect thereto as the Indemnifying Party may reasonably request. The failure to provide such notice, however, shall not release the Indemnifying Party from any of its obligations under this ARTICLE X. The Indemnified Party shall reasonably cooperate and assist the Indemnifying Party in determining the validity of any claim for indemnity by the Indemnified Party and in otherwise resolving such matters. Such assistance and cooperation shall include providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing legal and business assistance with respect to such matters.

Section 10.08 Adjustment to Purchase Price. Any indemnity payment under this ARTICLE X shall be treated as an adjustment to the Interest Purchase Price for all purposes (including, without limitation, Tax and financial accounting purposes) unless otherwise required by Law.

Section 10.09 Exclusive Remedies. The Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in ARTICLE X. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Parties and their Affiliates and each of their respective representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in ARTICLE X. Nothing in this Section 10.05 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or intentional misconduct.

ARTICLE XI
GENERAL PROVISIONS

Section 11.01 Amendment and Modification. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by the Party against whom enforcement is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

Section 11.02 Approvals and Consents. If any provision hereof requires the approval or consent of any Party to any act or omission, such approval or consent is not to be unreasonably withheld, delayed or conditioned except as set forth herein.

Section 11.03 Assignments. No Party may directly or indirectly assign or transfer any of its rights or obligations under this Agreement (whether voluntarily or involuntarily or by operation of Law (including a merger or consolidation), judicial decree or otherwise) to any other Person without the prior written consent of the other Party.

Section 11.04 Business Day. If any day on which any payment is required to be made hereunder, or on which any notice must be sent, or on which any time period described herein commences or ends is not a Business Day, then such day will be deemed for all purposes of this Agreement to fall on the next succeeding day that is a Business Day.

Section 11.05 Captions. Captions contained in this Agreement and the table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 11.06 Counterpart Facsimile Execution. This Agreement may be executed by the Parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties notwithstanding that all the Parties are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine, telecopier, or electronically scanned and transmitted in a .pdf file format is to be treated as an original document. The signature of any Party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any Party, any facsimile or electronically scanned document is to be re-executed in original form by the Parties who executed the facsimile, telecopy or electronically scanned document. No Party may raise the use of a facsimile machine, telecopier or electronic transmission permitted in this Section 11.06 or the fact that any signature was transmitted through the use of a facsimile, telecopier machine or electronically in a .pdf file format as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section 11.06.

Section 11.07 Entire Agreement. This Agreement, together with the documents and instruments executed in connection herewith, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties, whether oral or written.

Section 11.08 Exhibits and Schedules. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

Section 11.09 Expenses of the Parties. Except as otherwise provided herein or agreed to in writing by the Parties, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby are to be paid by the Party incurring such costs and expenses.

Section 11.10 Failure or Delay. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any Party in any case entitles such Party to any other or further notice or demand in similar or other circumstances.

Section 11.11 Governing Law; Enforceability. This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the laws of Nevada without regard to choice or conflict of laws rules. Federal law shall not be applied to any aspect of the performance, interpretation or resolution of disputes arising under this Agreement. The Parties recognize that cannabis manufacturing and businesses are illegal under federal Law, but are permitted under Nevada Law if in compliance with Nevada statutes and regulations. The Parties agree not to raise any defense or make any argument against the enforceability or performance of this Agreement based on the illegality of cannabis under federal Law, or the Law of any other state. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be determined by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of the arbitration shall be Las Vegas, Nevada. To further effectuate the intent of the immediately preceding sentence, the Parties agree that an arbitrator shall dismiss any claim or defense based on illegality of cannabis under federal Law or the Law of any other state, and that the arbitrator shall sustain objection to and shall strike any argument or evidence based on such illegality and shall not consider such illegality in rendering any decision or making any order.

Section 11.12 Legal Fees. In the event any Party brings suit or institutes arbitration proceedings to construe or enforce the terms hereof, or raises this Agreement as a defense in a suit or arbitration proceeding brought by another Party, the prevailing Party in such suit or arbitration proceeding is entitled to recover its attorneys' fees and expenses.

Section 11.13 Attorney-Client Privilege. Each party to this Agreement acknowledges that, notwithstanding any other provision in this Agreement to the contrary, although Buyer is acquiring the Acquired Interests pursuant to this Agreement, after the Closing, neither Buyer nor Green shall have any right to any attorney-client privileged matters or materials arising out of or relating to the legal representation of Sellers pertaining to the negotiation and consummation of this Agreement, the Related Agreements, and the transactions contemplated hereby and thereby (collectively, the "***Transaction Matters***"), and, at the Closing, all rights to any such attorney-client privileged matters or materials shall, without the requirement of any further action, be deemed automatically transferred to and fully vested in the Founding Members and not in Green, and as such, Buyer expressly (x) consents to the disclosure by Snell & Wilmer, L.L.P. (the "***Firm***"), as Green's legal counsel, to the Founding Members of any information learned by the Firm in the course of its representation of Green, whether or not such information is subject to the attorney-client privilege and/or the Firm's duty of confidentiality and whether or not such disclosure is made before or after the Closing, (y) irrevocably waives any right it may have to discover or obtain information or documentation relating to the representation of Green by the Firm in the Transaction Matters, and (z) shall provide Founding Members reasonable access to Green's books, records and files after the Closing to identify, separate, and remove from Green's possession all such documentation to the extent containing such privileged information.

Section 11.14 Notices Between the Parties. All notices, consents, requests, demands and other communications hereunder are to be in writing, and are deemed to have been duly given or made: (i) when delivered in person; (ii) three days after deposited in the United States mail, first class postage prepaid; (iii) in the case of telegraph or overnight courier services, one Business Day after delivery to the telegraph company or overnight courier service with payment provided; (iv) in the case of telecopy or fax, when sent, verification received; or (v) in the case of electronic transmission such as e-mail, when sent; in each case addressed as follows:

if to Buyers:

with a copy (which shall not constitute notice) to:

Snell and Wilmer L.L.P.

Attn: Tony Ippolito
[redacted]

if to Sellers:

with a copy (which shall not constitute notice) to:

Kaempfer Crowell
Attn: Josh Correlli
[redacted]

or to such other address as any Party may designate by notice to the other Party in accordance with the terms of this Section 11.14.

Section 11.15 Publicity Regarding This Agreement. Any publicity release, advertisement, filing, public statement or announcement made by or at the request of any Party regarding this Agreement or any of the transactions contemplated hereby is to be first reviewed by and must be reasonably satisfactory to the other Party, but in no event shall the compensation paid hereunder be disclosed unless required by Law. Notwithstanding the preceding sentence, if a Party is required by applicable Law to make any publicity release, filing (other than for tax purposes), public statement or announcement, the issuing Party may make the same without the approval of the other Party but the issuing Party must use Commercially Reasonable Efforts to consult with the other Party before making any such release, filing, statement or announcement.

Section 11.16 Remedies Cumulative. Except as set forth in Section 10.09, each and every right granted hereunder and the remedies provided for under this Agreement are cumulative and are not exclusive of any remedies or rights that may be available to any Party at law, in equity or otherwise.

Section 11.17 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of any such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof, or affecting the validity, enforceability or legality of such provision in any other jurisdiction, unless the ineffectiveness of such provision would result in such a material change as to cause completion of the transactions contemplated hereby to be unreasonable. Upon a determination that any provision of this Agreement is prohibited, unenforceable or not authorized, the Parties agree to negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible, in a mutually acceptable manner, in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 11.18 Successors and Assigns; No Third Party Beneficiaries. All provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns. Except as specifically set forth herein, this Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns, and no other Person has any right, benefit, priority or interest under or because of the existence of this Agreement.

Section 11.19 Time. Time is hereby declared of the essence with respect to each term, condition, covenant, and agreement contained herein.

Section 11.20 Sellers' Consent. By execution below, each Seller hereby consents to this Agreement and waives anything to the contrary contained in Green's Operating Agreement, Articles of Organization, and/or other governing document, including any restrictions on transfer contained therein.

[signatures on following page]

BUYER:

NH Processing (Nevada) Inc., a Nevada corporation

By: ______________________________
Name:
Title:

SELLERS:

Green Therapeutics LLC, a Nevada limited liability company

By: ______________________________
Name:
Title:

FOUNDING MEMBERS:

By: ______________________________
Duke Fu, an individual,

By: ______________________________
Amy Fu, an individual

By: ______________________________
Michael Sumiyoshi, an individual

By: ______________________________
Rutt Premsrirut, an individual

By: ______________________________
Theon Chow, an individual

By: ______________________________
Tony Grappo, an individual

By: ______________________________
Angie Lim, an individual

By: ______________________________
Kenny Kowk, an individual

LIST OF DISCLOSURE SCHEDULES[1]

Section	Description
5.02	Membership Interests; Capitalization
5.10	Accounts
5.12	Inventories
5.14(a)	Intellectual Property
5.14(g)	Software
5.15(a)	Material Contracts
5.15(b)	Material Contracts subject to cancellation, etc.
5.16	Taxes
5.17	Employment Matters
5.18	Employee Benefit Plans
5.20	Insurance
5.21	Compliance with Laws; Permits
5.22	Banks; Powers of Attorney
5.25	Consents

[1] NTD: Will revise once draft is close to final.

1775 East Palm Canyon Drive, Suite 110- 132
Palm Springs, CA 92264
(760) 325-6411
Fax: (760) 325-7260

June 26, 2013

Mr. Monty Fu
[redacted]

Re: Appraisal of one common share of Vantex Biotechnology Co.

Dear Mr. Fu:

The Subject of this appraisal is one share of common stock in Vantex Biotechnology Co. (“VBC” or the “Company”). The Company is being valued on a minority, non-marketable basis. It is our understanding that a shareholder plans to make gifts of common stock. Consequently, our appraisal determines the fair market value of one share of common stock as of September 30, 2012.

The common stock is appraised here pursuant to instructions from Company management for the purpose of establishing a fair market value of one share of common stock for gifting purposes as of September 30, 2012 and the opinion of value expressed herein is valid for that purpose and no other.

Fair Market Value is the standard of value applied here.

Fair Market Value, as used herein is defined as “The amount at which property would change hands between a willing seller and a willing buyer when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts.”

Our valuation analysis included, but was not limited to, the following procedures:

1. A review of financial data of VBC
2. A review of information provided by the managers or their representatives of VBC
3. A review of various industry data generated by our own independent research.
4. Email Interview with Leslie Tung.

Based upon our analysis, assumptions and limiting conditions, it is our opinion that the non-marketable minority value of one share of the common stock of VBC, as of September 30, 2012, on a per share basis, is (rounded):

Forty Two Cents

$ 0.42 Per Share

We relied upon various data pertaining to VBC's current and expected future operations as fairly reflecting the actual results of VBC. We have made limited investigation as to the accuracy and completeness of such information. Our analysis was based, in part, on this information as well as on other data we developed.

We appraised VBC and the common stock in accordance with generally accepted appraisal standards, as promulgated by the American Society of Appraisers. Accordingly, we performed such valuation tests and procedures as we considered necessary under the circumstances. We are independent of the VBC and have no current or prospective interest in the common stock. Our fee for this appraisal service was in no way influenced by the results of our valuation analysis.

We appreciate the opportunity to be of service to you and look forward to assisting you in the future.

Respectfully submitted,

The Mentor Group, Inc.

THE MENTOR GROUP, INC.

CERTIFICATION
Vantex Biotechnology Co.

The undersigned hereby certify that all or some of the undersigned individuals have not personally visited the subject business enterprise; none of the undersigned individuals has a present or contemplated future interest in the subject business enterprise; neither our employment nor our compensation in connection with the report is in any way contingent on the conclusions reached or values estimated; this report sets forth all of the assumptions and limiting conditions affecting the analysis, values, and conclusions contained herein; this report has been prepared in conformity with and is subject to the requirements of the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers ("ASA"); this report has been prepared in compliance with the Code of Ethics and Standards of Professional Conduct of the CFA Institute ("CFA"); this report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice; all Candidates, Senior Members, Fellows and Life Members of the ASA who may have participated in the preparation of this report are either in compliance with the mandatory re-certification requirements of the ASA or are exempt from those requirements; no person other than the undersigned or those acknowledged in the report prepared the analysis, values or conclusions set forth in this report; and to the best of our knowledge and belief, the statements of fact contained in this report are true and correct.

Brad M. Cashion

Brad M. Cashion, CFA, ASA
Managing Director
The Mentor Group, Inc.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The analyses and opinions concluded by The Mentor Group (TMG) and set forth in this financial valuation report are subject to the following assumptions and limiting conditions:

We have no present or contemplated material interest in the business or assets that are the subject of this report.

We have no personal interest or bias with respect to the subject matter of this report or the parties involved.

To the best of our knowledge and belief, the statements of fact contained in this report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

For all initial valuations of business enterprises, TMG has not made a personal visit to the premises of the business but conducted interviews with management. If the business valuation represents an update of a previously conducted valuation, we may not have made a personal visit to the premises of the business.

The fee for this engagement is not contingent upon the values reported.

No investigation of legal fee or title to the business or its assets has been made and the ownership claim to the business and its assets is assumed valid. No consideration has been given to liens or encumbrances which may be in place against the business or assets, except as specifically stated in this report.

All value conclusions are presented as the considered opinion of TMG based on the facts noted within this report. We assume no responsibility for changes in values or market condition or for the inability of the owner to locate a purchaser at the estimated value. The value conclusions derived were for the specific purpose set forth herein and may be invalid if used for any other purpose. This is not a fairness or solvency opinion and may not be used out of the context as presented herein nor used to solicit potential buyers.

Client agrees to preserve the confidential format and content of our reports. Our reports and the TMG name are not to be used in whole or in part outside your organization, without our prior written approval, except for review by your auditors, legal counsel, advisors, financial institution (if the purpose of our appraisal is financing), and by representatives of taxing authorities. We will likewise preserve the confidential nature of information received from you, or developed during this engagement, in accordance with our established professional standards. Client agrees that TMG does not, either by entering into this contract or by performing the services rendered, assume, abridge, abrogate or undertake to discharge any duty of Client to any other person. Unless otherwise stated in writing, TMG may reference the work performed for Client in general public announcements.

All financial statements and other pertinent data relating to the income and expense attributed to the entity have been provided either by management or its representatives and accepted without further verification, except as may be noted in the report. Therefore, to the extent that such information may be found at a later date to have been inaccurate or misrepresented, we cannot accept liability for the consequences such inaccuracy or misrepresentation may have on our value conclusion or the use of our conclusion in actions taken by our client.

While we accept as correct the information furnished us by others, no guarantee is expressed or implied herein for the validity of such information, whether in written or oral form. In addition, we assume that the information supplied by management and others represented a good faith effort to describe the business or assets. We further assume that, unless indicated otherwise, there is no intention of selling control of or liquidating any material asset other than in the normal and ordinary course of business.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of TMG.

We assume that the terms of any leases currently in effect will not be altered by any lessor contending that the new financial structure triggers a material change in the financial condition of the Company, unless and to the extent that these assertions are specifically disclosed.

We assume there are no hidden or unexpected conditions of either the real or personal property utilized by the business enterprise which would materially and adversely affect value.

We express no opinion as to: a) the tax consequences of any transaction which may result; b) the effect of the tax consequences of any net value received or to be received as a result of a transaction; and, c) the possible impact on the market price resulting from any need to effect a transaction to pay taxes.

No opinion is expressed for matters that require legal or specialized expertise, investigation, or knowledge beyond that customarily employed by appraisers. Therefore, this report does not address issues of law, engineering, code conformance, toxic contamination or discharge, the potential presence of hazardous substances, etc., unless specifically identified in the body of the report.

Unless express written notice of noncompliance is delivered and brought to the attention of TMG, we assume that the Company is in compliance with all laws and regulations of any government or agency significant and relevant to its operations.

TMG has no responsibility to update the opinions stated herein for events and circumstances occurring after the date of this letter. Any additional consultation, attendance during any hearings or depositions, testimony, or additional research required in reference to the present engagement beyond the opinions expressed herein, as of the

date of this letter, are subject to specific written arrangements between the parties.
The analyses and market value estimate may, in part, be based on estimates and assumptions which are inherently subject to uncertainty and variation, depending on evolving events. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analyses may vary from our estimates, and the variations may be material.

This report may contain prospective financial estimates or opinions that represent TMG's expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

Any value estimates provided in the report apply to the overall business enterprise, and any proration of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

No consideration has been given in this appraisal to the underlying market value of the real and personal property, such as furniture, fixtures, machinery and equipment located on the premises, unless otherwise identified in this report.

TMG assumes no responsibility for economic or physical factors which may affect the opinions herein stated which may occur at some date after the date of this appraisal report. Forecasts of future events which influence the valuation process are predicated on the continuation of historical and current trends in the market, as identified in the report.

TMG reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

We assume no responsibility for any financial reporting judgments which are appropriately those of management. Management accepts the responsibility for any related financial reporting with respect to the assets or properties encompassed by this appraisal.

All appraisal services, pursuant to this report, shall be deemed to be contracted for and rendered in the county of The Mentor Group office contracted to perform the services, and any arbitration or judicial proceedings shall take place in that county.

With regard to any intangible assets (patents, trademarks, service marks, trade names, copyrights, trade secrets, etc.), either valued separately and distinctly from the business or which may contribute to the value of the business enterprise but not be separately valued as a part of this valuation engagement, TMG expresses no opinion regarding nor shall it have any responsibility in connection with, any of the following matters:

a. verifying the ownership of the property;

b. determining whether the owner of such property has granted to other parties any licenses, options or security interests therein, or made any commitment to license or assign rights in such property; or whether such property has liens or other encumbrances against it;

c. the validity or enforceability of any patent, copyright registration or trademark (or service mark) registration;

d. whether property identified as a trade secret is, in fact, a legally enforceable trade secret, and the scope of protection afforded;

e. the scope of patent claims; that is, the range and types of products or processes covered by any patent;

f. whether the inventor(s) identified in any patent is(are) the true inventor(s), and whether all inventors have been named;

g. the scope of rights in trademarks, service marks or trade names;

h. the correct authorship of any copyrighted works;

I. whether there has been litigation relating to such intangible assets and the results of any adjudication or settlement of such litigation, particularly with respect to issues of validity, enforceability and scope of protection afforded.

The liability of TMG and its employees and associates is limited to the client only and to the amount of the fee actually received by TMG. There is no accountability, obligation, or liability to any third party. If the appraisal report or any part thereof is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor TMG is in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will indemnify and hold the appraiser(s) and TMG completely harmless in such action with respect to any and all awards or settlements of any type, such as fines, penalties, or financial losses resulting from actions taken by tax authorities, including but not limited to the Internal Revenue Service, when such fines, penalties, or losses are not due to fraud or gross negligence on the part of TMG.

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Valuation of One Share of Common Stock
Of
Vantex Biotechnology Co.

1. DISCLOSURES AND DESCRIPTION OF THE ASSIGNMENT

1.1 Subject of Appraisal

The Subject of this appraisal is one share of common stock in Vantex Biotechnology Co. ("VBC" or the "Company"). The Company is being valued on a minority, non-marketable basis. It is our understanding that a shareholder plans to make gifts of common stock. Consequently, our appraisal determines the fair market value of one share of common stock as of September 30, 2012.

1.2 Nature and Purpose of the Appraisal

The common stock is appraised here pursuant to instructions from Company management for the purpose of establishing a fair market value of one share of common stock for gifting purposes as of September 30, 2012 and the opinion of value expressed herein is valid for that purpose and no other.

1.3 Brief Description of Subject Company

VBC delivers medical technology and devices to the healthcare market by providing an economical solution to needlestick injury prevention for healthcare professionals.

VBC has multiple manufacturing sites currently producing the Baksnap product and is in the process of building a brand new facility near Shanghai, China to meet increasing demand for product.

1.4 Form of Report

The appraisal result is reported here in summary form as contemplated by Uniform Standards of Professional Appraisal Practice, Standard Rule 10-2(a). This reporting form is limited in narrative discussion of the description of the Company and its environment, and presents the discussion of the valuation of the Company in less detailed fashion. This form of report is appropriate where, as in this case, the intended readers of the report are already familiar with the pertinent features of the Company, its markets, and financial performance, and the industry environment in which the Company operates.

1.5 Standard of Value

Fair Market Value is the standard of value applied here.

Fair Market Value, as used herein is defined as "The amount at which property would change hands between a willing seller and a willing buyer when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts."

1.6 Date of valuation

The subject stock is valued as of: September 30, 2012.

This report was issued: June 26, 2013

1.7 Principal Sources of Information

Principal sources of information used include one or more of the following:

- Financial Statements, income tax returns, and/or other financial information prepared by the Company's accountants or by internal accounting staff.
- Information provided by management, either verbally or in writing.
- Economic statistics published by the government and KeyValue Data.
- Industry statistics, studies and/or forecasts from IBIS World
- Other sources of market and financial data obtained from public company SEC filings

2.1 *Brief Description of the Subject Company (Obtained from the Company web site)*

VBC delivers medical technology and devices to the healthcare market by providing an economical solution to needlestick injury prevention for healthcare professionals.

VBC has multiple manufacturing sites currently producing the Baksnap product and is in the process of building a brand new facility near Shanghai, China to meet increasing demand for product.

Baksnap® Retractable Safety Syringe is used for hypodermic injection. It's a non-reusable, auto-destructive, and 99% identical to the conventional syringe. The Baksnap® - Retractable Safety Syringe's operation is simple and it is easy to handle. In only two seconds the plunger can be pulled back, snapped, and the entire unit disposed of quickly. The Baksnap® - Retractable Safety Syringe is used in the same way as the conventional syringe. Baksnap® - Retractable Safety Syringe has been developed to take place of the conventional syringe. The safety function is an invention, which provides the healthcare workers with a simple, easy-to-use, and high quality device.

Baksnap® - Retractable Safety Syringe's operation is basically similar to the conventional syringe. The difference is that, after the needle is withdrawn from the patient's body, instead of re-capping, the plunger is pulled back completely until it reaches the rear end of the barrel. Then snap off the plunger and discard both parts in an approved container. This operation takes only two seconds.

The product has passed qualifications required below:

1. ISO9001, ISO13485, and EN46001 have been granted as of March 2001
2. CE 0434 has been granted as of March 2001
3. FDA 510(K) approved

On the valuation date, there were 21,700,000 common shares issued and outstanding. There were no other stock grants or options outstanding as of the valuation date.

According to management, there were no plans to sell the Company as of the valuation date. In addition, it is understood that there were no contingent liabilities that could negatively affect the value of the common stock as of the valuation date.

3. FINANCIAL ANALYSIS OF THE COMPANY

3.1 *Financial Information Provided by the Company*

Appraisers normally rely on two primary documentary sources of financial information about the Company:

1. Balance Sheets depict the financial condition or status of the Company as of a specific date, and set forth the assets, liabilities, and capital structure of the Company.
2. Income Statements describe the financial performance of the Company over a period of time, usually 12 consecutive months, but sometimes monthly or quarterly.

A review of the Company's financial statements was conducted to evaluate its financial condition, gain an understanding of its historical operating results, and provide a basis to project, as of September 30, 2012, the future performance. This review included results for the periods ending December 31, 2007 through December 31, 2011, and the last three months ending September 30, 2012.

Financial data analysis seeks to evaluate management performance in several important areas, including profitability, efficiency, and risk. Valuation analysts employ financial ratios because numbers in isolation are typically not very meaningful. Ratios are intended to provide meaningful relationships between individual values in the financial statements. Relative financial ratios are important in comparing the Company's performance to other measures. Relative comparisons can be made with industry performance data and Company performance data to determine trends. Generally, the analysis of the Company's income statements and balance sheets assists the appraiser in measuring trends, and identifying the assets and liabilities of the company. This process is useful because it helps the appraiser understand, evaluate, and communicate the value and risk drivers present in the Company.

Management indicated that no changes in accounting principals have occurred during the periods we analyzed.

3.2 *Historical Financial Statements*

Detailed balance sheets and incomes statements, which were relied upon for this appraisal, are presented in schedules 1 and 2. The actual financial statements and/or tax returns provided to us are contained in our work papers.

3.3 *Balance Sheets*

Unadjusted book value of total assets increased from $7,904,458 in 2007 to $27,350,648 in 2012. Current assets decreased from $5,492,772 in 2007 to $5,026,259 in 2012. The current assets are primarily made up of cash and inventories. The total cash was

$1,464,850 in 2007 and decreased to $360,998 in 2012. The inventories were $580,708 in 2007 and $1,339,545 in 2012. The inventory turnover was 1.37 in 2008 and decreased to 1.29 in 2011.

The accounts receivable decreased from $3,305,447 in 2007 to $369,349 in 2012.

Total asset turnover was 0.10 in 2008 and decreased to 0.08 in 2011. This indicates that management is deploying assets less efficiently and generating fewer sales dollars per a dollar of assets.

The net fixed assets increased from $543,854 in 2007 to $10,110,510 in 2012.

The liability and equity side of the balance sheet is made up of current liabilities and equity. The current liabilities have increased from $1,051,163 in 2007 to $14,035,380 in 2012. Current liabilities, as a percentage of total liabilities and equity, increased from 13.3% in 2007 to 51.3% in 2012.

Overall, the historical balance sheets represent a company that has decreased current assets by 8.5% and increased current liabilities by 1,235.4%. The book value of equity has increased from $6,853,405 in 2007 to $13,315,268 in 2012. This was a 94.29% increase due to the increase in fixed assets and intangible assets.

The historical balance sheets are provided in Schedule 1.

3.4 _Income Statement_

Total revenue decreased at a rate of 36.1% from 2007 to 2011.

The cost of sales (direct costs) ranged from 34.5% to 67% over the analysis period. The median cost of sales was 51.3%.

The Company's adjusted operating expenses ranged from 48.5% to 268.6%. The median operating expenses were 88.71%.

The Company's EBITDA margin ranged from -203.1% to -1.3% of sales revenue. The median EBITDA was -41.29%.

The operating profit was -210.9% in 2007 and -102% for the last nine months ending September 2012. It is anticipated the Company will turn profitable in 2013.

The historical income statements are provided in Schedule 2. The adjusted income statements are presented in Schedule 3. In Schedule 4, we present a quantitative analysis of the historical operating results.

3.5 *Risk Analysis*

Risk analysis examines the uncertainty of income flows for the Company. More volatile income flows mean greater risk facing the owners. The total risk of the Company has two components: business risk and financial risk.

Business risk is the uncertainty of income that is caused by the Company's industry. This uncertainty is due to the Company's variability of sales due to its products, customers, and the way it produces its products. Business risk is generally measured by the variability of the Company's operating income over time. This can be measured by calculating the coefficient of variation of the operating income. This calculation allows comparisons between standardized measures of business risk for companies of different size.

We have calculated the average operating income, the coefficient of variation of the operating income, and the coefficient of variation of return on equity. These measures indicate a high degree of business risk due to the high degree of volatility in the operating income over the analysis period, the negative cash flows and the negative profit margins since 2007. We have considered these factors in our estimation of the discount rate.

Financial risk is the uncertainty of returns to equity holders due to the Company's use of fixed obligation debt. This financial uncertainty is in addition to the Company's business risk. When a company has debt, the interest payments on this capital precede the payments made to owners. Two sets of ratios help to measure financial risk. The first set is balance sheet ratios that indicate the proportion of capital derived from debt compared to equity. The lower the ratio of debt relative to total capital or equity indicates a lower financial risk. The second ratio considers the flow of earnings or cash available to pay financing charges. A higher ratio of earnings relative to interest charges indicates a lower financial risk. The acceptable level of financial risk for a company depends on its business risk. If the company has low business risk, it may be acceptable to have higher financial risk.

We have calculated the debt to capital and debt to equity ratios. These measures indicate a higher degree of financial risk because the operating profit has been negative and does not cover the interest due. We have also calculated the interest coverage ratio, which also indicates a high degree of financial risk due to negative cash flow to cover the interest expense.

4. INDUSTRY REVIEW

As part of our analysis, we reviewed the medical supplies industry report published by IBIS World.

Medical supplies wholesalers manufacture and distribute medical and surgical equipment, instruments and supplies and provide delivery of these products and related services to medical and dental practitioners, clinics and hospitals.

The $151.1 billion Medical Supplies industry has been resilient to the recession. The products distributed by industry operators are often used for non-elective procedures intended to improve or maintain health. Since the US population is growing older, an increasing number of these procedures are occurring. Moreover, disease and health complications are becoming more frequent because of the increasing average age of the population. In particular, certain devices are expected to experience strong sales.

Favorable demographics have helped the industry continue growing during the recession. From 2011 to 2012, revenue is expected to grow 2.4%, which is faster than the annual average of 1.9% over the five years to 2012. The industry has consistently expanded sales of essential medical supplies, despite a rough spending environment. Since healthcare providers have delayed major medical purchases, revenue is expected to rise as the US economy picks up and providers invest in newer equipment. During the five years to 2017, IBISWorld forecasts revenue will grow at an average annual rate of 4.7% to $190.3 billion. New product development will cause part of this growth, since it stimulates sales by offering solutions to previously unresolved health issues.

Innovation is getting a boost from consolidation in the Medical Device Manufacturing industry, since larger companies can better pool resources. In turn, this trend will cause wholesalers to merge to maintain negotiating power and meet the needs of larger customers. While larger company structures help reduce costs, industry profitability is expected to suffer moderately from healthcare reform legislation, which will impose a 2.3% excise tax on device manufacturers beginning in 2013.

Industry demand is derived directly from healthcare providers and indirectly from the patients of those providers. Demand for medical devices and supplies remains fairly constant from year to year. Sales heavily depend on population trends such as the age of patients and the amount of insurance coverage.

Business demand

Capital expenditure in the healthcare and social assistance sectors of the economy affects industry product demand. Demand is derived from physicians, dentists, mental health and substance abuse centers, medical and diagnostic laboratories, ambulance services, general and surgical hospitals, and nursing and residential care facilities. Doctors and specialists prescribe devices and diagnostic tests; surgeons and other specialists select procedures, prostheses and devices. Hospitals purchase diagnostic and surgical equipment and administrative support. All of these decision-makers influence industry sales.

The decision to use particular medical and surgical technologies is driven by medical practitioners, consultation with patients and the healthcare system, which may financially motivate operators to use certain technologies. Hypodermic needles and syringes have the highest and least cyclical level of demand within the industry.
While the supply of medical technology advances is a prerequisite for use, the final expenditure on medical technologies reflects the demand for technology and rationing by people within the healthcare and social assistance sectors. Healthcare providers may deter purchases due to low profit margin. Additionally, the life span of certain supplies can be extended rather than replacing these goods. Extensions occur during economic recessions and other times of financial hardship.

The attempt to reduce the growth of healthcare costs through price regulation, competitive pricing, coverage and payment policies and managed-care arrangements has led to an increased level of price sensitivity among customers. As a result, many industry participants are endeavoring to stock more cost-effective medical equipment and supplies.

Patient demand

The demand for most goods and services is inversely related to price, and health products are no exception. Government funding (i.e. Medicare or Medicaid) or private insurance pays for many medical devices. Subsequently, as funding and coverage increase, consumer demand for devices tends to grow. In turn, healthcare providers purchase more goods from wholesalers. Medicare, a federal healthcare program for the aged and disabled, and Medicaid, a federally sponsored state program for those with low incomes, have both expanded coverage during recent years. As a result, more individuals meet the requirements to have various healthcare costs covered by these government programs. Consequently, demand for supplies is increasing.

New technologies that expand the range of potential treatments and existing subsidy arrangements that potentially extend access to these new technologies at negligible prices have had the greatest effect on demand. Increased demand for the latest cardiovascular technologies, such as coronary stents and implantable defibrillators, support growth in the medical instruments and electromedical device segments of the medical device market. Meanwhile, the orthopedics market has experienced robust growth in the United States, due to significant increases in the number of senior citizens taking advantage of new developments in minimally invasive joint reconstruction procedures, hip and knee replacements and spinal implant surgeries. Furthermore, baby boomers are increasing demand for orthopedic, angioplasty, and cardio-related products.

Hospitals

Hospitals are the largest market segment for the medical supplies wholesalers. The segment is the most volatile since the demand for hospital supplies depends on the influx of patients at each particular hospital. Sometimes hospitals purchase goods directly from manufacturers to reduce costs. They typically purchase high-cost and low-volume medical equipment directly from the manufacturer.

General medical and surgical hospitals require machinery and equipment so they can provide inpatient care, outpatient and non-admitted patient (e.g. emergency department) care, and teaching and research facilities. Smaller community-based hospitals are more numerous and often located closer to the population. These smaller hospitals manage less complex cases, referring more complex cases to centralized tertiary hospitals. These businesses have different purchase needs and criteria.

Clinics

A clinic is a small health facility that provides care for outpatients and is often associated with a hospital or medical school. The segment includes sole practitioners that work from relatively small offices and larger group organizations where many practitioners have combined their practices. Medical specialists working in clinics strongly influence purchasing decisions regarding medical supplies. Supplies and small equipment are generally purchased from more than one distributor, but one of these distributors will supply most of the clinic's needs. Due to the size of medical clinics, physicians cannot store large quantities of supplies in their offices. As a result, customers in this market typically make frequent, small-quantity orders and require rapid and reliable delivery.

Industry Outlook

The five-year outlook for the Medical Supplies Wholesaling industry is positive, with sales projected to increase at an average annual rate of 4.7% to reach $190.3 billion in 2017. Sales growth over the next five years will exceed that of 2012, starting in 2013 with growth of 4.2%. However, strong demand will come with a price. The industry will still face changing consumer demands, increasingly aggressive competition, a changing network of suppliers, heightened government regulations and a tightened credit market. Moreover, the industry will be operating in a drastically changing healthcare environment, where product lines will multiply, costs will persistently rise and broader healthcare coverage could result in a shortage of warehouse capacity.

In this environment, medical supplies wholesalers will be under pressure to lower costs, mostly due to healthcare reform, which is expected to hurt the industry during the five years to 2017. Some of the main concerns surrounding the Patient Protection and Affordable Care Act (PPACA) include more stringent approval policies from the US Food and Drug Administration (FDA) and an excise tax on medical device manufacturers and distributors that are also manufacturers. The medical device tax in the PPACA aims to raise a total of $20.0 billion and is set to go into effect in 2013; moreover, the amount will be based on 2012 sales. The excise tax will likely cause manufacturers to increase the price of goods sold to wholesalers. Distributors will not be able to pass all the tax hikes on to healthcare providers, so profitability is expected to suffer slightly, declining from 5.2% of total revenue in 2012 to about 5.0% by 2017. Nevertheless, legislation is not expected to prevent wholesalers from generating solid revenue growth. Despite continuing changes in the regulatory and legislative environment, the industry is on the upswing. The tax impact will be manageable, and coverage of an estimated 32.0 million previously uninsured individuals will likely offset increased costs. The industry will particularly benefit from the economic recovery. US hospitals began to amplify capital expenditures in early 2010, and sales of expensive imaging equipment and surgical robotic devices will grow over the five years to 2017 after a spending freeze by hospitals in 2009. Many hospitals that put off expensive equipment purchases during the recession will likely begin to replenish their stock or replace old equipment during the next five years. In addition, the rate of movement for innovation in the device arena will pick up steam as the convergence of technology and science provides new breakthroughs. New products will further protect the industry's sales against new healthcare legislation.

New products keep demand strong

Medical supplies wholesalers will continue to benefit from the introduction of revolutionary improvements in existing products and new technologies to the marketplace. Product improvements will enable new treatments for previously untreatable or less-effectively treatable diseases or conditions. Introducing a solution or remedy for a previously untreatable condition will necessarily increase spending if it is implemented. A disease or condition for which there is no possible treatment incurs zero spending. Therefore, any technological improvement that enables treatment will cause spending to rise. Anticipated trends and innovations include combination devices of drugs and biologics, nanotechnology, less-invasive surgeries and devices and wireless technology for hospitals.

In the next five years, neurology, cardiovascular and orthopedic products represent areas of opportunity for medical device companies because of the aging population. Healthcare providers, distributors and manufacturers will likely engage in partnerships as the industry pursues innovation, convergence and growth. As a result of this trend, the number of firms is anticipated to decline at an average annual rate of 2.5% over the five years to 2017, to total 5,862 companies.

While innovation will foster new sales, flattening reimbursement rates and tight credit market conditions will restrict capital spending by hospitals. Significant budgetary pressures on government programs (i.e. Medicare and Medicaid) and private-pay customers will persist in the midst of slow US economic growth. Accelerating healthcare cost inflation will likely pressure customers to reduce spending through 2017.

Competitive bidding will pressure profitability

CMS is in the process of implementing a competitive bidding program that will have a significant impact on many industry distributors. The competitive bidding program will essentially require suppliers of certain types of products to submit bids to the federal government in various selected regions. Winning bidders will be permitted to provide products to Medicare beneficiaries; those who cannot win a bid will be excluded from participating. Suppliers must submit bids to supply items at competitive prices, meet Medicare's eligibility, quality and financial standards and be accredited by an independent accrediting organization.

Since January 1, 2011, nine selected metropolitan areas have participated in the competitive bidding programs where Medicare beneficiaries may only use the Medicare-contract suppliers to obtain the medical supplies covered under the program. The competitive bidding process is forecast to have a significant influence on the industry's ability to participate in the Medicare program and sell products to Medicare beneficiaries, which will pressure operating profit down during the next five years.

Population continues to age

Changing demographics in the US population favor the medical device industry in addition to the pace of technological innovation. In the five years to 2017, IBISWorld forecasts that the number of Americans aged 65 and older will increase at an average annual rate of 3.1%. During the same period, the average age of the population is projected to increase as well.

As Americans live longer and have fewer children, the rate of age-related diseases will likely increase because more people will be in the upper age ranges. If people acquire diseases at the same age as in years past, but survive longer due to more advanced devices, then aging will boost healthcare spending. This result could occur through extended, costly treatments for chronic conditions or successful treatment of more diseases per person over the course of a lifetime. Improving patient admissions and the aging baby-boomer generation will fuel demand for products like hospital beds and stretchers, blood analyzers, sterilization equipment and other small-ticket items, such as consumables.

Revenue Outlook

Year	Revenue $ million	Growth %
2012	151,092.8	
2013	157,483.5	4.2
2014	163,969.0	4.1
2015	176,381.8	7.6
2016	182,990.2	3.7
2017	190,266.8	4.0
2018	197,877.5	4.0

Conclusion

The industry revenue has increased 7.1% in 2011. Industry revenue is expected to grow 2.4% in 2012. From 2012 through 2018, annual compounded industry revenue growth is projected to be 4.6%. We have projected revenue growth of VBC at 43.53%, which is significantly higher than the benchmark industry due to the Company being a development stage business that is starting from a very low level of revenue.

5. ECONOMIC REVIEW

Monetary and fiscal policy measures enacted by various agencies of national governments influence the aggregate economies of those countries. The resulting economic conditions influence all industries and all companies within the economies.

Fiscal policy initiatives such as tax credits or tax cuts can encourage spending, whereas additional taxes, for example on gasoline, cigarettes, and liquor, can discourage spending. Increases and decreases in government spending on defense, on unemployment insurance or retaining programs, or on highways also influence the general economy. All policies influence the business environment for firms that rely directly on those expenditures. In addition, we know that government spending has a strong multiplier effect.

Monetary policy produces similar economic changes. A restrictive monetary policy that reduces the growth rate of the money supply reduces the supply of funds for working capital and expansion for all businesses. This raises market interest rates and, therefore, a company's costs, making goods and services more expensive for individuals.

Any economic analysis requires the consideration of inflation. Inflation causes differences between real and nominal interest rates and changes the spending and savings behavior of consumers and corporations. An economic analysis is required in our valuation report to determine if the economy is in a position to allow VBC to grow as projected. We have utilized the economic data published from KeyValue Data.

General Economic Review

The U.S. economy, which had grown by 3.0% during the fourth quarter of 2011, slipped back to meager growth rates of 2.0% during first-quarter 2012 and to 1.3% for the second quarter before rebounding to an only mildly improved rate of 2.0% for Q3—rates that renewed concerns about a return to recession. However, on November 30, the U.S. Commerce Department sharply raised the Q3 growth estimate to 2.7%. At the same time, the U.S. job market experienced strong growth in November for the third month in a row: 146,000 new jobs were created, on the heels of 171,000 new jobs in October and 873,000 in September—the last being largest gain in 29 years. After edging back up last month, the unemployment rate also fell back to 7.7%, reaching its lowest point in more than four years. Nevertheless, labor force participation rates remain near historic lows, and the number of underemployed and long-term unemployed remain high.

Other serious problems also endure. The U.S. budget deficit hit $1 trillion for the fourth year in a row while the overall U.S. debt eclipsed the $16 trillion mark for the first time in history. Moreover, even without new tax increases, Federal tax collections were projected to jump by more than 30% between 2012 and 2014. And unless a new deficit agreement is reached, the nation faces a potentially damaging "fiscal cliff" in January, with more than $1 trillion in automatic tax increases and spending cuts scheduled. Elsewhere, on the positive side of the ledger, the U.S. auto market continues to rebound, consumer confidence has increased, and both inflation and energy prices have diminished. By contrast, industrial production and manufacturing output are lagging, the housing market remains mixed, and retail sales growth, though positive, has slowed.

Third-Quarter Growth Revised Upward to 2.7%

According to a November 30 report from the U.S. Commerce Department, the U.S. gross domestic product (GDP) during the third quarter of 2012 grew more strongly than at first expected. The Department's first reading for Q3 growth, released on October 26, had come in at 2.0%—a significant increase from the meager second-quarter growth rate of 1.3%, and matching the growth rate during the first quarter of the year. However, the first revision for the third quarter registered an even higher 2.7%, nearly matching the 3.0% annual growth rate achieved during the fourth quarter of 2011. Encouraging as the new third-quarter numbers were, however, most economists expected the GDP growth figure for the fourth quarter to be substantially lower.

Job Gains Continue Strong in November; Unemployment Rate Falls to 7.7%

The U.S. Labor Department reported on December 7 that the number of people who held jobs in November rose by 146,000—the third straight strong monthly jobs gain and nearly double the expected gain of 85,000. The November report followed on the heels of an October jump of 171,000 jobs and a September reading that showed the number of jobs soaring by 873,000—the largest gain in 29 years. Similarly, in September, the Labor Department reported that the U.S. unemployment rate had plunged by 0.3 points to an unexpectedly low rate of 7.8%—the lowest level since January 2009. The rate thereafter edged back up in October to 7.9%, but then fell back to 7.7% in November, bringing the unemployment rate to its lowest point in more than four years.

Budget Deficit Hits $1 Trillion for Fourth Year in a Row

By the end of the third quarter of fiscal 2012, the new debt accumulated by the Federal government during the 2012 fiscal year had exceed $1 trillion for the fourth year in a row, the U.S. Treasury Department reported on July 23. Then, on October 1, the Department announced that debt for fiscal 2012, which ended on September 30, reached $1.276 trillion, up $10,855 per household in just 12 months. Prior to fiscal 2008, the Federal government had never increased its debt by as much as $1 trillion in a single fiscal year.

U.S. Debt Eclipses $16 Trillion Mark

The U.S. Department of the Treasury reported on September 4 that total public outstanding debt in the United States had climbed to $16.02 trillion—the first time in U.S. history that the public debt had breached the $16 trillion level—and now stands at $16.38 trillion. The debt has risen by about 50%, or $5.4 trillion, since January 2009, and totals $136,260 per American household.

Tax Collections To Jump by 30%

Unless Congress takes action to the contrary, the amount of money that the Federal government takes out of the U.S. economy in taxes will jump by more than 30% between 2012 and 2014, according to the Budget and Economic Outlook published by the U.S. Congressional Budget Office. In particular, the top investment income tax rate for the highest earners, currently 15%, is set to nearly triple to 43.4% next year.

Fiscal Cliff Approaching

Congress continues to face a serious challenge in slowly progressing "fiscal cliff" talks—the need to negotiate a new deficit-reduction deal before year-end. Absent agreement, more than $1 trillion in automatic tax increases and spending cuts (including $500 million in defense spending) will take place on January 2, threatening a new recession.

Stocks Plunge Following the Election, Then Rebound

Following the November 6 presidential election, the Dow-Jones Industrial Average tumbled from 13,246 to 12,542 in mid-October. Since then, the Dow has recouped most of these losses, closing at 12,170 on December 10.

Industrial Production Slips Back in October

U.S. industrial production fell by 0.4% in October after having increased by a downwardly revised 0.2% in September, the U.S. Federal Reserve reported on November 16. Superstorm Sandy, which held down production in the Northeast region at the end of October, was responsible for most of the downgrade in production.

Manufacturing Sector Contracts in November

Economic activity in the U.S. manufacturing sector contracted in November following two months of modest expansion, according to a December 3 report from the Institute for Supply Management (ISM), a private trade group. The group's index of manufacturing activity fell to 49.5, a decrease of 2.2 points from the October reading of 51.7.

Productivity Gains Slow During Third Quarter

U.S. nonfarm business sector labor productivity increased at a 1.9% annual rate during the third quarter of 2012, the U.S. Bureau of Labor Statistics reported on November 1. The third-quarter performance, which represented an improvement over the meager 0.9% productivity gain during the first quarter of the year, dropped off slightly from the revised 2.2% gain during the second quarter of 2012.

U.S. Auto Sales Strong in November

U.S. auto sales were strong in November for the fourth straight month. Overall, industry sales rose by 15% from one year earlier to reach an annualized rate of 1.1 million, according to auto-market analyst Auto Data. The November pace was the fastest since January 2008. The November gain also represented a doubling of October's 7% gain.

New Home Sales Fall in October, but Existing Home Sales Gain

New U.S. single-family home sales fell by 0.3% in October, according to a November 28 release from the U.S. Department of Commerce. The Department also sharply lowered reported sales for September, erasing a previously announced gain in new-home sales that had been the largest in nearly 2-1/2 years. Sales of existing homes in the U.S., however, rose by 2.1% in October.

Consumer Confidence Rises Again in November

The Conference Board Consumer Confidence Index, which had increased in October, posted a moderate increase in November as well. The Index now stands at 73.7 (1985=100), up from 73.1 in October. The Present Situation Index was virtually unchanged at 56.6 versus 56.7 last month. The Expectations Index rose to 85.1 from 84.0 last month.

Consumer Spending Falls in October

Americans unexpectedly pared spending in October as Superstorm Sandy depressed wages, the U.S. Commerce Department reported on November 30. Overall, spending declined by 0.2% during the month after rising by 0.8% in September. Adjusted for inflation, the decline was 0.3%, the largest in more than three years.

Retail Sale Growth Slows

U.S. retail sales fell in October by their largest amount since June, the U.S. Commerce Department reported on November 14. The 0.3% decline was due in large part to the effects of Superstorm Sandy.

Consumer and Producer Price Increases Slow

On a seasonally adjusted basis, the U.S. Consumer Price Index (CPI) for all goods rose by 0.1% in October after jumping by 0.6% in September. Likewise, the Producer Price Index (PPI) for finished goods—often, a harbinger of future consumer price movements—fell by 0.2% in October after soaring by 1.1% in September and by 1.7% in August.

Gasoline Prices Continue to Fall

Despite declines in late summer and early fall, U.S. retail gasoline prices (regular unleaded) remained above $3.80 per gallon by the beginning of October. However, prices began to dampen at that time, and have fallen sharply since then, declining to $3.34 per gallon by December 10.

Conclusion

It is believed that the economy will continue to through 2012, but at a slower rate. There is a fear that the economy will be held back by the large budget deficit. It is expected that the job market will be still be affected by the recession, which is expected to affect long term consumer spending, even though the unemployment rate declined.

Impact of the Economy on VBC

1. The employment gains in the third quarter 2012 were strong which could have a positive impact on disposable income, and affect revenue generated by VBC. One problem is that the jobs being created are lower paying jobs.
2. The gasoline prices fell in the third quarter 2012, which is a positive for the Company
3. Consumer confidence has increased in the third quarter 2012. This may be positive for the long term outlook of VBC.
4. A negative factor is the high level of federal debt which is expected to cause an increase in taxes. This could have a negative effect on VBC.
5. Analysts believe the economy recovery will continue to grow 2013. However, growth slowed in the third quarter of 2012 when compared to the growth in 2011. In addition, industrial production fell in October 2012.
6. Most economic forecasts predict an uncertain international economic picture. There are risks associated with debt crisis in Europe. These international risks could have a negative impact on VBC's growth outlook.

We have considered these factors in our computation of the discount rate utilized to calculate the present value of the Interest. We have also considered the expected growth rates of the economy in the future.

SOURCES USED: KeyValue Data

6. VALUATION APPROACHES

There are numerous techniques, formulae, and rules of thumb for determining the value of an ongoing business entity. For the most part, asset valuation techniques, rules and factors can be categorized into four distinct and general methods for valuing businesses and business interests. Valuation professionals will use one or more of these four methods to determine the value of business entities. The objective of using more than one method is to develop mutually supporting evidence as to the valuation conclusion. While the specific titles of these methods may vary with the valuation industry, the generic names for these four generally accepted business valuation approaches are the discounted cash flow, capital market, business transactions, and asset accumulation approach. These valuation approaches are summarized in the following discussion

6.1 *Discounted Cash Flow*

The discounted cash flow (DCF) approach is based upon the premise that the value of the business enterprise is equal to the present value of the future economic income to be derived by the owners of the business. The discounted cash flow approach requires the following analysis: revenue, expense, capital structure and residual value.

The revenue analysis requires a forecast of prospective revenues from the sale of products or provisions of services from the Company. This analysis includes consideration of the following marketing aspects: market dynamics, competitive pressures, price elasticity of demand, regulatory changes and technological changes.

The expense analysis considers each of the following: fixed versus variable costs, product versus service costs, cash versus non-cash costs, direct versus indirect costs, cost absorption principles, cost/efficiency relationships, cost/volume/profit relationships, and so on.

The capital structure analysis includes the following aspects: current capital structure, optimal capital structure, cost of various capital components, weighted-average cost of capital, systematic and nonsystematic risk factors and marginal cost of capital.

The residual value analysis involves a determination of value of the prospective cash flow after the conclusion of a discrete forecast period. This residual value can be determined by various methods, including: the price/earnings multiple, annuity in perpetuity approach, Myron-Gordon model, and so forth.

Based on the results of the above-mentioned analyses, a forecast of net cash flow from business operations is made for a reasonable discrete forecast period. The cash flow forecast is discounted at an appropriate discount rate to determine the present value. The present value of the discrete net cash flow forecast is then added to the present value of the residual value. The aggregate value represents the value of the business enterprise, per the Discounted Cash Flow Approach.

6.2 *Capital Market Approach*

The capital market approach utilizes the premise that the value of the business enterprise is determined by what astute and rational capital market investors actually pay to own stock in similar companies. Using this approach, the first step is to select a sample of firms that are comparable to VBC. The comparable firms are selected only from companies that are traded on organized capital market exchanges (for example, the New York Stock Exchange, NASDAQ and the over-the-counter market). The key phase of the capital market approach is selecting the appropriate sample of comparable firms - one that is based upon reasonable comparability criteria. These criteria include company size in terms of assets, sales revenues, profitability, as well as their products, processes, markets, distribution of channels, raw materials sources, and the regulatory environment.

For each firm in the sample of publicly traded firms, several capital market ratios (also referred to as "multiples") are calculated. These ratios may include:

1. capital to EBITDA
2. capital to EBIT
3. equity to Pre-Tax Income
4. equity to Net Income

After these ratios are calculated for each firm in the sample, they are applied to the Company's relevant operating measures in arriving at a capital value (e.g., capital/EBITDA multiplied by Company EBITDA would yield an implied capital value based upon that multiple).

The conclusions of this analysis must be adjusted for any lack of comparability between the subject firm and the publicly traded firms in the capital market sample. These adjustments may include a minority interest discount, majority control premium, lack of marketability discount, as well as the cost of an initial public offering. The adjusted value represents the fair market value of the business enterprise, per the capital market approach.

6.3 *Asset Accumulation Approach*

The asset accumulation approach is an indirect method for determining the value of the business enterprise. Using this approach, the values of all of the firm's assets are discretely determined and accumulated. This approach requires a discrete appraisal of the following types of assets:

1. Current assets (including cash, marketable securities, accounts and notes receivable, inventory, prepaid expenses, etc.)

2. Tangible personal property (including office furniture and fixtures, tools and dies, machinery and equipment, etc.)

3. Real property (including land, buildings, leasehold improvements, etc.)

4. Amortizable intangible assets (including patents, copyrights, customer lists, favorable contracts, leasehold interest, etc.)

5. Intangible assets (including goodwill, going-concern value, excess earnings/losses, assembled work force, etc.)

Under this approach, the value of each of the above assets is individually determined, using the most appropriate appraisal technique for each asset category. The sum of the asset values is accumulated to determine the total fair market value of the firm's assets. The fair market value of the firm's liabilities is then subtracted from the fair market value of the assets. The difference, or residual, represents the fair market value of the owner's equity in the business. This value represents the value of the business enterprise, utilizing the asset accumulation approach.

6.4 *Business Transaction Approach*

This approach determines the value of the business enterprise by comparing the subject firm to comparable firms that have been sold during a reasonably recent period of time. The first step in this approach is to select and analyze a sample of comparable firms. These comparable firms may include closely-held operations, publicly-traded firms, divisions or subsidiaries of larger firms, single plants of larger firms and so forth. Given that the criteria for comparability will vary in each valuation analysis, the following comparability aspects are those which are typically considered: products, processes, customers, distribution channels, sources of raw material, regulatory environment and so forth.

Similar to the capital market approach, for each firm in the sample of transactions, several multiples are calculated; application of these figures to Company operating data yields an implied value. Again, the conclusions of the analysis must be adjusted for any lack of comparability between the subject firm and the firms in the sample. This adjusted estimate represents the fair market value of the business enterprises, per the business transaction approach.

6.5 *Conclusion of Approach*

Although there are numerous individual valuation formulae and techniques, these may all be categorized into four standard business valuation approaches: discounted cash flow, capital market, business transaction and asset accumulation approach. The method(s) ultimately selected for each individual business valuation depends upon the appraiser's judgment and experience with similar valuations, and also upon the quantity and quality of available financial, operational, and industry data. With respect to VBC, we utilized the discounted cash flow method. This method provided a reliable means of representing the fair market value of the equity through the potential operating results of VBC on a going concern basis. We also considered the capital market approach. The capital market approach was not utilized because we were unable to identify publicly traded guideline companies we considered sufficiently comparable to VBC. The asset accumulation approach was considered but not utilized because it did not provide a means of representing the fair market value from the potential operating results of the tangible and intangible assets. The asset accumulation approach typically indicates a floor of value and since the Company has numerous intangible assets not reported on the balance sheet, such as trademarks and goodwill, that will assist in generating revenue in the future, we felt that other methodologies were more appropriate. Furthermore, the business transaction approach was considered and utilized because the data available on the sale of entire businesses was comparable to VBC.

7. VALUATION ANALYSIS

7.1 *Discounted Cash Flow Approach*

Our model forecasts the cash flows to invested capital that a typical buyer of the Company would anticipate receiving through continued operations over a five-year period. Cash Flows to invested capital are defined as earnings before interest and taxes, less corporate income tax obligations, plus non-cash expenses, plus or minus changes in working capital, less capital expenditures. These invested capital cash flows are discounted to their present value and are then added to the residual value of the fifth year projected invested capital cash flow. The residual value of the fifth year is calculated by capitalizing the invested capital cash flow projected in the sixth year and discounting that value to present value using the discount rate. The capitalization rate is calculated by subtracting the projected long-term growth rate from the discount rate. The discount rate is the required rate of return for all invested capital. In calculating the discount rate, we considered the weighted average cost of capital. The weighted average cost of capital is based upon the Company's invested capital structure, with a weighting on equity and a weighting on interest bearing debt. This analysis estimates the fair market value of the total enterprise (invested capital). The fair market value of the equity would be calculated by subtracting the interest bearing debt from the fair market value of the invested capital.

We based our analysis upon discussion with management, as well as other pertinent macro and micro-economic factors. This section summarizes the basis and assumptions of our Discounted Cash Flow analysis.

7.2 *Basis for Projections*

Our Discounted Cash Flow (DCF) model was based upon discussions with management and the guidance management provided in their expected growth rate in sales revenue on a year over year basis. In addition, we utilized the historical operating results to assist in establishing a trend in sales growth rates and profit margins.

Our analysis also considered the macro-economic environment in which the Company will operate. We analyzed the growth prospect for the industry and assumed that management would successfully compete in their markets. Our economic review did not reveal any information that would prohibit the Company from meeting their projections. However, there are factors that could limit growth in the future that have been referenced above.

Taken together, the firm-specific factors, the projections that management guided TMG in preparing and the environment in which the Company will operate lead to the development of reasonable input parameters for the VBC Discounted Cash Flow model.

7.3 *Assumptions*

For the Periods Ending December,

	2012	2013	2014	2015	2016
Revenue	$1,300,000	$5,500,000	$8,900,000	$12,450,000	$17,400,000
Cost of Goods	80%	67.3%	60%	60%	59.8%
Operating Exp.	92.3%	23.6%	22.1%	23.3%	21.8%
EBIT Margin %	-100%	1.8%	11.1%	10.7%	12.9%
Capital Ex.	$0	$200,000	$200,000	$200,000	$950,000

The DCF model projects revenue to grow at a compounded rate of 91.27% from 2012 through 2016. This is higher than the compounded annual growth rate from 2007 to 2011, which was 36.1%. We considered the annual compounded growth rates from 2007 to 2011 as a benchmark in determining the validity of the growth rate in the future. However, we considered management's growth plan and the expected expanding economy as the primary driver for the revenue growth. In addition, we considered the expected growth of the industry as a benchmark.

We have projected the direct costs to be 80% in 2012 and decrease to 59.8% in 2016. The historical median was 51.3%.

We have projected that total operating expenses (General & Administrative) will be 92.3% from 2012 to 21.8% through 2016. This assumes that operating expenses will grow at a lower percentage as total revenue over the projection period. The historical median operating expenses was 88.71%.

The operating profit (EBIT) is projected to be -100% in 2012 and increase to 12.9% in 2016. The historical median operating profit was a deficit so the projection is higher than the historical median. The benchmark industry operating profit margin is 7.94% so the Company's projected operating profit will be higher than the industry median.

Capital expenditures were projected by management to support the expected growth of the Company. Since the Company has prepaid $1,020,000 for plastic injection equipment in 2011, no projected capital expenditures are included in 2012. The prepaid capital expenditures have been accounted for by the Company in the "other current assets" on the VBC balance sheet.

Schedules 6 and 7 outline the projected income statements and invested capital cash flow statements.

7.4 *Calculation of the Discount Rate*

To derive a net present value of future streams of cash flow, we first calculated a discount rate. The level of the discount rate is related to risk. In investment situations, risk refers to the possibility of success that lies between certainty (no risk) and complete uncertainty (infinite risk). Statistically, risk represents the probability of failure. The rate of return on an investment increases with the level of risk.

We based our assumption of the discount rate on the Weighted Average Cost of Capital method (WACC). The cost of each component of a company's capital structure is calculated, and then weighted and summed.

There are two basic sources of financing available to a company: namely, debt and equity. For the calculation of the DCF on a debt-free basis, it is appropriate to use a discount rate based upon the fair market value of the equity and debt as of the valuation date.

The discount rate is a rate of return used to convert a monetary sum in the future into present value. It can also be defined as the minimum rate that a company must earn on its capital in order to leave the market price of its stock unchanged.

The financial markets determine discount rates. These rates vary with time and incorporate inflationary expectations. The discount rate accommodates general market risk. It must be adjusted for risk specific to the asset/company being appraised.

Several external and internal factors affect the selection of the discount rate. The external factors (general risk premium) include: general economic conditions and outlook; the nature of the business' industry and market served; the industry's economic condition; the perception of the market for similar investment opportunities; and the cost and availability of capital. The internal factors (specific risk premium) include: the financial condition of the business; the level and quality of earnings; the quality of management; and the growth expectations of the future operating results.

The basic components of the equity discount rate are: a risk free rate of return, a general risk premium and a specific risk premium. The risk free rate of return is referred to as the "cost of money." Typically, long term government bond rates are used as a proxy for the risk free rate. The time horizon of the investment (i.e. long term for an ongoing business) must be considered in the selection of the risk free rate. The general risk premium reflects the perception and expectations of the market, which is represented by an additional return above the risk free rate. The specific risk premium reflects the unique risk characteristics of the business, not accommodated by the general premium.

A discount rate is developed by the Build-Up Model. This process involves adding all the components of the equity discount rate: the risk free rate, the general risk premium and the specific risk premium. Schedules 5 and 8 detail the calculations of the build up method. The risk free rate that could be obtained by an investor on the date of valuation is utilized. The most common source for the general risk premium is from the Ibbotson Associates, Inc. annual yearbook. Ibbotson Associates, Inc. examines the rates of return on several types of financial assets over a long period of time. They have concluded that the differential between stock returns and the U.S. Government security returns is a measure of investor willingness to assume the risk associated with holding equity investments. We have also utilized a small company risk premium obtained from Ibbotson data, due to the size of the Company's sales revenue. The size of the specific risk premium is largely a matter of experience on the part of the appraiser, taking into account the special risk characteristics of the specific business.

To determine the cost of debt, we used a calculation for the after-tax yield on debt instruments similar to those for which VBC would qualify, as well as the interest rates the Company is currently paying.

Using the Build Up Model and the after tax yield on debt instruments, we assumed VBC's weighted average cost of capital to be 13.4% based on a capital structure of 55% equity and 45% debt. Schedules 7 and 8 detail the calculations of the weighted average cost of capital using 55% equity and 45% debt, which is consistent with the capital structure of the benchmark industry.

7.5 *Concluded DCF Value*

The projected cash flows were discounted at 13.4%. Based upon our analysis, and in consideration of the factors discussed above, we determined that as of the valuation date, the discounted cash flow value of the Company's operating invested capital is $19,030,685. We subtracted the debt of $4,825,115. The estimated equity value was computed to be $14,205,570 using the discount cash flow method. The controlling marketable invested capital value was calculated in Schedule 10.

8. BUSINESS TRANSACTION APPROACH

This approach determines the value of the business enterprise by comparing the Company to comparable firms that have been sold during a reasonably recent period of time. The first step in this approach is to select and analyze a sample of comparable firms. These comparable firms may include closely-held operations, publicly-traded firms, divisions or subsidiaries of larger firms, single plants of larger firms and so forth. Given that the criteria for comparability will vary in each valuation analysis, the following comparability aspects are those which are typically considered: products, processes, customers, distribution channels, sources of raw material, regulatory environment and so forth. We focused our search on companies in the disposable medical supplies industry.

The idea behind using transaction databases is to relate the price paid in other transactions in the industry to the respective company's underlying financial data. The result of this research is called valuation multiples, which then can be applied to the respective company's financial data to develop indications of value. Business Valuation Resources, LLC ("BVR") maintains the Pratt Stats database. The guideline companies were obtained from the Pratt Stats database. This database is an online subscription database that collects and verifies transaction data from business brokers and investment bankers. This database has transactions from 1996 through 2012. BVR outlines a checklist for using the transaction databases for valuation:

1. Specify the parameters of the search.

    a. Industry: Specify a SIC code or range of SIC codes
    b. Time Frame: Specify a beginning and ending date
    c. Size: Specify a range of size as measured by deal value, equity value, sales, assets, EBITDA, EBIT, gross cash flow, or net income

2. Query as to the number of transactions meeting the criteria in the selected database

    a. If not enough transactions, broaden one or more criteria and query again
    b. If too many transactions, narrow one or more criteria and query again

3. Before making a final selection of transactions to use, evaluate the details of each transaction under consideration. By examining the transactions in detail, we are able to eliminate some transactions for various reasons.

    a. Company description is not compatible
    b. Valuation multiples are not meaningful
    c. Complicated transaction structure

Once this is accomplished, we select the valuation multiples that are most meaningful for the respective company being valued. We then prepare a table of the valuation multiples and complete a statistical analysis of the valuation multiples to determine which multiples to apply in the valuation. We then select the actual multiples to utilize in the valuation and apply them to the Company's fundamental data.

The referenced guideline companies are not perfectly comparable; however, we used the transactions as a benchmark to estimate the equity value of VBC.

There are two procedures that can be used for the valuation with the transaction database: (1) Equity; or (2) Invested Capital.

In the equity procedure, the price paid for all the equity is divided by some financial measure. The resulting ratio is a valuation multiple applicable to the equity of the Company being valued.

In the invested capital procedure, the price paid for all the invested capital is referred to as the market value of invested capital (MVIC). This usually includes interest-bearing debt, preferred equity, and common equity. The price paid for all the invested capital, which includes debt assumed in the transaction, is divided by some financial measure available to all stakeholders (such as EBITDA). When invested capital multiples are used, the value of the interest bearing debt must be subtracted from the indicated MVIC to arrive at the indicated value of the equity. Most valuation analysts prefer MVIC multiples because equity multiples can be highly misleading if compared among companies with disparate leverage factors.

One fundamental performance measure that is useful is the "discretionary earning" multiple. Discretionary earnings are equal to EBITDA plus all compensation, benefits, and perks to the owners.

Valuators commonly calculate the average of multiples such as P/E ratios or the ratios of aggregate market value to EBITDA or EBIT using the arithmetic mean, the median or both. The arithmetic mean of ratios with prices in the numerator always gives greater weight to higher multiples in the sample than to lower multiples. It mathematically weighs each guideline company's market multiple in proportion to the magnitude of the multiple. A company with a P/E ratio of 20x has twice the weight in the average than a company with a P/E of 10x. Statistically, the harmonic mean is a superior measure because it gives equal weighting to each of the guideline companies.

In recent years, many valuators have preferred using the median to measure the central tendency of multiples. The median, which is the middle value of a sample, is useful for large samples, but less reliable for small samples. Experience reveals that medians of large samples of multiples are almost always lower than the arithmetic mean and tend to be closer to the harmonic mean.

Although the median is a better measure of central tendency than the arithmetic mean, it effectively eliminates the information in the remaining multiples. The harmonic mean better captures the variety of the multiples in the sample.

The landmark study is a 1999 working paper by Malcolm Baker and Richard Ruback which compared applications of the arithmetic mean, the harmonic mean and the median to multiples. After reviewing multiples in 22 industries, Baker and Ruback concluded that the harmonic mean:

1. Had the smallest minimum variance
2. Was superior to the median
3. Was the best way to average the multiples
4. The arithmetic mean consistently overestimated the value

In sum, the harmonic mean is considered to be statistically more accurate than the arithmetic mean to measure the central tendency of ratios with price in the numerator, and it is more informative than the median.

We identified three multiples that we utilized in our analysis. These multiples were:

1. TIC to Sales
2. TIC to EBITDA
3. TIC to EBIT

TIC = Total Invested Capital (equity plus debt)

We calculated the median and the harmonic mean of the multiples of the transactions for the above referenced multiples. We utilized multiples at within a reasonable range of the median and harmonic mean multiples based upon the potential growth rate of the Company. We believe that the higher growth of VBC will increase the multiples from normalized multiples paid in the industry. Consequently, we have kept the market multiples within the reasonable range of the median and mean market multiples for similar companies and have increased the multiples due to higher growth when compared to the guideline transactions.

Schedule 11 indicates the median and harmonic mean market multiples and the multiples we have utilized. We must then select which multiples to use and how much weight to give each multiple. Generally speaking, the multiples with the least dispersion or tightest range are the multiples that the market relies on in a particular industry. A statistical tool used to measure dispersion is the “coefficient of variation,” which is the standard deviation divided by the mean. Comparative financial analysis between the Company and the guideline companies can provide guidance as to whether to select the measure of central tendency (median or harmonic mean) or adjust the multiple up or down.

We applied the adjusted multiples to the financial measures of VBC in Schedule 11. After the selected multiples were applied to the financial measures of VBC, a range of value was created. We calculated the weighted average of the value conclusion from the range of value conclusions. The estimated value conclusion was based on the value range using the median and mean, placing an emphasis on the mean. Since the expected operating results of VBC are projected to be greater than those of the guideline company operating results, we increased the multiples that was applied to VBC. We placed all emphasis on the Sales multiple because of the low coefficient of variation.

Concluded Business Transaction Value

Based upon our analysis, assumptions, limiting conditions, and in consideration of the factors discussed above, we determined that as of the valuation date, the Business Transaction Approach value of the Company's operating invested capital on a controlling marketable basis was $24,813,000 for the valuation as of December 31, 2014. We then discount that future value to present value of the valuation date using the weighted average cost of capital. We added the interim cash flows from the valuation date to the expected sale date in December 2014 to the invested capital value. The estimated invested capital value was $18,698,204 as of September 30, 2012. The estimated equity value was computed to be $14,137,043 using the business transaction method after subtracting the debt of $4,825,115. The controlling marketable invested capital value was calculated in Schedule 11.

9. DISCOUNT FOR LACK OF CONTROL

The enterprise value of a business or a corporation reflects its value in its entirety to a single investor who can exercise control over the business. This control is manifested in a number of ways, including:

1. Elect directors and appoint management;
2. Determine management compensation and perquisites;
3. Set policy and change the course of business;
4. Acquire or liquidate assets;
5. Select people with whom to do business and award contracts;
6. Make acquisitions of other businesses or assets, including securities and real estate;
7. Liquidate, dissolve, sell out or recapitalize the Corporation; and
8. Declare and pay dividends.

A minority interest discount takes into account the absence of control inherent in owning a minority position in a corporate entity. We have applied the preceding eight tests to assess the degree of control that could have been exercised by the minority interest in VBC. It is our opinion that the rights associated with the minority interests held in VBC do not include any of the preceding common prerogatives of control.

An owner of a minority interest has very little or no influence over these matters and, consequently, has very little influence over the maximization of the value of their interest investment. Therefore, the value of that interest is diminished by the lack of control. As a rule, minority interest discounts are appropriate for ownership interests of 50% or less. However, any proportion of ownership less than 100% leaves room for attacks by minority shareholders because any minority shareholder might be able to exercise dissenting shareholder rights. Therefore, the determination is dependent on the specific facts and circumstances of the situation.

We have examined and analyzed two sets of empirical evidence regarding the size of minority interest discounts: (1) Control Premium Studies; and (2) Closed End Funds. The control premium studies support that premiums are paid for minority interests in order to gain control. This data can be used to estimate discounts for minority interests in all types of business.

Control Premium Studies

Our first set of data analyzed is the Control Premium Studies. Control premium studies are frequently referenced in support of minority interest discounts in corporations, limited liability companies and partnerships even though they may not be directly comparable to the interest we are valuing. These studies examine the premium over market price that is paid for publicly-traded stock in corporate acquisitions. As publicly-traded shares represent minority interests, the differential between the pre-offer market price and the price at which the company is acquired is generally assumed to correlate to the premium paid for control. To reflect the minority value, a minority interest discount is applied to the control value. The minority interest discount is the opposite of the control premium or the equivalent to the algebraic complement of a control premium, which is calculated by dividing the amount of the premium by the control price rather than the minority price. For example, a 25% control premium equates to a 20% minority discount (1/1.25 = 80%).

In order to derive the appropriate control premium, we reviewed tender offers to acquire a majority interest in, or total ownership of, public companies. ***Mergerstat Review*** reports average premiums over market price for acquisitions of publicly traded companies. The current *Mergerstat Review* is based on the prior year data.

Mergerstat Review 2010 reported the median percent premium paid for all industries was 51.8% (equivalent to a 34.1% minority interest discount) on 351 transactions. The average premiums indicated by the 2009 study ranged from 7.3% to 160.7%.

Mergerstat Review 2009 reported the median percent premium paid for all industries was 58.7% (equivalent to a 37% minority interest discount) on 239 transactions. The average premiums indicated by the 2008 study ranged from 15.8% to 341%.

Mergerstat Review 2008 reported the median percent premium paid for all industries was 56.5% (equivalent to a 36% minority interest discount) on 294 transactions. The average premiums indicated by the 2007 study ranged from 9.6% to 408.5%.

Mergerstat Review 2007 reported the median percent premium paid for all industries was 31.5% (equivalent to a 24% minority interest discount) on 491 transactions. The average premiums indicated by the 2006 study ranged from 8.5% to 64.2%.

Mergerstat Review 2006 reported the median percent premium paid for all industries was 31.5% (equivalent to a 24% minority interest discount) on 454 transactions. The average premiums indicated by the 2005 study ranged from 2.4% to 81.5%.

Mergerstat Review 2005 reported the median percent premium paid for all industries was 34.5% (equivalent to a 25.7% minority interest discount) on 391 transactions. The average premiums indicated by the 2004 study ranged from 2.8% to 185.2%.

Mergerstat Review 2004 reported the median percent premium paid for all industries was 30.7% (equivalent to a 23.5% minority interest discount) on 322 transactions. The average premiums indicated by the 2003 study ranged from 6.9% to 57.9%.

Mergerstat Review 2003 reported the median percent premium paid for all industries was 62.3.2% (equivalent to a 38.4% minority interest discount) on 371 transactions. The average premiums indicated by the 2002 study ranged from 3.5% to 1,655.9.4%.

Mergerstat Review 2002 reported the median percent premium paid for all industries was 59.7% (equivalent to a 37.4% minority interest discount) on 326 transactions. The average premiums indicated by the 2001 study ranged from 3.6% to 198.4%.

Mergerstat Review 2001 reported the median percent premium paid for all industries was 57.2% (equivalent to a 36.4% minority interest discount) on 439 transactions. The average premiums indicated by the 2000 study ranged from 2.8% to 104.2%.

Mergerstat Review 2000 reported the median percent premium paid for all industries was 49.2% (equivalent to a 32.9% minority interest discount) based on 574 transactions. The average premiums indicated by the 1999 study ranged from 10.4% to 152.4%.

Mergerstat Review 1999 reported the median percent premium paid for all industries was 43.3% (equivalent to a 30.2% minority interest discount) based on 723 transactions. The average premiums indicated by the 1998 study ranged from 3.6% to 70.7%.

Mergerstat Review 1998 reported the median percent premium paid for all industries was 40.7% (equivalent to a 28.9% minority interest discount) based on 512 transactions. The average premiums indicated by the 1997 study ranged from 8.8% to 130.3%.

Mergerstat Review 1997 reported the median percent premium paid for all industries was 35.7% (equivalent to a 26.4% minority interest discount) based on 487 transactions. The average premiums indicated by the 1996 study ranged from 15.6% to 103.2%.

Mergerstat Review 1996 reported the median percent premium paid for all industries was 36.6% (equivalent to a 26.8% minority interest discount) based on 381 transactions. The average premiums indicated by the 1995 study ranged from 6.3% to 186.3%.

Mergerstat Review 1995 reported the median percent premium paid for all industries was 44.7% (equivalent to a 30.9% minority interest discount) based on 324 transactions. The average premiums indicated by the 1994 Study ranged from 7.7% to 81.9%.

Mergerstat Review 1994 reported the median percent premium paid for all industries was 41.9% (equivalent to a 29.5% minority interest discount) based on 260 transactions. The average premiums indicated by the 1993 study ranged from 2.8% to 77.2%.

Mergerstat Review 1993 reported the median percent premium paid for all industries was 38.7% (equivalent to a 27.99%) based on 173 transactions. The average premiums indicated by the 1992 study ranged from 2.8% to 77.2%. ***Mergerstat Review 1992*** reported the median percent premium paid for all industries was 38.7% (equivalent to a 27.99% minority interest discount) based on 160 transactions. In the 1991 study, the average premium paid over market price was 41% (equivalent to a 29.9% minority interest discount) based on 142 transactions. In the 1990 study, the average premium paid over the market price, calculated on 137 acquisitions of publicly traded companies, was 35.1% (equivalent to a 26% minority interest discount). In the 1989 study, the average premium paid over market price was 42% (equivalent to a 30% minority interest discount) based on 175 transactions. In the 1988 study, the average premium paid over market price was 41% (equivalent to a 29.1% minority interest discount) based on 303 transactions. In the 1987 study, the average premium paid over market price was 41.9% (equivalent to a 30% minority interest discount) based on 420 transactions.

Therefore, the lack of control discounts (which are the opposite of control premiums, or stated differently, the equivalent to the algebraic complement of control premiums) derived in the 2010 Control Premium Study (2009 Data) was 34.1% (38.4% in the year 2003, which was the highest in the 24 year history). The average minority interest discount based on the Control Premium Studies for the twenty four (24) year history of Control Premium Studies is referenced in the chart below from 1987-2010. The twenty four year average Control Premium was 43.54%, which is the equivalent to a 30.33% minority interest discount. The following chart below summarizes the data discussed above:

YEAR	**# OF TRANSACTIONS**	**CONTROL PREMIUM**	**MINORITY INTEREST DISCOUNT**
2010	352	51.8%	34.1%
2009	239	58.7%	37.0%
2008	294	56.5%	36.1%
2007	491	31.5%	24.0%
2006	454	31.5%	24.0%
2005	391	34.5%	25.7%
2004	322	30.7%	23.5%
2003	371	62.3%	38.4%
2002	326	59.7%	37.4%
2001	439	57.2%	36.4%
2000	574	49.2%	33.0%
1999	723	43.3%	30.2%
1998	512	40.7%	28.9%
1997	487	35.7%	26.4%
1996	381	36.6%	26.7%
1995	324	44.7%	30.9%
1994	260	41.9%	29.5%
1993	173	38.7%	27.9%
1992	160	38.7%	27.9%
1991	142	41%	29.9%
1990	137	35.1%	26.0%
1989	175	42%	30.0%
1988	303	41%	29.1%
1987	420	41.9%	30.0%
24 Year Average	**352**	**43.54%**	**30.33%**

The premiums referenced above were based on stock acquisitions in which a premium was paid over the market price of the stockholder's equity. The premium calculations are based on the sellers' closing market prices five business days before the initial announcement of transactions. The size of the premium is dependent on several variables, including the buyer's desire or need to acquire the company to complement his present operation or to expand into a new area of operations; the relative attractiveness of the company from a financial and/or tax viewpoint; and the size of the block of stock in relation to the total outstanding stock and the relative dispersion of the stock to be acquired.

All of these studies suffer from a number of shortcomings. Among these is a lack of consideration of and correlation with the leverage of the acquired companies. As a purchaser must either assume or refinance the debt of the company acquired, the total acquisition price may be considered the price paid for the long-term capital of the firm, both debt and equity. Viewed this way, a 50% equity control premium for a company with equal amounts of debt and equity (at market value) would represent only a 25% premium on capital. Another problem arises when drawing conclusions from a multi-industry sample to a specific company. Although some studies report premiums by industry groupings, in most cases these are of little help due to the small sample sizes. Of even greater importance in the case of the Company, these studies primarily examine going concern operating companies, and they are not directly applicable to the Company. However, if anything, this data suggests that the applicable adjustments or discounts to be applied to determine the market value of VBC should in fact be greater than they are in the Control Premium Studies.

There are a few measurable parameters with which to translate the data from these studies to the interest we are valuing. Given the comparative size of the expected revenues and cash flow, and its limited growth opportunities, a discount of at least the average, and probably somewhat above the average is reasonable. However, it is important to emphasize that while the interest we are valuing may not be directly comparable, the Control Premium Studies provide general support for the fact that the interests, are traded at significant discounts from their pro rata values. As the subsequent discussion on the specific facts and circumstances will indicate, we believe that based on this data, a discount at or above the average for the interest we are valuing is reasonable. Therefore, we believe that the most appropriate lack of control discount based on this evidence falls in the range of <u>30%</u> (nineteen year average) to <u>23%</u> (based on the average discount for the 2005 Study of 25.7%).

<u>Closed End Funds</u>

Our second set of data analyzed, *Closed-End Funds* (*CEFs*) provides unique advantages for individual investors. While *CEFs* share many traits with the more common *open-end mutual funds*, there are many distinctions between the two investment vehicles. Both are pools of assets that offer smaller investors the benefit of professional management and economies of scale. Both may be operated by the same managers and fund companies, and, for the most part, may invest in the same holdings.

<u>*Open-end mutual funds*</u> create shares on demand and value those shares on the value of securities held. Each day, such a fund will divide its total assets by shares to determine individual share values. However, managers can stop issuing new shares, thereby "closing" the fund. However, investors can still sell their shares without restrictions.

<u>*CEFs*</u> function like stocks and generally trade on one of the major exchanges. The number of shares is limited. The price is determined by how the market feels about the fund's holdings. The shares can trade at a premium or discount to underlying holdings, although the *CEFs* more often trade at a discount.

Therefore, *CEFs* differ primarily in their structure. Instead of issuing unlimited amounts of shares and redeeming them on demand, *CEFs* issue only a fixed number of shares at an *initial public offering* (*IPO*). These shares are then traded on the New York Stock Exchange (or occasionally on other exchanges or over-the-counter) and must be purchased through a broker. The fund's share or market price can then fluctuate and differ from the fund's *net asset value*, which is typically reported on a per share basis. A fund selling for a price higher than its per share *net asset value* is said to be trading at a premium; *a fund selling for a price lower than its per share net asset value is said to be trading at a discount*. Given that these funds are actively sold on the New York Stock Exchange and other exchanges, these *discounts* primarily represent *discounts* for lack of control or *minority interest discounts*. Therefore, the fund's market price (sales price) already reflects the marketable minority value.

However, it should be noted that because of the market inefficiencies, asset management and the *CEFs* fixed number of shares, shareholders cannot ask the fund to redeem their shares - and new investors cannot deluge the fund with money in exchange for new shares - thereby resulting in restrictions on the marketability of shares owned by an investor in *CEFs*, which represent some degree of a *marketability discount*.

Frequently, new funds will begin trading at a premium, because the initial offering price includes underwriting costs in addition to the fund's assets. This premium often falls or disappears entirely in a matter of weeks or months, however, as investors seek to purchase the fund at a price below or closer to its *net asset value*, some funds virtually always trade at *discounts*. Because all *CEFs* must be purchased through a broker, who charges a commission, the closed-end universe doesn't have "no-load" funds.

CEFs offer several advantages. For one thing, they allow investors to buy shares in the *CEF* (*minority interest* in the underlying assets) for less than their true worth. A fund trading for a 10% *discount*, for instance, lets investors buy $1.00 worth of assets for only $0.90. If such a fund performs well, it might well move to a premium, allowing shareholders to reap the benefits not only of the fund's *net asset value* advance, but the exaggerated effects of its market price movement.

CEFs are helpful in establishing support for a *minimum minority interest* and/or *marketability discount* for any minority interest. We analyzed numerous CEF's in the 2011 Study. We considered fund with the following strategies:

1. Domestic Equity Growth Funds
2. Domestic Equity Income Funds

We then computed the median discount to net asset value for each of the CEFs. The median discount for each category of CEFs was used to compute the weighted average discount to be applied. This is presented in Schedule 12, where we have presented the funds we analyzed and the median discounts. The median discount was 12%.

It must be emphasized that these are *discounts* in an active *public* market, with the underlying assets consisting of only marketable securities (far more liquid than all the Company's assets, with no investments in real estate). We believe the CEF data suggests only the minimum discount for a *minority interest* due to the *lack of control* or a *marketability discount* due to restrictions on the redemption of the shares. The *net asset value* of CEFs changes daily and the actual market price *discounts*/premiums which are under/over the *net asset value*, respectively, are reported by *Morningstar* on a daily basis.

<u>Conclusion</u>

The capital markets data suggest a minority interest discount of 7% to 63%. In determining the correct minority interest discount to apply to the proportionate value of VBC, we have considered the rights of minority interest holders and the fact that minority interest holders typically have no rights to exert control in the management and operation of the corporation as previously discussed herein. However, we considered that the minority interest value in this analysis would not have influence on the operations of the Company. The Company is a Delaware corporation and one share of common stock lacks any ability to influence the operations. Of equal importance, we considered the future growth prospects of the Company and how that would affect the size of the minority discount. With the potential for high growth, the discount decreases. We have not projected high growth for the business so the discount may be increased. In addition, we considered that the market data also takes into account premiums paid for synergies. In the 2011 Mergerstat Review study, the average discount was calculated to be 34%, with synergies included. Therefore, the amount of the discount should be reduced to eliminate the synergistic affects of the price paid for companies. Furthermore, we have performed a quantitative analysis of the discount for lack of control considering the specific facts and circumstances in Schedule 12. Consequently, we conclude that the specific facts and circumstances justify a minority interest discount of 13%. This takes into consideration a reduction from the Mergerstat data and the specific facts and circumstances we have outlined in Schedule 12.

10. DISCOUNT FOR LACK OF MARKETABILITY AND LIQUIDITY

In essence, the marketability discount represents a discount for the absence of the liquidity afforded by a public market. A marketability discount for a minority share can be significant due to the difficulty of selling a minority interest. These shares cannot influence, nor have little influence on, a company's policies with regard to the election of officers and the establishment of financial policies, such as dividend strategies, mergers/acquisitions, divestitures, etc.

It is important to understand that anything that is liquid has to be marketable. However, the reverse is not true. An asset can be marketable, but not liquid. For a minority interest in a private company, the term non-marketable does not assume that the interest cannot be sold, only that it is usually difficult to do so under normal circumstances. A controlling interest in a company is considered to be marketable but illiquid. A share of stock in a publicly traded company is considered to be liquid.

Evidence from a number of facets of the capital markets has been advanced as measures of marketability discounts. These include flotation costs, price differentials between public offering prices and pre-offering trades of stock, and studies of the discounts to market value at which restricted stock trades.

Flotation Costs

Flotation costs include the underwriting discounts and other expenses (including legal, accounting, and printing costs) associated with a public offering of securities. For larger underwritings, these costs generally fall in the range of 5% to 10% of share price. However, for underwritings below $5 million, flotation costs have reached 30%. Generally, these costs are of little relevance in calculating marketability discounts because they fail to completely quantify the liquidity differences, they fail to fully address the information access and reliability issue, and a public offering is not a possible alternative for most private companies, and probably not conceivable or desirable in the case of VBC.

While somewhat stale dated, between 1971 and 1972, the SEC conducted a study of the direct costs of flotation of public offerings. The average direct cost to issue stock was 20.47% of the gross proceeds for the 227 issues that were between $500,000 and $990,000 in total size. Costs of flotation are somewhat higher today than those in 1972. For example, in the SEC study, the direct compensation to the underwriters averaged 6.7% of the proceeds for issue sizes between $5 million and $10 million, and they generally fell in a range of 5-10% of the share price. Today, in a similar size offering, the underwriters would rarely receive less than 10-12% of the proceeds. As a number of unique circumstances are necessary for a company to consider selling securities to the public, flotation costs reflect only some of the disadvantages of limited marketability. However, it should be noted that minority interest holders do not have the right to register their stock for a public offering. Therefore, it is inappropriate to use the cost of flotation to quantify the discount for lack of marketability for a minority interest. At best, flotation costs indicate a minimum range for marketability discounts of 10-15%.

Initial Public Offerings: Price Differentials Between IPO and Pre-Offering Trades of Stock

In addition, more studies involving marketability discounts indicated substantial discounts for lack of marketability. In a paper entitled "Value of Marketability as Illustrated in Initial Public Offerings of Common Stock," authored by John Emory, ASA, first vice president, Appraisal Services, Robert W. Baird & Co., and published in December 1986 issue of Business Valuation News, Initial Public Offerings (IPOs) were analyzed to determine the relationship between prices at which the common stocks were initially offered to the public and the prices at which private sales were transacted within 5 months prior to the public offering. In his article, Mr. Emory concluded:

The final question to be answered is that if these kinds of discounts are appropriate for promising situations where marketability is probable, but not a certainty, how much greater should discounts be for the more typical company's stock that has no marketability, little if any chance of ever becoming marketable, and is in a neutral to unpromising situation? In summary, size of discount for lack of marketability depends on the individual situation. While there is no one discount for lack of marketability applicable at all times and to all situations, it is apparent that the lack of marketability is one of the most important components of value, and the public marketplace emphasizes this point.

This study has been updated by Mr. Emory on numerous occasions, as reported in various valuation publications. As indicated in the chart below, an analysis of 160 IPOs was conducted from August 1985 through January 1993. The aggregate mean marketability discount was 44% and the aggregate median marketability discount was 43%."

THE EMORY STUDIES

PERIOD	***NUMBER OF IPOs***	***MEAN DISCOUNT TO IPO***	***MEDIAN DISCOUNT TO IPO***
1985-1986	21	43%	43%
1987-1989	27	45%	45%
1989-1990	23	45%	40%
1990-1992	35	42%	40%
1992-1993	54	45%	44%
1994-1995	46	45%	45%
1995-1997	91	43%	42%
1995-1997 No Earnings	38	48%	47%
1997-2000 Dot-Com	53	53%	54%

1998-2000	543	46%	47%
1985-2000	**Total 931**	**Average 45.5%**	**Average 44.7%**

It should be noted also that these studies use the initial offering price to calculate discounts, rather than the price at which the stock is trading at the end of the first day of trading or the price at some later date. As underwriters usually attempt to price IPOs so that the shares will trade at a premium to the offering price, this may have the effect of reporting lower discounts than if subsequent closing prices had been used.

Based on these considerations, we believe that the IPO studies may tend to overstate the magnitude of the marketability discounts that would apply to VBC prior to consideration of the specific facts and circumstances. The 40% to 45% range indicated by the IPO studies is better viewed as representing above average discounts, rather than the middle of the range, believed to be 30% to 35%.

Restricted Stock Studies

In 1977, the Internal revenue Service issued Revenue Ruling 77-287, which recognizes the restricted stock studies as empirical data useful for guidance in quantifying discounts for lack of marketability.

The majority of studies on price adjustments for lack of marketability utilize evidence on the prices of restricted stocks. Typically, these studies focus on "letter stocks", which are identical to the freely traded stocks of public companies, except that letter stocks are restricted from sale on the open market for a period of time. Because relative marketability is the only difference between the letter stock and unrestricted stock of the same company, this difference provides evidence of the price adjustment appropriate for a business interest subject to restricted marketability, versus one that is identical but freely marketable.

Restricted Stock Studies are the final type of capital markets evidence used to estimate marketability discounts, and the one most frequently cited by valuation professionals for this purpose. Generally, restricted shares are not registered under the Securities Act of 1933, and may not be transferred via a public or underwritten sale. In some cases, shares which are registered but which have other restrictions placed on their transfer have been included in these studies. The purchasers in the transactions examined usually have been specialized investment funds. SEC Rule 144, instituted in 1972, provides that restricted securities may be sold into the public markets in limited quantities over an extended time. Under the provisions of Rule 144A, promulgated in 1990, the regulations have been eased such that restricted shares may now freely trade between qualified institutional investors.

Several studies published in the 1970s and early 1980s found that the average discounts on restricted share transactions were approximately 35%. Most of these studies focused on shares in smaller companies whose shares trade over-the-counter; some of the studies had limited sample sizes. Generally, they do not include a thorough analysis of which factors are correlated with higher or lower discounts. Therefore, it is difficult to infer an appropriate discount other than the average. Other limitations to relying on these studies are the obvious age of the data and the lack of information about whether the sales of restricted stock include investor sales (secondary offerings) rather than just sales of additional stock by the companies (primary offerings). This is important because a primary offering of restricted securities may indicate that the issuer is under some duress to raise capital; therefore, the discount may represent information and other effects beyond a marketability discount. In addition, a secondary sale is more analogous to a sale of a minority interest in a privately held corporation or partnership.

We are aware of two more recent proprietary studies that have examined the discounts on placements of restricted securities. In terms of methodology and depth of analysis, these studies are comparable to those described above. One of the studies examined 38 sales of restricted securities in the 1987 to 1989 period, and found an average discount of 26%. The other computed a 21% average discount in 17 restricted stock transactions between April 1991 and April 1992. It is possible that the lower discounts in the most recent period reflect the effect of Rule 144A. With respect to these studies, it should be noted that minority interests in private business entities such as partnerships and corporations are almost certainly less marketable than restricted securities of public companies, even after considering the increased illiquidity inherent in Rule 144 and 144A transactions.

A far more extensive analysis of restricted stock purchases, although very outdated, was completed by the SEC as part of a major institutional investor study published in 1971 and it is regularly cited as a basis for determining marketability discounts. Although the data for this study is from the late 1960s, in all other respects it appears to be superior to the other studies. It covered 398 purchases of restricted equity securities in publicly-held companies, a quarter of which involved secondary offerings. The data was analyzed on a number of parameters. It was concluded that the amount of the discount was correlated most closely with the amount of an issuer's net income, and secondarily with its revenues. The mean discount to the open market price for the transactions in restricted stock was 25.8%. For those firms with average annual earnings in excess of $1 million, the average discount was 15%. For companies with net income falling between zero and $1 million, the average discount was 25.5%.

In the SEC study of institutional investor behavior, one topic was the magnitude of the differences between the prices of letter stock compared to the prices of identical unrestricted stock on the open market. The magnitudes of adjustments from open market prices on letter stock sales were divided into categories based on the markets in which the stocks traded. The categories were New York Stock Exchange (NYSE) companies, American Stock Exchange (AMEX) companies, over-the-counter (OTC) reporting companies and OTC non-reporting companies. A non-reporting company is a company whose stock is publicly traded OTC but is not subject to the usual reporting requirements. Because most closely held companies are small compared to typical public companies, the smaller non-reporting public companies often are more comparable to closely held corporations and limited partnerships.

Compared to their unrestricted counterparts, the adjustments on the letter stocks were smallest for NYSE companies and increased for AMEX companies, OTC reporting companies, and OTC non-reporting companies, in that order. For OTC non-reporting companies, the largest number of observations fell in the 30% to 40% adjustment range. Approximately 56% of the OTC non-reporting companies had adjustments greater than 30%.

Using midpoints of the observed price adjustment range groups (and even including the ones that sold at premiums), the overall average adjustment was 25.8% and the median was approximately the same. The study also noted that average adjustments increased during the period January 1, 1966 through June 30, 1969, and that the average adjustment was 27.9% in the first half of 1969. For non-reporting OTC companies, which are more likely to resemble most partnerships and closely held corporations, the average adjustment was 32.6% and the median adjustment was approximately the same.

In 1972, Milton Gelman published a study of prices paid for restricted securities by four closed-end investment companies specializing in restricted securities investments. For 89 transactions between 1968 and 1970, Gelman found that both the average and median adjustments were 33% and that the prices paid in almost 60% of the purchases reflected adjustments of at least 30%.

In another study from 1968 to 1972, Robert Trout found an average adjustment of 34% for restricted stock prices from the freely traded prices among 60 letter stock sales to mutual funds. Similar to the SEC Study, Trout found that companies with stock listed on a national exchange had lower observed price adjustments on their restricted stock transactions than did OTC companies.

Robert Moroney, vice president of valuation in Roten Mosle Inc.’s corporate finance department, published a study of the prices paid for restricted stock by 10 registered investment companies. Moroney contrasted the results of 148 actual cash deals with the lower average discounts for lack of marketability adjudicated in prior court cases on gift and estate tax. The results of Moroney’s study suggested discounts for lack of marketability could be as high as 90%. However, the average adjustment was 35.6% and the median adjustment was 34%.

Michael Maher, in his 1976 study while with the IRS Estate and Gift Tax Section, used a methodology that was similar to Moron’s. The Maher study found that the average price adjustment reflecting lack of a ready market amounted to 35.45% for the years 1969 through 1973. Even when the top and bottom 10% of purchases were eliminated in an effort to remove unusual transactions, the result was almost identical: an average adjustment of 34.73%.

In 1983, Standard Research Consultants (SRC) analyzed sales of letter stock to test the current applicability of the SEC study. SRC studied 28 private placements of restricted common stock from October 1978 through June 1982. Observed price adjustments ranged from 7% to 91%, with a median of 45%.

William Silber analyzed sales of letter stocks for the period January 1981 through December 1988. The median adjustment for the 69 restricted stock sales compared to the prices of their freely tradable counterparts was 33.8%.

In the September 1979 issue of the Journal of Taxation, Thomas A. Solberg reported a comparison study of 15 restricted securities in which the court recognized a discount for the lack of marketability, as affected by Rev. Rul. 77-287 and SEC Rules 144 and 2378. Mr. Solberg identified a range of discounts from 10 % to 90 %, with the median discount of over 38.9%.

FMV Opinions, Inc. analyzed sales of restricted stock from January 1979 through April 1992. FMV studied more than 100 transactions. Observed price adjustments had a mean of 23%.

Management Planning, Inc. analyzed sales of restricted stock from January 1980 through December 1996. MPI studied 53 transactions. Observed price adjustments had a mean of 27.1%.

Bruce Johnson analyzed sales of restricted stock from January 1991 through December 1995 in an attempt to compute the size of the marketability discount. Mr. Johnson studied 70 transactions. Observed price adjustments had a mean of 20%.

Columbia Financial Advisors analyzed sales of restricted stock from January 1996 through April 1997. They studied 23 transactions. Observed price adjustments had a mean of 21%.

Columbia Financial Advisors analyzed sales of restricted stock from May 1997 through December 1998. They studied 15 transactions. Observed price adjustments had a mean of 13%.

The chart below which summarizes these restricted stock studies:

RESTRICTED STOCK STUDIES (ROUNDED)

NAME OF STUDY	*PUBLISHED*	*DATA FROM*	*# OF OBSERVATIONS*	*MEDIAN DISCOUNT*	*MEAN DISCOUNT*
SEC Institutional Investor Study	1971	1966-1969	398	24%	26%
Gelman Study	1972	1968-1970	89	33%	33%
Moroney Study	1972	1968-1972	146	34%	35%
Maher Study	1976	1969-1973	34	33%	35%
Trout Study	1977	1968-1972	60	N/A	34%
Solberg Studies	1979	1976-1978	15	38%	39%
Standard Research Study	1983	1978-1982	28	45%	N/A
Bishop & Lee Survey	1984	1979-1984	Unknown	N/A	38%
Silber Study	1991	1981-1988	69	33.8	34%
FMV Study	1994	1979-1992	100+	N/A	23%
MPI	1996	1980-1996	53	27.1%	25%
Bruce Johnson	1996	1991-1995	70	20%	N/A
Columbia Advisors	1998	1996-1997	23	21%	N/A
Columbia Advisors	1999	1997-1998	15	13%	9%
AVERAGES				**29.79%**	**34%**

These independent studies of restricted stock sales cover several hundred transactions spanning the mid-1960s (Earliest SEC Study) through 1999. Given the number of independent researchers and the long time span encompassing a wide variety of market conditions, the results are remarkably consistent. The marketability adjustments range from 13% to 45%, with a mean of 29.97% and a median of 34%.

We are not providing a detailed analysis of any relevant court cases, given that the ultimate supportability for the discounts applied to the Company must be based on the specific facts and circumstances related to the Company. However, numerous cases are relevant and provide clear support for the quantification of marketability discounts for purposes of determining the market value of the Company, and most of them validate marketability discounts at a minimum of 30%.

Factors Affecting Marketability Discounts for Minority Interests

There are numerous factors that impact the magnitude of the discount for lack of marketability for minority interest. These factors include:

1. **Size of distributions** (dividends, withdrawals)
2. **Prospects for liquidity** (probable length of holding period)
3. **Pool of potential buyers**
4. **Risk factors – Level and volatility of earnings** (affecting the investors' required rate of return during the holding period)
5. **Growth prospects** (affecting the eventual potential sale price)
6. **Block size** (larger blocks typically have a smaller pool of investors)
7. **Size of Company** (smaller size increases risk)

Theoretical Models to Compute Discount for Lack of Marketability

When a discount for lack of marketability is applicable, there are two types of models that are utilized. These models are the empirical models (applied in the previous section using market data) and the theoretical models discussed in this section. The empirical models are based on empirical market transaction rather than on economic principles. The theoretical models are based on fundamental microeconomic relationships. The theoretical models can be two different models: (1) option pricing models, and (2) discounted cash flows models.

Option pricing models assume that the cost to purchase a stock option relates directly to the measurement of the discount for lack of marketability. There are several published studies on the option pricing theory.

1. *The Chaffee Study* – yielded the price of put prices were approximately 28% to 41% of the marketable price using a 2 year term, and 23% to 49% of the marketable price using a 4 year term.
2. *The Longstaff Study* – yielded the price of put prices ranged from 26.276% of the marketable price for a 1 year term to 65.772% of the marketable price for a 5 year term.
3. *The Long-Term Anticipation Securities (LEAPS) Studies* – yielded the price of LEAPS were approximately 24% of the marketable price (Trout Study).

The option pricing studies should represent a minimum price discount because of the following:

1. The market value of the underlying securities that the options are based is often much larger than the value of the privately held Company.
2. The underlying securities on which the options are based are marketable.
3. The options themselves can be sold at any time during the holding period
4. There is a known liquidity event for the option because it expires.

Several points should be made about the use of options models.

1. The option pricing studies indicate that the discount for lack of marketability is tied to the volatility of the underlying security price. If there is low volatility, the discount may be below the median. If the volatility is high, the discount may be above the median. It is important to determine if the specific facts and circumstances relating to the qualitative and quantitative factors warrant a low estimated volatility.
2. The option pricing studies show how the length of the required holding period has a material effect on the magnitude of the discount for lack of marketability. As the length of the holding period increases, the discount increases.
3. The option pricing models stress the importance of having a liquidity event. The reality for an owner is that they may never experience a liquidity event. This would indicate a price discount greater than the median.
4. The option pricing models assume the owner has the ability to hedge their investment in the options market. Stock options on small, thinly traded companies rarely exist, and the market for private company stock or options on that stock do not exist.

We applied the options pricing model in Schedules 14 and 15. Under the option pricing method, we assumed the owner is to purchase a put option on the equity value of the VBC. We utilized the Black-Scholes option pricing model.

We utilized the Black-Scholes model in our option pricing method, which is the most widely accepted model. This model takes into consideration the following six variables:

1.	Equity Value	$15,100,000
2.	Exercise Price (“Strike Price”)	$15,100,000
3.	Term (time to expiration)	5 years
4.	Risk Free rate of Return	0.62% as of September 30, 2012
5.	Volatility Factor	35% -computed in our work papers
6.	Dividends	0% - none expected

Schedule 14 lays out the Black-Scholes option model calculations based upon "strike price." Once the value of the call option was computed at the "strike price," we were able to compute the value of the put option in Schedule 15, using the "Put – Call" parity relationship. Once the total cost of the put option was computed, we divided that cost by the total equity value of VBC to calculate the percentage of the total equity value that the cost of the put option represents. This calculation yielded a 31.5% discount.

Conclusion of Marketability Discount

The 15% to 43% estimate of the marketability discount based on the capital markets evidence must also be adjusted for the specific facts and circumstances related to the Company. Among the factors we have considered here are: the size of the Company's total revenue at September 30, 2012, as compared to most publicly traded corporations; the lack of prior "arms-length" sales activity of stock in the Company; and expected growth rate of the Company. Furthermore, we considered the fact that our analysis is to value minority shares. In addition, we considered the restricted stock studies, which indicate a discount in the range of 13% to 40% and the flotation cost study, which indicates a discount of 10% to 15%. Furthermore, we placed emphasis the quantitative analysis in Schedule 13, which yielded a 28.5% discount. In addition, we considered the cost of a Put Option in Schedule 15 at 31.5%. Consequently, we have applied a marketability discount of 30%**,** which is in the middle range of the discount range determined by the capital market evidence.

11. CONCLUSION OF EQUITY VALUE

Since we are valuing one common share of VBC, which represents a minority non-marketable interest, we first valued the invested capital of the Company. We then subtracted the debt to calculate the total equity value.

The Discounted Cash Flow Approach yielded a controlling, marketable invested capital value of $14,205,570.

The Market Approach – Business Transaction Method yielded a controlling, marketable invested capital value of $14,137,040.

We calculate the average of the value conclusions. The concluded value of the invested capital was computed to be $14,171,305 as presented in schedule 16. To this value, we added the value of the China investment ($480,250), the value of the receivable ($405,352), and the security deposits ($37,115). The concluded equity value was calculated to be $15,095,000 (rounded).

We divided $15,095,000 by 21,700,000 to compute the value on a per share basis. The value of one common share of the Company on a marketable controlling was calculated to be $0.696 per share. Schedule 16 details these calculations.

From $0.696, we subtracted a 13% discount for lack of control. We then subtracted a 30% discount for lack of marketability.

Based upon our analysis, assumptions and limiting conditions, it is our opinion that the non-marketable minority value of one common share of VBC, as of September 30, 2012, is (rounded):

Forty Two Cents

$ 0.42 Per Share

Vantex Biotechnology Co.
Schedule 1

Historical Balance Sheets

	30-Sep-12		31-Dec-11		31-Dec-10		31-Dec-09		31-Dec-08		31-Dec-07	
Current assets:												
[redacted]												
Total Current Assets	5,026,259	**18.4%**	4,825,234	**19.5%**	7,800,501	**36.8%**	4,019,312	**23.4%**	6,173,593	**70.2%**	5,492,772	**69.5%**
Property Plant & Equipment												
[redacted]												
Total Property Plant & Equipment	10,110,510	**37.0%**	7,645,055	**30.9%**	1,152,575	**5.4%**	850,304	**5.0%**	966,938	**11.0%**	543,854	**6.9%**
Other Assets & Investments												
[redacted]												
Total Assets	**27,350,648**	**100.0%**	**24,706,919**	**100.0%**	**21,193,197**	**100.0%**	**17,165,844**	**100.0%**	**8,788,420**	**100.0%**	**7,904,458**	**100.0%**
Current Liabilities												
[redacted]												
Total Current Liabilities	14,035,380	**51.3%**	10,248,269	**41.5%**	6,272,198	**29.6%**	2,078,575	**12.1%**	2,197,492	**25.0%**	1,051,163	**13.3%**
Long Term Liabilities												
[redacted]												
Total Long Term Liabilities	-	**0.0%**	-	**0.0%**	-	**0.0%**	-	**0.0%**	-	**0.0%**	-	**0.0%**
Total Liabilities	**14,035,380**	**51.3%**	**10,248,269**	**41.5%**	**6,272,198**	**29.6%**	**2,078,575**	**12.1%**	**2,197,492**	**25.0%**	**1,051,163**	**13.3%**
Equity												
[redacted]												
Total Equity	**13,315,268**	**48.7%**	**14,458,650**	**58.5%**	**14,920,999**	**70.4%**	**15,087,269**	**87.9%**	**6,590,928**	**75.0%**	**6,853,405**	**86.7%**
Total Liabilities & Equity	**27,350,648**	**100.0%**	**24,706,919**	**100.0%**	**21,193,197**	**100.0%**	**17,165,844**	**100.0%**	**8,788,420**	**100.0%**	**7,904,568**	**100.0%**

Historical Income Statements

	Last 9 Months 30-Sep-12		31-Dec-11		31-Dec-10		31-Dec-09		31-Dec-08		31-Dec-07	
Revenue												
Net Sales	918,408	**100%**	1,780,433	**100%**	2,122,176	**100%**	1,809,520	**100.0%**	832,020	**100.0%**	511,637	**100.0%**
Total Revenue	**918,408**	**100%**	**1,780,433**	**100%**	**2,122,176**	**100%**	**1,809,520**	**100.0%**	**832,020**	**100.0%**	**511,637**	**100.0%**
Cost of Goods Sold	(615,633)	**-67.0%**	(1,116,041)	**-62.7%**	(1,119,649)	**-52.8%**	(901,895)	**-49.8%**	(343,372)	**-41.3%**	(176,406)	**-34.5%**
Gross Profit	302,774	**33.0%**	664,392	**37.3%**	1,002,527	**47.2%**	907,625	**50.2%**	488,648	**58.7%**	335,231	**65.5%**
Operating Expenses:												
Expenses	(1,149,070)	**-125%**	(1,129,852)	**-63.5%**	(1,029,326)	**-48.5%**	(997,086)	**-55.1%**	(953,192)	**-114.6%**	(1,374,280)	**-268.6%**
Total Operating Expenses	**(1,149,070)**	**-125%**	**(1,129,852)**	**-63.5%**	**(1,029,326)**	**-48.5%**	**(997,086)**	**-55.1%**	**(953,192)**	**-114.6%**	**(1,374,280)**	**-268.6%**
EBITDA	(846,295)	**-92.1%**	(465,459)	**-26.1%**	(26,799)	**-1.3%**	(89,461)	**-4.9%**	(464,544)	**-55.8%**	(1,039,049)	**-203.1%**
Depreciation/Amortization	(89,077)	**-9.7%**	(140,209)	**-7.88%**	(189,118)	**-8.91%**	(64,047)	**-3.54%**	(184,757)	**-22.21%**	(40,000)	**-7.8%**
Operating Profit (EBIT)	**(935,372)**	**-102%**	**(605,669)**	**-34.0%**	**(215,917)**	**-10.2%**	**(153,508)**	**-8.5%**	**(649,301)**	**-78.0%**	**(1,079,049)**	**-210.9%**
Non-Operating Items												
Other Expenses		**0.0%**	(29,579)	**-1.7%**		**0.0%**		**0.0%**		**0.0%**		**0.0%**
Other Income	24,378	**2.7%**	4,265	**0.2%**	134,243	**6.3%**	131,450	**7.3%**	22,853	**2.7%**	36,634	**7.2%**
Total Non-Operating Items	24,378	**2.7%**	(25,313)	**-1.4%**	134,243	**6.3%**	131,450	**7.3%**	22,853	**2.7%**	36,634	**7.2%**
Interest Expense	(296,272)	**-32.3%**	(331,092)	**-18.6%**	(241,940)	**-11.4%**	(265)	**0.0%**		**0.0%**		**0.0%**
Pre-Tax Income	**(1,207,266)**	**-131%**	**(962,074)**	**-54.0%**	**(323,614)**	**-15.2%**	**(22,323)**	**-1.2%**	**(626,448)**	**-75.3%**	**(1,042,415)**	**-203.7%**
Income Tax Provision		**0.0%**	(1,850)	**-0.1%**	(2,313)	**-0.1%**	(585)	**0.0%**	(21,991)	**-2.6%**	(36,199)	**-7.1%**
Net Income	**(1,207,266)**	**-131%**	**(963,924)**	**-54.1%**	**(325,927)**	**-15.4%**	**(22,908)**	**-1.3%**	**(648,439)**	**-77.9%**	**(1,078,614)**	**-210.8%**

Adjusted Historical Income Statements

	Last 9 Months 30-Sep-12		31-Dec-11		31-Dec-10		31-Dec-09		31-Dec-08		31-Dec-07	
Revenue												
Net Sales	918,408	**100%**	1,755,727	**99%**	2,122,176	**100%**	1,809,520	**100.0%**	832,020	**100.0%**	511,637	**100.0%**
Total Revenue	**918,408**	**100%**	**1,755,727**	**99%**	**2,122,176**	**100%**	**1,809,520**	**100.0%**	**832,020**	**100.0%**	**511,637**	**100.0%**
Cost of Goods Sold	(615,633)	**-67.0%**	(1,112,734)	**-62.5%**	(1,119,649)	**-52.8%**	(901,895)	**-49.8%**	(343,372)	**-41.3%**	(176,406)	**-34.5%**
Gross Profit	302,774	**33.0%**	642,993	**36.1%**	1,002,527	**47.2%**	907,625	**50.2%**	488,648	**58.7%**	335,231	**65.5%**
Operating Expenses:												
Expenses	(1,149,070)	**-125%**	(1,119,145)	**-62.9%**	(1,029,326)	**-48.5%**	(997,086)	**-55.1%**	(953,192)	**-114.6%**	(1,374,280)	**-268.6%**
Total Operating Expenses	**(1,149,070)**	**-125%**	**(1,119,145)**	**-62.9%**	**(1,029,326)**	**-48.5%**	**(997,086)**	**-55.1%**	**(953,192)**	**-114.6%**	**(1,374,280)**	**-268.6%**
EBITDA	(846,295)	**-92.1%**	(476,152)	**-26.7%**	(26,799)	**-1.3%**	(89,461)	**-4.9%**	(464,544)	**-55.8%**	(1,039,049)	**-203.1%**
Depreciation/Amortization	(89,077)	**-9.7%**	(152,315)	**-8.55%**	(189,118)	**-8.91%**	(64,047)	**-3.54%**	(184,757)	**-22.21%**	(40,000)	**-7.8%**
Operating Profit (EBIT)	**(935,372)**	**-102%**	**(628,467)**	**-35.3%**	**(215,917)**	**-10.2%**	**(153,508)**	**-8.5%**	**(649,301)**	**-78.0%**	**(1,079,049)**	**-210.9%**
Non-Operating Items												
Other Expenses		**0.0%**	(4,952)	**-0.3%**		**0.0%**		**0.0%**		**0.0%**		**0.0%**
Other Income	24,378	**2.7%**	4,292	**0.2%**	134,243	**6.3%**	131,450	**7.3%**	22,853	**2.7%**	36,634	**7.2%**
Total Non-Operating Items	24,378	**2.7%**	(660)	**0.0%**	134,243	**6.3%**	131,450	**7.3%**	22,853	**2.7%**	36,634	**7.2%**
Interest Expense	(296,272)	**-32.3%**	(331,674)	**-18.6%**	(241,940)	**-11.4%**	(265)	**0.0%**		**0.0%**		**0.0%**
Pre-Tax Income	**(1,207,266)**	**-131%**	**(960,801)**	**-54.0%**	**(323,614)**	**-15.2%**	**(22,323)**	**-1.2%**	**(626,448)**	**-75.3%**	**(1,042,415)**	**-203.7%**
Income Tax Provision		**0.0%**		**0.0%**	(2,313)	**-0.1%**	(585)	**0.0%**	(21,991)	**-2.6%**	(36,199)	**-7.1%**
Net Income	**(1,207,266)**	**-131%**	**(960,801)**	**-54.0%**	**(325,927)**	**-15.4%**	**(22,908)**	**-1.3%**	**(648,439)**	**-77.9%**	**(1,078,614)**	**-210.8%**

Vantex Biotechnology Co.
Schedule 4

Ratio Analysis

	Median	Mean	30-Sep-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Profitability Ratios								
EBITDA Margin	**-41.29%**	**-64.00%**	-92.15%	-26.74%	-1.26%	-4.94%	-55.83%	-203.08%
Operating Profit Margin	**-56.67%**	**-74.12%**	-101.85%	-35.30%	-10.17%	-8.48%	-78.04%	-210.90%
Pretax Margin	**-64.63%**	**-80.16%**	-131.45%	-53.96%	-15.25%	-1.23%	-75.29%	-203.74%
Net Profit Margin	**-65.95%**	**-81.80%**	-131.45%	-53.96%	-15.36%	-1.27%	-77.94%	-210.82%
Investment Return Ratios								
Return on Assets	**-2.74%**	**-3.28%**	-3.59%	-2.74%	-1.13%	-1.18%	-7.78%	NA
Return on Equity	**-4.38%**	**-3.66%**	-5.88%	-4.38%	-1.45%	-0.12%	-6.47%	NA
Debt & Solvency Ratios								
Debt to Total Capital	**7.71%**	**13.72%**	26.6%	28.7%	9.1%	6.4%	0.0%	0.0%
Debt to Equity	**8.37%**	**15.54%**	36.2%	40.3%	10.0%	6.8%	0.0%	0.0%
Interest Coverage Ratio	**0.00**	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00
Liquidity Ratios								
Current Ratio	**1.59**	**2.01**	0.36	0.47	1.24	1.93	2.81	5.23
Quick Ratio	**1.27**	**1.47**	0.05	0.17	1.03	1.52	1.50	4.54
Cash Ratio	**0.32**	**0.45**	0.03	0.07	0.26	0.38	0.60	1.39
Working Capital (less Cash, Interest Bearing Debt)	**1,796,307**	**728,893**	(4,545,004)	(304,993)	1,410,875	2,181,738	2,653,983	2,976,759
Working Capital to Sales	**93.53%**	**95.97%**	-494.88%	-17.13%	66.48%	120.57%	318.98%	581.81%
Activity Ratios								
Accounts Receivable Turnover	**0.59**	**0.58**		0.60	0.59	0.83	0.31	NA
Avg. Number of Days in A/R	**615.58**	**707.45**		609.45	621.71	439.37	1,159.29	NA
Accounts Payable Turnover	**0.90**	**0.83**		1.14	1.27	0.66	0.25	NA
Avg. Number of Days in A/P	**436.84**	**650.76**		321.31	286.36	552.37	1,443.01	NA
Total Asset Turnover	**0.11**	**0.11**		0.08	0.11	0.14	0.10	NA
Inventory Turnover	**1.70**	**1.82**		1.29	2.02	2.60	1.37	NA
Avg. Number of Days in Inventory	**223.55**	**217.79**		283.95	180.50	140.14	266.59	NA
Annual Increase in Fixed Assets	**607,841**	**2,026,861**	2,527,170	6,560,494	491,389	(52,587)	607,841	NA
Gross Fixed Assets to Sales	**148.2%**	**386.6%**	1171.6%	468.9%	78.8%	65.3%	148.2%	NA

	30-Sep-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Annual Growth Rates						
Sales Revenue		-17.27%	17.28%	117.49%	62.62%	NA
Cost of Sales		-0.62%	24.14%	162.66%	94.65%	NA
Gross Profit		-35.86%	10.46%	85.74%	45.76%	NA
EBITDA		1676.75%	-70.04%	-80.74%	-55.29%	NA
Operating Profit		191.07%	40.66%	-76.36%	-39.83%	NA
Pretax Income		196.90%	1349.69%	96.44%	-39.90%	NA
Net Income		194.79%	1322.76%	96.47%	-39.88%	NA

Annual Compounded Growth Rate	2007 to 2011
Sales Revenue	36.10%
COGS	58.48%
Gross Profit	17.68%
EBITDA	-17.72%
EBIT	-12.64%
Operating Expenses	-5.06%

Median Cost Of Goods Sold	-51.3%
Median EBITDA	-41.29%
Median Operating Profit	-56.67%
Median Pretax	-64.63%
Median Net Income	-65.95%
Median Operating Expenses	-88.71%

Mean Operating Profit Margin	-74.12%	**Mean Return on Equity**	-3.66%
Standard Deviation of the Operating Profit Margin	76.68%	**Standard Deviation of the ROE**	2.86%
Coefficient of variation	-103.45%	**Coefficient of variation**	-78.20%

Ratio Comparative Analysis

The Industry Data was obtained from BizMiner Data - a division of BV Resources

	Disposable Medical Equipment & Supplies Mfg 5 Yr Average NAICS 3391xx	5 Year Company Median	5 Year Company Mean	Comparison
Profitability Ratios				
EBITDA Margin	9.62%	-41.29%	-64.00%	EBITDA Margins are lower than the industry averages
Operating Profit Margin	7.94%	-56.67%	-74.12%	Operating Profit Margins are lower than the industry averages
Pretax Margin	5.24%	-64.63%	-80.16%	Pretax Profit Margins are lower than the industry averages
Net Profit Margin	3.65%	-65.95%	-81.80%	Net Inc Margins are lower than the industry averages
Investment Return Ratios				
Return on Assets	13.62%	-2.74%	-3.28%	The return on assets is lower than the industry averages
Return on Equity	22.43%	-4.38%	-3.66%	The return on equity is lower than the industry averages
Debt & Solvency Ratios				
Debt to Total Capital	44.00%	7.71%	13.72%	The debt to total capital ratio is better than the industry averages
Debt to Equity	78.50%	8.37%	15.54%	The debt to equity ratio is better than the industry averages
Interest Coverage Ratio	2.59	-	-	The interest coverage ratio is worse than the industry averages
Liquidity Ratios				
Current Ratio	2.06	1.59	2.01	The current ratio is consistent with the industry averages
Quick Ratio	1.46	1.27	1.47	The quick ratio is consistent with the industry averages
Cash Ratio	0.36	0.32	0.45	The cash ratio is consistent with the industry averages
Working Capital (less Cash, Interest Bearing Debt)		1,796,307	728,893	
Working Capital to Sales	13.00%	93.53%	95.97%	The working capital to sales ratio is higher than the industry averages
Activity Ratios				
Accounts Receivable Turnover	6.91	0.59	0.58	The AR turnover is lower than the industry averages
Avg. Number of Days in A/R	52.82	615.58	707.45	The days in AR is higher than the industry averages
Accounts Payable Turnover	11.22	0.90	0.83	The AP turnover is lower than the industry averages
Avg. Number of Days in A/P	32.53	436.84	650.76	The days in AP is higher than the industry averages
Total Asset Turnover	2.6	0.11	0.11	The total assets turnover is lower than the industry averages
Inventory Turnover	14.3	1.70	1.82	The total inventory turnover is lower than the industry averages
Avg. Number of Days in Inventory	25.52	223.55	217.79	The total days in inventory is worse than the industry averages
Annual Increase in Fixed Assets		607,841	2,026,861	
Gross Fixed Assets to Sales	23.50%	148.25%	386.56%	The gross fixed assets to sales ratio is higher than the average of the industries

Cost of Capital Calculations - Build Up Method

Use of Ibbotson Data - 2012 Year Book

Risk Free Rate - September 30, 2012	2.42%
Market Risk Premium	6.62%
Size Premium	6.10%
Industry Risk Premium - SIC 3841	-2.07%
Company Specific Risk Premium - Schedule 9	7.50%
Total	**20.57%**

Use of Duff & Phelps Data - 2012 Risk premium Report - using size measures

Risk Free Rate - September 30, 2012	2.42%
Market Risk Premium	12.76%
Industry Risk Premium - see note (a)	-2.27%
Company Specific Risk Premium - Schedule 9	7.50%
Total	**20.40%**

Use of Duff & Phelps Data - 2012 Risk premium Report - using risk measures

Risk Free Rate - September 30, 2012	2.42%
Market Risk Premium	13.96%
Industry Risk Premium - see note (a)	-2.27%
Company Specific Risk Premium - Schedule 9	7.50%
Total	**21.61%**

Risk Measures

	Operating Profit	CoV Op. Mar.	CoV ROE
Company Measure	-56.67%	-103.45%	-78.20%
D&P Portfolio Rank	25	1	1
Smoothed Risk Premium	**15.38%**	**14.01%**	**12.48%**
Average	**13.96%**		

Size Measures

	MV of Equity	BV of Equity	5 Yr Avg. NI	MV of IV	Total Assets	5 Yr Avg EBITDA	Total Sales
Company Measure	< $95 m	< $62 m	< $4 m	< $121 m	< $118 m	< $15 m	< $117 m
D&P Portfolio Rank	25	25	25	25	25	25	25
Smoothed Risk Premium	**13.52%**	**12.05%**	**13.01%**	**13.35%**	**12.65%**	**12.81%**	**11.90%**
Average	**12.76%**						

(a) Industry risk must be adjusted for differences in Ibbotson and D&P market premiums - D&P IRP = Ibbotson IRP x (D&P MP ÷ Ibbotson MP)

Projected Income Statements
Discounted Cash Flow Method

Estimates for the Periods Ending December 31,

Annual Compounded Growth Rate from 2012 to 2016: 91.27%

	2012		2013		2014		2015		2016	
Revenue:										
Sales	1,300,000	100.0%	5,500,000	100.0%	8,900,000	100.0%	12,450,000	100.0%	17,400,000	100.0%
Total	1,300,000	100.0%	5,500,000	100.0%	8,900,000	100.0%	12,450,000	100.0%	17,400,000	100.0%
Cost of Goods Sold	(1,040,000)	-80.0%	(3,700,000)	-67.3%	(5,340,000)	-60.0%	(7,470,000)	-60.0%	(10,400,000)	-59.8%
Gross Profit	260,000	20.0%	1,800,000	32.7%	3,560,000	40.0%	4,980,000	40.0%	7,000,000	40.2%
Operating Expenses:										
General & Administrative	(1,200,000)	-92.3%	(1,300,000)	-23.6%	(1,970,000)	-22.1%	(2,900,000)	-23.3%	(3,800,000)	-21.8%
Total Operating Expenses	(1,200,000)	-92.3%	(1,300,000)	-23.6%	(1,970,000)	-22.1%	(2,900,000)	-23.3%	(3,800,000)	-21.8%
EBITDA	(940,000)	-72.3%	500,000	9.1%	1,590,000	17.9%	2,080,000	16.7%	3,200,000	18.4%
Depreciation	(360,000)	-27.69%	(400,000)	-7.3%	(600,000)	-6.7%	(750,000)	-6.0%	(950,000)	-5.5%
Operating Profit: (EBIT)	(1,300,000)	-100.0%	100,000	1.8%	990,000	11.1%	1,330,000	10.7%	2,250,000	12.9%
Other Income		0.0%		0.0%		0.0%		0.0%		0.0%
Interest Expense	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Expenses	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Pre Tax Income:	(1,300,000)	-100.0%	100,000	1.8%	990,000	11.1%	1,330,000	10.7%	2,250,000	12.9%
Tax Provision:	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Net Income:	(1,300,000)	-100.0%	100,000	1.8%	990,000	11.1%	1,330,000	10.7%	2,250,000	12.9%

Projected Cash Flow Statements

Discounted Cash Flow Method

	Estimates for the Periods Ending December 31,				
	2012	**2013**	**2014**	**2015**	**2016**
Operating Income: (EBIT)	(1,300,000)	100,000	990,000	1,330,000	2,250,000
(Less) Taxes (a)	-	-	-	-	-
(Less) Increase in WC (b)	(169,000)	(546,000)	(442,000)	(461,500)	(643,500)
(plus) Depreciation:	360,000	400,000	600,000	750,000	950,000
Cash Flow (Operations))	(1,109,000)	(46,000)	1,148,000	1,618,500	2,556,500
Capital Expenditures: (c)	-	(200,000)	(200,000)	(200,000)	(950,000) (c)
Net Cash Flow	**(1,109,000)**	**(246,000)**	**948,000**	**1,418,500**	**1,606,500**
Conversion to annualized cash flow	0.250	1.000	1.000	1.000	1.000
Cash Flow to Used in Valuation Model	(277,250)	(246,000)	948,000	1,418,500	1,606,500

(a) We assumed that the company would utilize the NOL through 2016 and then we have assumed a marginal tax rate of 30% in 2017

(b) We utilized the projected changes in working capital based on working capital requirements of 13%. Then we computed the changes each year.

(c) We utilized the projected capital expenditures based on the management expectations. There is no capital expenditure in the cash flow statement in 2012 because the Company has prepaid $1,020,000 for plastic injection equipment that is accounted for in the current assets as "Other Assets."

Valuation Analysis

Discounted Cash Flow Method

Calculation of Discount Rate:

Cost of Equity Capital:

Use of Ibbotson Data - 2012 Year Book	20.57%	Schedule 5
Use of Duff & Phelps Data - 2012 Risk premium Report - using risk measures	21.61%	Schedule 5
Use of Duff & Phelps Data - 2012 Risk premium Report - using size measures	20.40%	Schedule 5
Total Weighted Average	**20.86%**	we equally weighted the equity discount rates

Weighted Average Cost of Capital (WACC)

(% Equity) X	(Cost of Equity)	+	(% Debt) X	(Cost of Debt) X	(1-Tax Rate)	
55.0%	20.86%	+	45.0%	6.25%	70%	
	11.47%	+	1.9688%		=	13.44%
				Rounded		13.40%

The cost of debt is based upon the Prime Interest rate as of 9/30/12 3.25% plus 300 basis points
The assumed capital structure is 50% equity and 50% debt based on the SIC code

Discounted Cash Flow Analysis:

	Years To PV	Cash Flow	WACC Discount Rate	Present Value Factor	Present Value
Dec-12	0.125	(277,250)	13.40%	0.9844	(272,926)
Dec-13	0.75	(246,000)	13.40%	0.9100	(223,859)
Dec-14	1.75	948,000	13.40%	0.8025	760,739
Dec-15	2.75	1,418,500	13.40%	0.7076	1,003,791
Dec-16	3.75	1,606,500	13.40%	0.6240	1,002,494
			Present Value of the Cash Flow		**2,270,239**

Present Value of Terminal Value:

		Present Value
Projected Cash Flow in 2016	1,606,500	
Expected Long Term Growth Rate	7.0%	
Projected Cash Flow in 2017	1,718,955	
Projected Terminal Value	26,858,672	**16,760,446**

The terminal value in 2016 is based on dividing the cash flow in 2017 by the capitalization rate. The present value of the terminal value is computed by multiplying the terminal value by the PV factor in year 2016.

Specific Risk Premium

Discounted Cash Flow Method

Negative Attributes

Lack of Management Depth	0.00%	
Lack of Access to Capital Resources	2.00%	
Over Reliance on Key Persons	0.50%	
Lack of Size and Geographic Diversification	0.00%	
Lack of Customer Diversification	1.00%	
Lack of Marketing Resources in Light of Competition	0.00%	
Lack of Purchasing Power and Other Economies of Scale	0.00%	All these attributes are additional
Lack of Product and Market Development Resources	0.00%	risk premiums added to rate
Over Reliance on Vendors/Suppliers	0.50%	
Limitations on Distribution Systems	0.00%	
Limitations on Financial Reporting and Controls	0.00%	
Threat of Substitute Products or Services	1.00%	
Threat of New Entrants	1.00%	
Risk Associated with High Level of Debt	1.00%	
Risk Associated with Growth Rate	2.00%	

Positive Attributes

Long Term Contracts with Customers	0.0%	
Proprietary Products/Services	-1.0%	All these attributes are positive
Strong Market Niche	-0.5%	risk premiums subtracted from rate
Patents/Copyrights/Franchise Rights	0.0%	
Net Affect to Discount Rate	**7.5%**	Used in Schedule 5 to compute cost of equity

Conclusion - Discounted Cash Flow Method

Total Present Value Calculation:

Present Value of Cash Flow	+	Present Value of Terminal Value	=	Total Present Value of Invested Capital
$ 2,270,239	+	16,760,446	=	$ 19,030,685

Estimated Enterprise Value	$	19,030,685
Less: Interest Bearing Debt	$	(4,825,115) (a)
Estimated Equity Value	$	14,205,570
Concluded Value - DCF Approach	**$**	**14,205,570**

(a) The interest bearing debt was utilized

Vantex Biotechnology Co.
Schedule 11

Market Approach

Business Transaction Method

Dollars in Millions
Source: Pratt Stats

					Target Financial Measures					Price Multiples		
Target Company	**Summary Description**	**Purchase Date**	**Price TIC**	**Deal Type**	**Sales**	**EBITDA**	**EBITDA Margin**	**EBIT**	**EBIT Margin**	**TIC / Sales**	**TIC / EBITDA**	**TIC / EBIT**
KD Scientific, Inc.	Disposable Medical Supplies	Mar-04	6.65	Stock	3.33	1.85	55.5%	1.80	53.8%	1.99	3.6	3.7
NeedleTech Products, Inc.	Disposable Medical Supplies	Jul-08	47.70	Stock	16.91	5.24	31.0%	4.65	27.5%	2.82	9.1	10.3
DNA Genoteck, Inc.	Disposable Medical Supplies	Aug-11	51.8	Stock	14.29	0.44	3.1%	0.32	2.3%	3.63	118.8	160.4
American Medical Instruments	Disposable Medical Supplies	Mar-06	787.9	Stock	174.65	42.60	24.4%	37.03	21.2%	4.51	18.5	21.3
Angel Systems	Disposable Medical Supplies	Apr-10	7.00	Asset	4.93	1.85	37.5%	1.74	35.3%	1.42	3.8	4.0
Fast Growth Ent.	Disposable Medical Supplies	Sep-11	3.40	Stock	2.09	0.73	34.9%	0.73	34.7%	1.63	4.7	4.7
Galt Medical	Disposable Medical Supplies	Aug-06	33.87	Stock	7.10	3.21	45.1%	2.99	42.1%	4.77	10.6	11.3
Luther NeedleSafe Products	Disposable Medical Supplies	Apr-04	5.85	Asset	0.72	0.22	30.2%	0.21	28.8%	8.15	27.0	28.3
Microbrush Inc	Disposable Medical Supplies	Jul-06	32.16	Stock	11.68	3.02	25.8%	2.66	22.8%	2.75	10.7	12.1
Not Listed in Database	Disposable Medical Supplies	Aug-10	0.83	Asset	0.83	0.08	10.1%	0.08	9.4%	1.00	9.8	10.6
Byrne Medical	Disposable Medical Supplies	Aug-11	100.64	Asset	34.29	7.63	22.3%	6.87	20.0%	2.93	13.2	14.7
IZI Medical Products	Disposable Medical Supplies	Nov-11	94.28	Stock	18.50	6.00	32.4%	5.26	28.4%	5.10	15.7	17.9
Aspen Surgical Products	Disposable Medical Supplies	Jul-12	400.00	Stock	118.10	27.87	23.6%	23.50	19.9%	3.39	14.4	17.0
Instrument division - Codman/Shurtleff	Disposable Medical Supplies	Dec-11	165.69	Stock	69.29	22.68	32.7%	22.48	32.4%	2.39	7.3	7.4
Not Listed in Database	Disposable Medical Supplies	Mar-12	58.028	Asset	74.02	8.522	11.5%	8.519	11.5%	0.78	6.8	6.8
3rd Quartile			97.46		51.79	8.08	33.8%	7.69	33.6%	4.07	15.03	17.47
Median			47.70		**14.29**	**3.21**	**30.2%**	**2.99**	**27.5%**	**2.82**	**10.57**	**11.33**
Mean			119.72		**36.71**	**8.80**	**28.0%**	**7.92**	**26.0%**	**3.15**	**18.25**	**22.03**
Harmonic Mean			7.08		**3.46**	**0.62**	**17.2%**	**0.57**	**14.3%**	**2.49**	**8.74**	**9.32**
1st Quartile			6.83		4.13	1.29	22.9%	1.23	20.0%	1.81	7.06	7.09
Standard Deviation			210.9		51.2	12.4	0.1	11.0	0.1	1.9	28.5	38.9
Coefficient of Variation			1.76		1.40	1.41	0.48	1.38	0.50	0.61	1.56	1.77
Subject Company -Vantex Biotechnology Co. - 12 Months ending December 31, 2014					8.90	1.59	17.9%	0.99	11.1%			
			Comparison to Median		Higher	Lower	Lower	Lower	Lower			

Selected Multiple	**2.80**	**15.00**	**20.00**	
Vantex Financial Measure - 12 M ending 12/31/14	8,900,000	1,590,000	990,000	
Estimated Enterprise Value (TIC)	$ 24,920,000	$ 23,850,000	$ 19,800,000	
Relative Weighting	90.00%	10.0%	0.0%	
Weighted Values	22,428,000	$ 2,385,000	$ -	
Concluded Enterprise Value - December 31, 2014	$ 24,813,000			
Present Value - September 30, 2012	$ 18,698,204	- discounted at the WACC		
Plus Present Value of Interim Cash Flow	$ 263,953	- from schedule 8		
Less: Interest Bearing Debt	$ (4,825,115)			
Estimated Equity Value	$ 14,137,043			
Concluded Value - Market Approach	**$ 14,137,040**			

Notes on Selected Multiples:
(1) The multiples were based on the range from the Harmonic mean to the median with greater consideration given to the median.
(2) We placed more emphasis on Sales multiples because of the lower coefficient of variation. No emphasis was on the EBIT multiple because of the varying levels of depreciation of the guideline companies.
(3) The median Sales multiples was used because the projected growth of the Company
(4) The EBITDA and EBIT multiples were based on the median and increased to account for the higher expected growth

(A) Multiples with the least dispersion (the tightest range) based on the coefficient of variation are the most reliable.
(B) Sales multiple is usually based on the comparison of the all profit margins to guideline companies and total assets turnover
(C) EBITDA multiple is based on the comparison of the EBITDA / Sales ratio to guideline companies
(D) EBIT multiple is based on the comparison of the EBIT / Sales ratio to guideline companies

Minority Discount

Fund Name	Symbol	NAV	Market Price	NAV Discount
Equity Funds				
Adams Express	ADX	12.35	10.55	14.6%
Advent-Claymore	LCM	10.37	9.35	9.8%
Central Securities	CET	24.29	20.28	16.5%
Cohen Strs Opportunity	FOF	13.25	12.19	8.0%
Cohen Strs Div	DVM	14.81	14.27	3.6%
Cornerstone Progress	CFP	4.93	5.30	-7.5%
Cornerstone Value	CLM	5.99	7.13	-19.0%
Denali Fund	DNY	18.69	14.33	23.3%
DWS Derman	DHG	15.57	15.42	1.0%
Eaton Vance - Tax	EVT	17.73	15.98	9.9%
Gabelli Div & Inc	GDV	17.68	15.51	12.3%
John Hancock	HTD	19.87	18.34	7.7%
Liberty All Star	USA	5.16	4.51	12.6%
RENN	RCG	2.46	1.85	24.8%
Royce Focus Trust	FUND	7.14	6.28	12.0%
Royce Value Trust	RVT	14.34	12.48	13.0%
Royce Micro Cap	RMT	10.20	8.92	12.5%
Source Capital	SOR	54.59	49.25	9.8%
Special Opp	SPE	16.95	15.11	10.9%
Tri-Continental	TY	18.02	15.47	14.2%
Zweig	ZF	13.73	11.99	12.7%

ian Discount	**12.04%**
Concluded Discount For Lack of Control	**12.0%**
Rounded	**12.0%**

Control Premium Study ***MergerStat - 2011 Study***	Number of Transactions	Premium	Calculated Discount
Medical Supplies	26	60.8%	37.8%
Wholesale & Distribution	8	40.9%	29.0%
Health Services	6	29.6%	22.8%
Study Average	321	51.2%	33.9%
Mean		45.63%	30.89%
Median		46.05%	31.45%

	<u>Discount Range</u> <u>Using All The Market data</u>
Low Discount	3.6%
25th Quartile Discount	6.7%
Median Discount	12.2%
75th Quartile Discount	15.1%
High Discount	9.9%

Specific Factor	***Comparison***	***Indicated Part of Discount Range***
Historical Income and consistency of Cash Distributions	Similar	12.2%
Distribution Yield to Value - % - No distributions	Similar	12.2%
Return on NAV - using EBITDA	Worse	15.1%
Rights of Shareholders over Investment Control	Worse	15.1%
Specific Voting Provisions and Impact on Control	Similar	12.2%
Size of Subject Interest	Similar	12.2%
Holdings of Other Interests in Company	Similar	12.2%
Quality of Management	Similar	12.2%
	Mean Discount	12.88%
	Selected Discount	**13.00%**

Marketability Discount

Name of Market Study	Median Discount
Flotation Costs	15%
Emory Pre-IPO Studies	43%
FMV Restricted Stock Study	23%
MPI Restricted Stock Study	25%
Columbia Advisors 1998 Restricted Stock Study	21%
Columbia Advisors 1999 Restricted Stock Study	13%
Pre- 1990 Restricted Stock Studies	34%
Weighted Average - with more emphasis on Pre IPO studies and Pre 1990 Restricted Stock Studies	29%

	Discount Range
Low Discount	13%
25th Quartile Discount	18%
Weighted Average	29%
75th Quartile Discount	30%
High Discount	43%

Specific Factor	***Comparison to Transactions in the Studies***	***Indicated Part of Discount Range***
Historical Income and Consistency of Cash Distributions	Similar	29%
Capitalization Structure of the Company's Assets	Similar	29%
Historical Performance of the Company - EBITDA	Worse	35%
Imminence and/or Certainty of Underlying Asset Liquidation	Similar	29%
Portfolio Diversification of the Underlying Assets	Similar	29%
Relative Risk of the Company's Assets and their Growth Potential	Similar	29%
Secondary Market Trading	Similar	29%
Liquidity of the Subject Interest - restricted stock with no market	Similar	29%
Rights of First Refusal	Similar	29%
Restrictions on the Sale of Subject Interest - Restricted	Similar	29%
Number of Shareholders	Better	18%
Availability of Information Regarding the Company	Similar	29%
The Type & Quality of the Underlying Assets	Similar	29%
Analytical Complexity of Structure	Similar	29%
Pending Litigation	Similar	29%
Goodwill	Similar	29%
	Mean Discount	28.51%
	Selected Discount	**28.50%**

Vantex Biotechnology Co.
Schedule 14

Quantitative Methodology - Discount For Lack of Marketability
Black-Scholes Option Model - Call Option Valuation

S=	$ 15,095,000	CURRENT VALUE
E=	$ 15,095,000	EXERCISE PRICE (STRIKE PRICE)
T=	5.00	TIME TO LIQUIDATION - IN YEARS
D_1=	0.43092	$\frac{Ln(S/E) +(R +.5Q\text{^}2)T}{Q*T\text{^}2}$
D_2=	(0.35170)	D_1 - Q*T^2
Ln=		NATURAL LOGARITHM
R=	0.62%	RISK FREE RATE OVER TERM OF OPTION - September 30, 2012
e=	2.7183	BASE OF NATURAL LOGARITHMS
Q=	35.0%	ANNUAL STANDARD DEVIATION OF RETURN (VOLATILITY)
N( )=		VALUE OF CUMULATIVE NORMAL DISTRIBUTION AT THE POINT ( )
	0.66674	= NORMAL DISTRIBUTION OF D_1
	0.36253	= NORMAL DISTRIBUTION OF D_2

CALL OPTION
$S * N(D_1) - Ee^{-RT} * N(D_2)$

$\boxed{\textbf{\$ 4,759,039}}$ VALUE OF CALL OPTION

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Vantex Biotechnology Co.
Schedule 15

Quantitative Methodology - Discount For Lack of Marketability
Black-Scholes Option Model - Put Option Valuation

This analysis utilizes "Put - Call" Parity Computations

Put - Call Parity Relationship
P(t) = C(t) - S(t) + X(1+r) -R(T-t)

P(t)	the current value of the put option
C(t)	the current value of the call option
S(t)	the current value of the stock
X	the strike price
r	the risk free rate
T-t	the term of the option - the difference between the expiration date and the current date

C(t)	$	4,759,039
S(t)	$	15,095,000
X	$	15,095,000
r		0.62%
T-t		5

$ 4,756,147	Current Value of the Put Option
31.5%	Cost of the Put Option as a Percentage of Equity Value

Conclusion of Value

Discounted Cash Flow Approach	$	14,205,570	
Market Approach - Business Transaction Method	$	14,137,040	
Estimated Fair Market Value of Operating Equity	$	14,171,305	(a)
Plus: Investment in China manufacturing assets	$	480,250	(d)
Plus: Receivable	$	405,352	(e)
Plus: Security Deposits, Loan & Exchange	$	37,115	(e)
		15,094,022	
Rounded	**$**	**15,095,000**	

Total Common Shares	21,700,000	0.696	
Less: Discount for Lack of Control		(0.090)	(b)
Minority Marketable Per Share Value		0.605	
Less: Discount for Lack of Marketability		(0.182)	(c)
Minority Non-Marketable Fair Market Value		0.424	
Fair Market Value Conclusion		**0.42**	

(a) Equal emphasis was placed on the Discounted Cash Flow Approach and the Business Transaction Method

(b) The discount for lack of control was computed to be 13% in schedule 12.

(c) The discount for lack of marketability was 28.5% using the market data in schedule 13 and 31.5% using the put option analysis in schedule 15. We concluded a 30% discount for lack of marketability.

(d) Company management has provided an estimate of fair market value for the China Investment

(e) We considered this to be an excess non-operating assets that was added to the value of the operating business value

ıtex International Holding Ltd.	7,427,556	73.5893%	7,427,556	34.2284%
Chung-Chieh	508,536	5.0384%	508,536	2.3435%
ang Chun-Ping	608,503	6.0288%	608,503	2.8042%
ıg Sin-Lin	498,667	4.9406%	498,667	2.2980%
ɔ, Yu-Lin	150,000	1.4861%	150,000	0.6912%
Amy	-	0.0000%	2,321,348	10.6975%
Vincent	-	0.0000%	2,321,347	10.6975%
ıng, Rosemary	-	0.0000%	1,347,609	6.2102%
Duke	-	0.0000%	2,321,348	10.6975%
Druce	-	0.0000%	2,321,348	10.6975%
ıng, Mike	-	0.0000%	973,738	4.4873%
rnal Health Group Ltd.	900,000	8.9168%	900,000	4.1475%
	10,093,262	100.0000%	21,700,000	100.0000%

Escrow VIVA!

Viva Escrow! Inc.
2549 Huntington Drive, Suite 103 • San Marino, CA 91108
☎ (626) 584-9999 • Fax: (626) 584-9939

Escrow No. 26668C
Reference [redacted]

Closing Date: June 16, 2003
Page 1 /ef

Buyer
CLOSING STATEMENT

BUYER:
DUKE FU
AMY FU
[redacted]

	- - DEBITS - -	- - CREDITS - -
Consideration:		
Total Consideration	1,329,500.00	
Deposits:		
Deposit		
By: WENDY FU		39,995.00
Deposit		
By: AMY FU		299,122.84
Existing & New Encumbrances:		
New Encumbrance		997,125.00
Bank of America, N.A.		
MN2-508-01-03		
Prorations:		
2nd half taxes 2002-2003	625.83	
at $ 7509.98 per 6 months		
From 06/16/03 to 07/01/03		
New Loan Charges:		
Re: Bank of America, N.A.		
MN2-508-01-03		
Interest @ $136.59/day	2,048.85	
From 06/16/03 To 07/01/03		
Appraisal Fee **	600.00	
Lender Premium Pricing credit		5,085.34
Application Fee	200.00	
Disbursements Paid:		
Fire Insurance	2,303.50	
pd to: Sarah Yiga Insurance Services		
Earthquake Insurance	1,506.00	
pd to: Sarah Yiga Insurance Services		
Messenger Fee	50.00	
pd to: Viva Escrow! Inc.		
Notary	80.00	
pd to: Jacqueline Cheou		
Title Charges:		
Lender's Title Policy	944.65	
Sub-Title Fee	37.50	
Record Grant Deed	14.00	
Record Trust Deed	60.00	
Escrow Fees:		
Escrow Fees	2,254.00	
Deed(s) /Document Preparation	100.00	
New Loan Tie-In Fee	175.00	
Check Herewith	$ 828.85	
Totals	$ 1,341,328.18	$ 1,341,328.18

(Continued on page 2)

Escrow
ViVA!

Viva Escrow! Inc.
2549 Huntington Drive, Suite 103 • San Marino, CA 91108
☎ (626) 584-9999 • Fax: (626) 584-9939

Escrow No. 26668C
Reference: [redacted]

Closing Date: June 16, 2003

Buyer
CLOSING STATEMENT

BUYER:
DUKE FU
[redacted]

	- - DEBITS - -	- - CREDITS - -

SAVE FOR INCOME TAX PURPOSES

Form approved OMB No. 2502-0265

A.	B. TYPE OF LOAN
Final SETTLEMENT STATEMENT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	1. [ ]FHA 2. [ ]FMHA 3. [X]CONV. UNINS. 4. [ ]VA 5. [ ]CONV. INS. 6. File Number: (Escrow) 26668C /ef 7. Loan Number: 6464087516 8. Mortgage Insurance Case Number:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c)" were paid outside the closing: they are shown here for information purposes and are not included in the totals.

D. NAME OF BORROWER: DUKE FU, AMY FU
[redacted]

E. NAME OF SELLER: STEVEN ELLIS, CHUN LEI
[redacted]

F. NAME OF LENDER:	G. PROPERTY LOCATION:
Bank of America, N.A. MN2-508-01-03 8300 Norman Center Dr. #1000 Bloomington, MN 55437-1091	[redacted]

H. SETTLEMENT AGENT: Viva Escrow! Inc. [redacted]	I. SETTLEMENT DATE: June 16, 2003

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. Gross Amount Due From Borrower:		400. Gross Amount Due To Seller:	
101. Contract sales price	1,329,500.00	401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	10,373.50	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		*Adjustments for items paid by seller in advance*	
106. City/town taxes		406. City/town taxes	
107. County taxes 06/16/03-07/01/03	625.83	407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
117.		417.	
118.		418.	
120. Gross Amount Due From Borrower	1,340,499.33	420. Gross Amount Due To Seller:	
200. Amounts Paid by or in Behalf of Borrower		500. Reductions In Amount Due From Seller:	
201. Deposit or earnest money	* 339,117.84	501. Excess deposit (see instructions)	
202. Principal amount of new loan Bank of America, N.A.	997,125.00	502. Settlement charges to seller (line 1400)	
		503. Existing loan taken subject to	
203. Existing loan taken subject to			
204. Second mortgage loan		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208. Lender Premium Pricing credi	5,085.34	508.	
209.		509.	
Adjustments for items unpaid by seller		*Adjustments for items unpaid by seller*	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower:	1,341,328.18	520. Total Reduction Amount Due	
300. Cash At Settlement From/To Borrower:		600. Cash At Settlement To/From Seller:	
301. Gross amount due from borrower (line 120)	1,340,499.33	601. Gross amount due to seller (line 420)	
302. Less amount paid by borrower (line 220)	1,341,328.18	602. Less reductions in amount due seller(#520)	
303. CASH (FROM) (X TO) BORROWER	828.85	603. CASH (TO) (FROM) SELLER	

* REFER TO ATTACHED DETAIL STATEMENTS Borrower's

al -2- row No: 26668C

SECTION L	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION Based on price $ Division of Commission (Line 700) as follows:		
701. $ to		
702. $ to		
703. Commission Paid at settlement		
704.		
705.		
706.		
800. ITEMS PAYABLE IN CONNECTION WITH LOAN		
801. Loan Origination Fee		
802. Loan Discount		
803. Appraisal Fee Bank of America, N.A.	600.00	
804. Credit Report		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808. Application Fee to Bank of America, N.A.	200.00	
809.		
810.		
811.		
812.		
813.		
814.		
815.		
816.		
817.		
818.		
819.		
820.		
821.		
822.		
823.		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		
901. Interest from 06/16/03 To 07/01/03 @ $ 136.59 /day	2,048.85	
902. Mortgage Insurance Premium		
903. Hazard Insurance Premium to Sarah Yiga Insurance Services	2,303.50	
904. Flood Insurance Premium to		
905.		
906.		
907.		
1000. RESERVES DEPOSITED WITH LENDER FOR		
1001. Hazard Insurance months @ $ per month		
1002. Mortgage Insurance months @ $ per month		
1003. City property taxes months @ $ per month		
1004. County property taxes months @ $ per month		
1005. Annual assessments months @ $ per month		
1006. Flood Insurance months @ $ per month		
1007. months @ $ per month		
1100. TITLE CHARGES		
1101. Settlement or closing fee to Viva Escrow! Inc.	2,254.00	
	275.00	
1102. Abstract or closing fee to		
1103. Title examination to		
1104. Title Insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
1108. Title Insurance to Fidelity Title (Long Beach)	944.65	
1109. Lender's coverage $ 997125.00/ 944.65		
1110. Owner's coverage $		
1111.		
1112. Sub-Title Fee	37.50	
1113.		
1114.		
1115.		
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES		
1201. Recording fees: Deed $ 14.00 ;Mortgage $ 60.00 ;Releases $	74.00	
1202. City/county tax/stamps: Deed $;Mortgage $		
1203. State tax/stamps: Deed $;Mortgage $		
1204.		
1205.		
1206.		
1207.		
1300. ADDITIONAL SETTLEMENT CHARGES		
1301. Survey to		
1302. Pest Inspection to		
1303.		
1304. Earthquake Insurance To Sarah Yiga Insurance Services	1,506.00	
1305. Messenger Fee To Viva Escrow! Inc.	50.00	
1306. Notary To Jacqueline Cheou	80.00	
1307.		
1308.		
1309.		
1310.		
1311.		
1312.		
1313.		
1314.		
1315.		
1316.		
1317.		
1318.		
1319.		
1320.		
1321. Funds held for:		
1400. TOTAL SETTLEMENT CHARGES (Enter on lines 103, Section J and 502, Sections K)	10,373.50	

* REFER TO ATTACHED DETAIL STATEMENTS Borrower's

Final

SETTLEMENT STATEMENT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ATTACHMENT

PAGE: 1

'ILE NUMBER (ESCROW): 26668C /ef

SETTLEMENT DATE: 06/16/03

3ORROWER(S)	SELLERS(S)
)UKE FU	STEVEN ELLIS
\MY FU	CHUN LEI

.ENDER: Bank of America, N.A. MN2-508-01-03
'ROPERTY LOCATED AT: 1203 S. 1ST. STREET
Arcadia, CA 91006

- PAGE 1 -

'. SUMMARY OF BORROWER'S TRANSACTION

.07. COUNTY TAXES		$	**625.83**
2nd half taxes 2002-2003	625.83		
at $ 7509.98 per 6 months			
From 06/16/03 To 07/01/03			
:01. DEPOSIT OR EARNEST MONEY		$	**339,117.84**
Deposit	39,995.00		
Deposit	299,122.84		

- PAGE 2 -		PAID FROM BORROWER'S FUNDS	PAID FROM SELLER'S FUNDS
	$	**275.00**	
Deed(s) /Document Preparation		100.00	
New Loan Tie-In Fee		175.00	

FIDELITY NATIONAL TITLE AGENCY OF NEVADA, INC.

6180 Brent Thurman Way, Suite 160, Las Vegas, NV 89148

Phone: (702) 822-8160 Fax: (702) 942-8104

Buyers/Borrowers Settlement Statement

Estimated

Escrow No: 00076410 - 013 PW **Close Date:** 03/26/2018 **Proration Date:** 03/26/2018 **Disbursement Date:**

Buyer(s)/Borrower(s): Amy Fu

Lender: Cash Sale **Loan #:**

Property: [redacted]

Brief Legal:

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration	415,000.00	
earnest money deposit		5,000.00
NEW AND EXISTING ENCUMBRANCES:		
New Loan from Cash Sale		
ADDITIONAL CHARGES:		
Sewer 4/1 to 6/30 to Clark County Water Reclamation	64.80	
Selling Broker Transaction Fee to Realty One Group	800.00	
Home Warranty Premium to American Home Shield	50.00	
HOA Dues to Countryside HOA	87.00	
PRORATIONS AND ADJUSTMENTS:		
County Taxes from 3/26/2018 to 7/19/2018 based on the Quarterly amount of $573.15	719.62	
Sewer from 3/26/2018 to 4/1/2018 based on the Quarterly amount of $64.80	3.60	
HOA from 3/26/2018 to 4/1/2018 based on the Quarterly amount of $87.00	4.83	
ESCROW CHARGES:		
Escrow Fee to Fidelity National Title Agency of Nevada, Inc.	480.00	
TITLE CHARGES:		
E-Record to Fidelity National Title Agency of Nevada, Inc.	9.00	
Inspection Fee to Fidelity National Title Agency of Nevada, Inc.	100.00	
RECORDING FEES:		
Recording Fees to Fidelity National Title Agency of Nevada, Inc.	60.00	
Sub Totals	417,378.85	5,000.00
Balance Due From Buyer /Borrower		412,378.85
Totals	417,378.85	417,378.85

It is agreed by the undersigned that the foregoing statement may change if a change in the escrow closing occurs or if other unforeseen contingencies arise. In the event changes in the statement become necessary, you are nevertheless authorized to close this escrow. It is understood that we will receive a final statement of account if the above totals are changed.

Bruce Elfant
Assessor And Collector
of Taxes
Travis County Tax Office
5501 Airport Blvd.
Austin, TX 78751-1410

P. O. Box 149328
Austin, TX 78714-9328
(512) 854-9473 voice
(512) 854-9235 fax

TRAVIS COUNTY TAX STATEMENT

1 TAX YEAR	2 BASE TAX DUE	3 PENALTY AND INTEREST DUE	4 ATTORNEY FEES DUE	5 TOTAL DUE

TOTAL BASE TAXES, PENALTY, INTEREST & ATT[redacted]RNEY FEES DUE:	6 0.00
TOTAL OTHER FEES DUE:	7 0.00
TOTAL AMOUNT DUE FOR ALL YEARS:	8 0.00

PRINT DATE: 09/11/2018 PRINT TIME: 18:35:49

OHANA TRUST THE

[redacted]

9 PROPERTY LOCATION ADDRESS

[redacted]

10 LEGAL DESCRIPTION

[redacted]

11 BILLING NO.	12 PROPERTY TYPE REAL	PERSONAL
824163	X	

13 PARCEL NUMBER

[redacted]

Click to Change Address

PRINT

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

0003-00583
SA001338

Bruce Elfant
Assessor And Collector
of Taxes
Travis County Tax Office
5501 Airport Blvd.
Austin, TX 78751-1410

P. O. Box 149328
Austin, TX 78714-9328
(512) 854-9473 voice
(512) 854-9235 fax

TRAVIS COUNTY TAX STATEMENT

1 TAX YEAR	2 BASE TAX DUE	3 PENALTY AND INTEREST DUE	4 ATTORNEY FEES DUE	5 TOTAL DUE
TOTAL BASE TAXES, PENALTY, INTEREST & ATTORNEY FEES DUE:				6 0.00
TOTAL OTHER FEES DUE:				7 0.00
TOTAL AMOUNT DUE FOR ALL YEARS:				8 0.00

PRINT DATE: 09/11/2018 PRINT TIME: 18:35:49

[redacted]

9 PROPERTY LOCATION ADDRESS
[redacted]

10 LEGAL DESCRIPTION
[redacted]

11 BILLING NO.	12 PROPERTY TYPE REAL	PERSONAL
824163	X	

13 PARCEL NUMBER
[redacted]

Click to Change Address

PRINT

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

FOLD, CREASE AND TEAR OFF THIS STUB AT THIS PERF

Laura B. Fitzpatrick
Clark County Treasurer
500 S Grand Central Pkwy
P O Box 551220
Las Vegas NV 89155-1220

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
CLARK COUNTY
84321

Real Property Tax Information Enclosed

0231897 01 AV 0.375 **AUTO T4 0 0512 89074-532517 -C01-1
178-07-710-001
GRAPPO ANTHONY
[redacted]

Note: Your tax bill has been requested by a mortgage company.

You need a bill if:

- Mortgage company <u>does not</u> make your tax payments
- Refinanced and now pay your own taxes
- Paid off your mortgage

Request a bill immediately by calling (702) 455-4323; select option 3 from the main menu.

Failure to receive an individual tax bill does not excuse the taxpayer from the timely payment of taxes.

For more information and to check the status of your taxes, visit www.clarkcountynv.gov/treasurer

0517-01-00-0231897-0001-0232460

THEN FOLD, CREASE AND TEAR THIS STUB ALONG PERFORATION
REMOVE SIDE EDGES FIRST

Office of the County Treasurer
Laura B. Fitzpatrick, Treasurer
500 S Grand Central Pkwy, 1st Floor
P O Box 551220
Las Vegas NV 89155-1220
(702) 455-4323
www.clarkcountynv.gov/treasurer

THIS IS NOT A TAX BILL

Statement of Tax Distribution

Fiscal Year: 2018-2019 (July 1, 2018 - June 30, 2019)

Parcel Number: [redacted] Tax District: 516 Tax Cap %: 4.2%

Property Location: [redacted]

Assessed Valuation	
Land	66,150
Improvements	118,617
Personal Property	
Assessed Value Subject to Cap	184,767
Land Value**	
Improvement Value**	
Personal Property Value**	
Less Exemption Value	
Net Assessed Value	184,767
New Construction Supplemental**	

Not Subject to Cap

Summary	Amount
Taxes as Assessed	5,356.21
Cap Reduction (if applicable)	1,507.16
Net Taxes	3,849.05
Other Charges	
Las Vegas Artesian Basin	1.78
Total Annual Charges	**3,850.83**

Your tax bill has been requested by a mortgage company. If a mortgage company does not make your tax payments, request a bill immediately by calling (702) 455-4323, and selecting option 3 from the main menu.

TAX DISTRIBUTION

Distribution of Tax Dollars by Taxing Entity	Tax Rate	Taxes as Assessed	Cap Reduction	Net Taxes
COUNTY SCHOOL MAINTENANCE & OPERATION	0.7500	1,385.76	388.87	996.89
COUNTY SCHOOL DEBT (BONDS)	0.5534	1,022.50	286.93	735.57
HENDERSON CITY	0.5483	1,013.08	284.29	728.79
CLARK COUNTY GENERAL OPERATING	0.4599	849.74	238.45	611.29
STATE OF NEVADA	0.1700	314.11	88.15	225.96
HENDERSON CITY DEBT	0.1625	300.24	84.25	215.99
ASSISTANCE TO INDIGENT PERSONS	0.1000	184.77	51.85	132.92
HENDERSON CITY LIBRARY	0.0606	111.97	35.54	76.43
CLARK COUNTY CAPITAL	0.0500	92.38	25.92	66.46
CLARK COUNTY FAMILY COURT	0.0192	35.47	9.95	25.52
INDIGENT ACCIDENT FUND	0.0150	27.72	7.78	19.94
STATE COOPERATIVE EXTENSION	0.0100	18.47	5.18	13.29
CLARK COUNTY DEBT	0.0000	0.00	0.00	0.00
TAX DISTRIBUTION	2.8989	5,356.21	1,507.16	3,849.05

0512-01-00-0231897-0001-0232460

For an explanation of each component tax rate visit the Treasurer's website at **www.clarkcountynv.gov/treasurer**

Number
PB2-22

Shares
311,066

square panda

Square Panda Inc

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

This certifies that **Anthony Grappo** is the stockholder of **Three Hundred Eleven Thousand Sixty-Six (311,066)** fully paid and non-assessable shares of Series B-2 Preferred Stock, par value $ 0.01, of Square Panda Inc, hereinafter designated the "Corporation", transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of the certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation and the bylaws of the Corporation, to all of which each holder, by acceptance hereof, assents, and agrees to be bound.

A statement of the rights, preferences, privileges and restrictions granted to or imposed upon each class or series of shares of stock of the Corporation authorized to be issued and upon the holders thereof as established by the Certificate of Incorporation or by any certificate of amendment may be obtained by any stockholder upon request and without charge at the principal office of the Corporation. TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE RESTRICTED. SEE LEGENDS ON REVERSE SIDE.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers, effective as of January 31, 2017

Andrew Butler
Andrew Butler, President

Max Azaham
Max Azaham, Secretary

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5.2.11.2

If the applicant is relying on funds from an owner, officer, board member or any other source, evidence that such person has unconditionally committed such funds to the use of the applicant in the event the Department awards a recreational marijuana establishment license to the applicant.

GREEN THERAPEUTICS

Green Therapeutics LLC

[redacted]

Whereas, Green Therapeutics LLC "Company" and it's members and managers find it in the best interest of the Company to apply for recreational marijuana establishment license in the State of Nevada.

Whereas, the Company intends to use the funds from members and managers to fund the buildout and operation dispensaries in the event the Department awards a recreational marijuana establishment license.

Therefore, I, Duke Fu, unconditionally commit the funds outlined in this Table 5.2.11.1.A to the use of the Company in the event the Department awards a recreational marijuana establishment license to the Company.

Signature

09/15/2018

Date

7250 S. Durango Dr. Suite 130 #178 Las Vegas, NV. 89113 775-372-7505 info@gtnevada.com

www.gtnevada.com

GREEN THERAPEUTICS

Green Therapeutics LLC

[redacted]

Whereas, Green Therapeutics LLC "Company" and it's members and managers find it in the best interest of the Company to apply for recreational marijuana establishment license in the State of Nevada.

Whereas, the Company intends to use the funds from members and managers to fund the buildout and operation dispensaries in the event the Department awards a recreational marijuana establishment license.

Therefore, I, Amy Fu, unconditionally commit the funds outlined in this Table 5.2.11.1.A to the use of the Company in the event the Department awards a recreational marijuana establishment license to the Company.

Signature   09/16/18

Date

GREEN THERAPEUTICS

Green Therapeutics LLC

[redacted]

Whereas, Green Therapeutics LLC "Company" and it's members and managers find it in the best interest of the Company to apply for recreational marijuana establishment license in the State of Nevada.

Whereas, the Company intends to use the funds from members and managers to fund the buildout and operation dispensaries in the event the Department awards a recreational marijuana establishment license.

Therefore, I, Rutt Premsrirutt , unconditionally commit the funds outlined in this Table 5.2.11.1.A to the use of the Company in the event the Department awards a recreational marijuana establishment license to the Company.

Rutt P

Signature

09-15-2018

Date

7250 S. Durango Dr. Suite 130 #178 Las Vegas, NV. 89113 775-372-7505 info@gtnevada.com

www.gtnevada.com

GREEN THERAPEUTICS

Green Therapeutics LLC

[redacted]

Whereas, Green Therapeutics LLC "Company" and it's members and managers find it in the best interest of the Company to apply for recreational marijuana establishment license in the State of Nevada.

Whereas, the Company intends to use the funds from members and managers to fund the buildout and operation dispensaries in the event the Department awards a recreational marijuana establishment license.

Therefore, I, Theron Chow, unconditionally commit the funds outlined in this Table 5.2.11.1.A to the use of the Company in the event the Department awards a recreational marijuana establishment license to the Company.

Theron Chow

Signature

09/16/18

Date

7250 S. Durango Dr. Suite 130 #178 Las Vegas, NV. 89113 775-372-7505 info@gtnevada.com

www.gtnevada.com

GREEN
THERAPEUTICS

Green Therapeutics LLC

[redacted]

Whereas, Green Therapeutics LLC "Company" and it's members and managers find it in the best interest of the Company to apply for recreational marijuana establishment license in the State of Nevada.

Whereas, the Company intends to use the funds from members and managers to fund the buildout and operation dispensaries in the event the Department awards a recreational marijuana establishment license.

Therefore, I, Anthony Grappo , unconditionally commit the funds outlined in this Table 5.2.11.1.A to the use of the Company in the event the Department awards a recreational marijuana establishment license to the Company.

anthony grappo ______________________ 09/17/18 ______________________

Signature Date

Table 5.2.11.1.A				
Liquid				
Person	Type	Source	Account	Amount
[redacted]				
			Total	$19,900,962.14

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5.2.11.3
Proof that the applicant has adequate funds to cover all expenses and costs of the first year of operation.

One year operating expenses and construction for Facility Design A is $2,952,662.36.
One year operating expenses and construction for Facility Design B is $3,165,002.36 per license.
See Exhibit 5.2.11.3.A

Facility Design A	$2,952,662.36
Facility Design B	$15,825,011.80 = $3,165,002.36 * 5 dispensaries
Total	$18,777,674.20

Applicant has $19,900,962 in committed liquid funds as demonstrated in **5.2.11.1** and **5.2.11.2**. Applicant can rely solely on the assets of the owners in order to fund all construction projects. The $6,000,000 in funding from Nutritional High is agreed upon and will be injected in three $2,000,000 dollar payments over the next 6 months. This transaction will occur with or without being awarded licenses by the Department. Without including operating income or illiquid assets, applicant has adequate funding to construct and operate all 6 facilities without any revenue for an entire year. In addition, applicant has $33,496,991 in illiquid assets most of which can be converted to cash within 3 months. The applicant has the ability to have sustain operations without any revenues for over two years.

Exhibit 5.2.11.3.A Financial Summary

	Year 1	Year 2	Year 3	Year 4	Year 5	Trend
Revenues	$ 3,411,298.47	$ 8,449,595.27	$ 8,956,570.99	$ 9,493,965.25	$ 10,063,603.16	
Gross Profit	$ 1,705,649.23	$ 4,224,797.64	$ 4,478,285.49	$ 4,746,982.62	$ 5,031,801.58	
EBITDA	$ 270,496.00	$ 2,731,537.43	$ 3,122,010.07	$ 3,310,830.68	$ 3,510,980.52	
Net Profit	$ 102,448.89	$ 1,392,153.27	$ 1,598,322.82	$ 1,698,020.10	$ 1,803,699.22	
Cash Balance	$ 19,605,411.48	$ 20,143,961.69	$ 20,894,851.90	$ 21,645,742.12	$ 22,396,632.33	

	Pre-Opening Facilty Design A	Pre-Opening Facility Design B
Product	$ 636,506.58	$ 636,506.58
Labor	$ 97,702.60	$ 97,702.60
Construction	$ 262,071.00	$ 438,134.00
FF&E	$ 164,284.00	$ 200,561.00
Facility Expense	$ 81,547.86	$ 81,547.86
Operating Expense	$ 25,771.43	$ 25,771.43
Total	**$ 1,267,883.47**	**$ 1,480,223.47**

	1 Year Operation Facilty Design A	1 Year Operation Facility Design B
Product	$ 1,091,154.13	$ 1,091,154.13
Labor	$ 683,918.23	$ 683,918.23
Construction	$ 262,071.00	$ 438,134.00
FF&E	$ 164,284.00	$ 200,561.00
Facility Expense	$ 570,835.00	$ 570,835.00
Operating Expense	$ 180,400.00	$ 180,400.00
Total	**$ 2,952,662.36**	**$ 3,165,002.36**

Income Statement Projections Pro Forma		2019 (7 Months)	2020 Full Year	2021 Full Year (Assumes 6%+)	2022 Full Year (Assumes 6%+)	2023 Full Year (Assumes 6%+)
Income (After COG)						
General Flower Sales	*(Estimated)*	$ 1,586,650.45	$ 3,930,044.31	$ 4,165,846.97	$ 4,415,797.79	$ 4,680,745.66
General Edible(s) Sales	*(Estimated)*	$ 118,998.78	$ 294,753.32	$ 312,438.52	$ 331,184.83	$ 351,055.92
General Ancillary Sales	*(Estimated)*	$ 29,749.70	$ 73,688.33	$ 78,109.63	$ 82,796.21	$ 87,763.98
Total Sales Net Value (pre expense and tax)	*(Estimated)*	**$ 1,705,649.23**	**$ 4,224,797.64**	**$ 4,478,285.49**	**$ 4,746,982.62**	**$ 5,031,801.58**
Expenses						
Payroll						
Customer Advisors/ Cashier	*(4% Annual Incr)*	$ 129,366.72	$ 179,388.52	$ 190,151.83	$ 201,560.94	$ 213,654.60
Customer Advisors (Opener-Closer)		$ 97,025.04	$ 134,541.39	$ 142,613.87	$ 151,170.70	$ 160,240.95
Shift Managers		$ 59,293.08	$ 82,219.74	$ 87,152.92	$ 92,382.10	$ 97,925.02
Administrative Support		$ 28,748.16	$ 39,864.12	$ 42,255.96	$ 44,791.32	$ 47,478.80
Guards (Armed, Contract)		$ 67,378.50	$ 93,431.52	$ 99,037.41	$ 104,979.66	$ 111,278.44
Dispensary Manager		$ 90,000.00	$ 96,000.00	$ 101,760.00	$ 107,865.60	$ 114,337.54
Dispensary Accountant		$ 60,000.00	$ 62,500.00	$ 66,250.00	$ 70,225.00	$ 74,438.50
Training and Ancillary Hours Pool	*(@10%)*	$ 53,181.15	$ 68,794.53	$ 72,922.20	$ 77,297.53	$ 81,935.38
Incentives, Bonuses	*(@5%)*	$ 26,590.58	$ 34,397.26	$ 36,461.10	$ 38,648.77	$ 40,967.69
PR Taxes (figured at 9.1%)		$ 55,654.07	$ 71,993.47	$ 76,313.08	$ 80,891.87	$ 85,745.38
Miscellaneous Other	*(@2.5%)*	$ 16,680.93	$ 21,578.26	$ 22,872.96	$ 24,245.34	$ 25,700.06
Sub Totals		**$ 683,918.23**	**$ 884,708.81**	**$ 937,791.34**	**$ 994,058.82**	**$ 1,053,702.35**
Startup & Construction Expense		$ 426,355.00	$ 212,340.00			
Facility Expenses						
Base Rents (2160 SF)	*($25 PSF)*	$ 54,000.00	$ 55,620.00	$ 58,957.20	$ 62,494.63	$ 66,244.31
NNN/CAM on Rents (figured at 40%)	*(40% of Base)*	$ 21,600.00	$ 22,248.00	$ 23,582.88	$ 24,997.85	$ 26,497.72
General Supplies and Signage		$ 8,500.00	$ 12,000.00	$ 12,720.00	$ 13,483.20	$ 14,292.19
Child Proof Packaging		$ 7,500.00	$ 39,000.00	$ 41,340.00	$ 43,820.40	$ 46,449.62
Utilities	*($3k per month)*	$ 27,000.00	$ 36,000.00	$ 38,160.00	$ 40,449.60	$ 42,876.58
Communication (telephone/internet)		$ 7,500.00	$ 9,000.00	$ 9,540.00	$ 10,112.40	$ 10,719.14
Maintenance (Dispensary)		$ 4,500.00	$ 6,000.00	$ 6,360.00	$ 6,741.60	$ 7,146.10
Janitorial (Dispensary)		$ 7,000.00	$ 9,000.00	$ 9,540.00	$ 10,112.40	$ 10,719.14
Miscellaneous Other	*(@ 5%)*	$ 6,880.00	$ 9,443.40	$ 10,010.00	$ 10,610.60	$ 11,247.24
Sub Totals		**$ 570,835.00**	**$ 410,651.40**	**$ 210,210.08**	**$ 222,822.69**	**$ 236,192.05**
Other Costs						
Education and Training		$ 50,000.00	$ 25,000.00	$ 26,500.00	$ 28,090.00	$ 29,775.40
Marketing & Advertising	*($2k per month)*	$ 16,000.00	$ 24,000.00	$ 25,440.00	$ 26,966.40	$ 28,584.38
Website, Mobile Apps, Web	*($1k per month)*	$ 8,000.00	$ 12,000.00	$ 12,720.00	$ 13,483.20	$ 14,292.19
Trade Shows & Events		$ 12,000.00	$ 12,000.00	$ 12,720.00	$ 13,483.20	$ 14,292.19
Community Outreach and Charitable		$ 50,000.00	$ 50,000.00	$ 53,000.00	$ 56,180.00	$ 59,550.80
Insurance (property, business)		$ 21,500.00	$ 24,000.00	$ 25,440.00	$ 26,966.40	$ 28,584.38
Office Supplies, Postage, Other		$ 6,000.00	$ 7,500.00	$ 7,950.00	$ 8,427.00	$ 8,932.62
Legal & Accounting		$ 7,500.00	$ 9,000.00	$ 9,540.00	$ 10,112.40	$ 10,719.14
Registration Fees	*State*	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00
Other City/Local Fees		$ 30,000.00	$ 30,000.00	$ 31,800.00	$ 33,708.00	$ 35,730.48
Miscellaneous Other	*(@2.5%)*	$ 4,400.00	$ 4,400.00	$ 4,664.00	$ 4,943.84	$ 5,240.47
Sub Totals		**$ 180,400.00**	**$ 197,900.00**	**$ 208,274.00**	**$ 219,270.44**	**$ 230,926.67**
Total Expenses, All		**$ 1,435,153.23**	**$ 1,493,260.21**	**$ 1,356,275.42**	**$ 1,436,151.95**	**$ 1,520,821.06**
Operating Margin (EBITDA)		**$ 270,496.00**	**$ 2,731,537.43**	**$ 3,122,010.07**	**$ 3,310,830.68**	**$ 3,510,980.52**
State/City Tax	20%	$ 54,099.20	$ 546,307.49	$ 624,402.01	$ 662,166.14	$ 702,196.10
Depreciation	20%	$ 75,906.81	$ 75,906.81	$ 75,906.81	$ 75,906.81	$ 75,906.81
Interest		$ -	$ -	$ -	$ -	$ -
Net Profit before Tax		$ 140,489.99	$ 2,109,323.13	$ 2,421,701.25	$ 2,572,757.73	$ 2,732,877.60
Federal Tax		$ 38,041.10	$ 717,169.86	$ 823,378.42	$ 874,737.63	$ 929,178.38
Net Profit after tax		**$ 102,448.89**	**$ 1,392,153.27**	**$ 1,598,322.82**	**$ 1,698,020.10**	**$ 1,803,699.22**

		January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020
Operating Cash Flows:																
Operating Income																
Operating Income		$0	$0	$0	$0	$0	$0	$0	$20,490	$20,490	$20,490	$20,490	$20,490	$116,013	$116,013	$116,013
Depreciation		$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326
Working Capital Changes		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash flow from operating activities		**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$26,815**	**$26,815**	**$26,815**	**$26,815**	**$26,815**	**$122,338**	**$122,338**	**$122,338**
Less taxes paid		$0	$0	$0	$0	$0	$0	$0	-$9,510	-$9,510	-$9,510	-$9,510	-$9,510	-$59,764	-$59,764	-$59,764
Net cash generated from operations		**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$6,326**	**$17,305**	**$17,305**	**$17,305**	**$17,305**	**$17,305**	**$62,574**	**$62,574**	**$62,574**
Cash flow from investing activities:																
Construction:																
Dispensary		-$43,679	-$43,679	-$43,679	-$43,679	-$43,679	-$43,679	$0	$0	$0	$0	$0	$0	-$58,688	-$58,688	-$58,688
Startup and Equipment:																
Dispensary		-$23,469	-$23,469	-$23,469	-$23,469	-$23,469	-$23,469	-$23,469	$0	$0	$0	$0	$0	-$12,092	-$12,092	-$12,092
Net cash flow investing activities		**-$67,148**	**-$67,148**	**-$67,148**	**-$67,148**	**-$67,148**	**-$67,148**	**-$23,469**	**$0**	**$0**	**$0**	**$0**	**$0**	**-$70,780**	**-$70,780**	**-$70,780**
Cash flow from financing activities:																
Equity Capital:																
Duke	$ 8,951,048	$8,951,048	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Amy	$ 2,762,690	$2,762,690	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Michael	$ -	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Rutt	$ 296,550	$296,550	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Theron	$ 382,587	$382,587	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Tony	$ 1,508,086	$1,508,086	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Angie	$ -	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Line of Credit	$ 6,000,000	$2,000,000	$0	$0	$2,000,000	$0	$0	$2,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Dividend payments																
Raising of Long-term Debt																
Long-term Debt Repayment						$0										
Net cash flow from financing activities	**$ 19,900,962**	**$15,900,962**	**$0**	**$0**	**$2,000,000**	**$0**	**$0**	**$2,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Opening Cash Balance		$0	$15,840,140	$15,779,318	$15,718,496	$17,657,674	$17,596,852	$17,536,030	$19,518,886	$19,536,191	$19,553,496	$19,570,801	$19,588,106	$19,605,411	$19,597,206	$19,589,000
Net change in cash		$15,840,140	-$60,822	-$60,822	$1,939,178	-$60,822	-$60,822	$1,982,856	$17,305	$17,305	$17,305	$17,305	$17,305	-$8,206	-$8,206	-$8,206
Closing Cash Balance		**$15,840,140**	**$15,779,318**	**$15,718,496**	**$17,657,674**	**$17,596,852**	**$17,536,030**	**$19,518,886**	**$19,536,191**	**$19,553,496**	**$19,570,801**	**$19,588,106**	**$19,605,411**	**$19,597,206**	**$19,589,000**	**$19,580,794**

April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	Year 1 Q1	Year 1 Q2	Year 1 Q3	Year 1 Q4	Year 2 Q1	Year 2 Q2	Year 2 Q3	Year 2 Q4	Year 1	Year 2
$116,013	$116,013	$116,013	$116,013	$116,013	$116,013	$116,013	$116,013	$116,013	$0	$0	$40,980	$61,469	$348,038	$348,038	$348,038	$348,038	$102,449	$1,392,153
$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$6,326	$18,977	$18,977	$18,977	$18,977	$18,977	$18,977	$18,977	$18,977	$75,907	$75,907
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$122,338	**$122,338**	**$122,338**	**$122,338**	**$122,338**	**$122,338**	**$122,338**	**$122,338**	**$122,338**	**$18,977**	**$18,977**	**$59,956**	**$80,446**	**$367,015**	**$367,015**	**$367,015**	**$367,015**	**$178,356**	**$1,468,060**
-$59,764	-$59,764	-$59,764	-$59,764	-$59,764	-$59,764	-$59,764	-$59,764	-$59,764	$0	$0	-$19,021	-$28,531	-$179,292	-$179,292	-$179,292	-$179,292	-$47,551	-$717,170
$62,574	**$62,574**	**$62,574**	**$62,574**	**$62,574**	**$62,574**	**$62,574**	**$62,574**	**$62,574**	**$18,977**	**$18,977**	**$40,936**	**$51,915**	**$187,723**	**$187,723**	**$187,723**	**$187,723**	**$130,804**	**$750,890**
$0	$0	$0	$0	$0	$0	$0	$0	$0	-$131,036	-$131,036	$0	$0	-$176,063	$0	$0	$0	-$262,071	-$176,063
$0	$0	$0	$0	$0	$0	$0	$0	$0	-$70,407	-$70,407	-$23,469	$0	-$36,277	$0	$0	$0	-$164,284	-$36,277
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**-$201,443**	**-$201,443**	**-$23,469**	**$0**	**-$212,340**	**$0**	**$0**	**$0**	**-$426,355**	**-$212,340**
$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,951,048	$0	$0	$0	$0	$0	$0	$0	$8,951,048	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,762,690	$0	$0	$0	$0	$0	$0	$0	$2,762,690	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$296,550	$0	$0	$0	$0	$0	$0	$0	$296,550	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$382,587	$0	$0	$0	$0	$0	$0	$0	$382,587	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,508,086	$0	$0	$0	$0	$0	$0	$0	$1,508,086	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000,000	$2,000,000	$2,000,000	$0	$0	$0	$0	$0	$6,000,000	$0
									$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
									$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
									$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$0	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$15,900,962**	**$2,000,000**	**$2,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$19,900,962**	**$0**
$19,580,794	$19,643,368	$19,705,942	$19,768,517	$19,831,091	$19,893,665	$19,956,239	$20,018,813	$20,081,388	$0	$15,718,496	$17,536,030	$19,553,496	$19,605,411	$19,580,794	$19,768,517	$19,956,239	$0	$19,605,411
$62,574	$62,574	$62,574	$62,574	$62,574	$62,574	$62,574	$62,574	$62,574	$15,718,496	$1,817,534	$2,017,467	$51,915	-$24,617	$187,723	$187,723	$187,723	$19,605,411	$538,550
$19,643,368	**$19,705,942**	**$19,768,517**	**$19,831,091**	**$19,893,665**	**$19,956,239**	**$20,018,813**	**$20,081,388**	**$20,143,962**	**$15,718,496**	**$17,536,030**	**$19,553,496**	**$19,605,411**	**$19,580,794**	**$19,768,517**	**$19,956,239**	**$20,143,962**	**$19,605,411**	**$20,143,962**

e	Opene	6:00 AM	7:00 AM	8:00 AM	9:00 AM	10:00 AM	11:00 AM	Noon	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM	7:00 PM	8:00 PM	9:00 PM	Closer	Wkly	Rate Range	Average	Weekly
				8:30 AM to 5: 30 PM (1 hour meal break)															60	$12 - $22	$18.00	$ 1,080.0
				8:30 AM to 5: 30 PM (1 hour meal break)															60	$10 - $20	$16.00	$ 960.0
				8:30 AM to 5: 30 PM (1 hour meal break)															60	$10 - $20	$16.00	$ 960.0
							11:30 AM to 8:30 PM (1 hour meal break)												60	$10 - $20	$16.00	$ 960.0
				8:30 AM to 5: 30 PM (1 hour meal break)															60	$10 - $20	$16.00	$ 960.0
							11:30 AM to 8:30 PM (1 hour meal break)												60	$12 - $22	$18.00	$ 1,080.0
					9:00 AM to 7:00 PM (1 hour meal break)														60	$15 - $25	$22.00	$ 1,320.0
					9:00 AM to 7:00 PM (1 hour meal break)														40	$10 - $20	$16.00	$ 640.0
																			460	**TOTALS**		**$ 7,960.0**
		24 Hours																	60	$22-$30	$25.00	$ 1,500.0
																			60	**TOTALS**		**$ 1,500.0**
																				GRAND		**$ 9,460.0**

perating Pro Forma - FY 2019		January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	To 20
ion	2,998,000			1.3-1.9g 21x month 13.3oz / year										
lation	1,005,212													
ation Draw	2,291,724													
n Available	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	3,296,936	
pulation (city)		65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	65,938.72	
ion Factor		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	
ts		-	-	-	-	-	-	-	1,319	1,319	1,319	1,319	1,319	
1 Pound of Cannabis	*(Estimate Only)*	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	
t of 1 Pound of Cannabis	*(Estimate Only)*	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	
Value per Pound	*(Estimate Only)*	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	
Value per Ounce	*(Divide by 16 Oz)*	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	
ces per Month Purchase	*(2X 2 - 2 wk)*	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
enue per Month Purchase	*(Estimate Only)*	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	
enues Per Month	*(Estimate Only)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,153,927.60	$ 1,153,927.60	$ 1,153,927.60	$ 1,153,927.60	$ 1,153,927.60	$ 5,769
month	***(Estimate Only)***	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 317,330.09**	**$ 317,330.09**	**$ 317,330.09**	**$ 317,330.09**	**$ 317,330.09**	**$ 1,586**
uct Needed (+10%)	*(Estimate Only)*	-	-	-	-	-	-	-	99.73	99.73	99.73	99.73	99.73	
ilar Products for Resale	*(@15% of Flower)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,599.51	$ 47,599.51	$ 47,599.51	$ 47,599.51	$ 47,599.51	$ 237
ods Sold	*(@ - 50%)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,799.76	$ 23,799.76	$ 23,799.76	$ 23,799.76	$ 23,799.76	$ 118
	(Estimate Only)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 23,799.76**	**$ 23,799.76**	**$ 23,799.76**	**$ 23,799.76**	**$ 23,799.76**	**$ 118**
laneous Marketing	*(@5% of Flower)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,899.88	$ 11,899.88	$ 11,899.88	$ 11,899.88	$ 11,899.88	$ 59
ods Sold	*(@ - 50%)*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,949.94	$ 5,949.94	$ 5,949.94	$ 5,949.94	$ 5,949.94	$ 29
	(Estimate Only)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,949.94**	**$ 5,949.94**	**$ 5,949.94**	**$ 5,949.94**	**$ 5,949.94**	**$ 29**
me Projection	***(Estimate Only)***	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 347,079.79**	**$ 347,079.79**	**$ 347,079.79**	**$ 347,079.79**	**$ 347,079.79**	**$ 1,735**
timate - Flower							-	-	6,347	6,347	6,347	6,347	6,347	
timate - Other							-	-	595	595	595	595	595	

ing Pro Forma - FY 2020			January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020
3% Increase)		3,087,940												
n (3% Increase)		1,035,368												
Draw (3% Increase)		2,360,476												
ailable		3,395,844	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636	3,402,636
'actor			0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
			1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361	1,361
und of Cannabis	*(Estimate Only)*		$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00	$ 6,500.00
Pound of Cannabis	*(Estimate Only)*		$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)	$ (3,000.00)
e per Pound	*(Estimate Only)*		$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00	$ 3,500.00
e per Ounce	*(Divide by 16 Oz)*		$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75	$ 218.75
er Month Purchase	*(2 X 2 - 2 wk)*		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
per Month Purchase	*(Estimate Only)*		$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00	$ 875.00
Per Month	*(Estimate Only)*		$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52	$ 1,190,922.52
nth	***(Estimate Only)***		**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**	**$ 327,503.69**
Jeeded (+10%)	*(Estimate Only)*		102.93	102.93	102.93	102.93	102.93	102.93	102.93	102.93	102.93	102.93	102.93	102.93
Products for Resale	*(@15% of Flower)*		$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55	$ 49,125.55
Sold	*(@ - 50%)*		$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78	$ 24,562.78
	(Estimate Only)		**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**	**$ 24,562.78**
ous Marketing	*(@5% of Flower*		$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39	$ 12,281.39
Sold	*(@ - 50%)*		$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69	$ 6,140.69
	(Estimate Only)		**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**	**$ 6,140.69**
Projection	***(Estimate Only)***		**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**	**$ 358,207.16**
e - Flower			6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550
e - Other			614	614	614	614	614	614	614	614	614	614	614	614

Construction and FF&E

Company A

Proposed Project Budget	Facility Design A Phase 1	Facility Design A Phase 2	Facility Design B
Construction			
[redacted]			
Subtotal	**$ 262,071**	**$ 176,063**	**$ 438,134**
Equipment			
[redacted]			
Subtotal	**$ 164,284**	**$ 36,277**	**$ 200,561**
Total	**$ 426,355**	**$ 212,340**	**$ 638,695**

Attachment E Proposed Establishment Property Address

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.

Name of Individual or Entity Applying for a Marijuana Establishment License:
Green Therapeutics LLC

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):
[redacted]

City:	County:	State:	Zip Code:
[redacted]	[redacted]	[redacted]	[redacted]

Legal Description of the Property:
THAT PORTION OF THE SOUTHWEST QUARTER (SW1/4), OF THE SOUTHEAST QUARTER (SE1/4), OF SECTION 27. TOWNSHIP 19 SOUTH, RANGE 60 EAST. M.D.M CITY OF LAS VEGAS, CLARK COUNTY, NEVADA: PT SE4 SE4 SEC 27 19 60
Beginning at the Northeast corner of Lot One (1) as shown in File 102, page, 29, of Parcel Maps.

Ohana Realty Group
2620 Regatta Drive #211 Las Vegas, NV. 89128
Phone: 702-604-8095 Facsimile: 702-866-9750
Email: michael@ohanarealtylv.com OR michaelsumiyoshi@yahoo.com

Letter of Intent to Purchase

September 14, 2018

Ron McMenamey
Ron McMenamey Investment Services
[redacted]

RE: Letter of Intent to Purchase approximately 1.78 acers of fee simple land with CP Commercial Professional Zoning. [redacted]

Dear Ron McMenamey

Please review below terms and conditions under which Dr. Duke Fu, and or Assignee/Nominee ("Buyer") is presenting the basic terms and conditions of Purchase Sale Agreement and Joint Escrow Instruction.

The terms are as follows:

Description of Property:	Approximately 1.78 acers of fee simple land with CP Commercial Professional Office Zoning. APN: 125-27-802-018
Buyer:	Dr. Duke Fu and or Assignee/Nominee
Seller:	Trimmer Family LLC
Purchase Price:	Nine Hundred Seventy Thousand Dollars ($970,000) cash.
Seller's Responsibility:	Seller shall fully cooperate with any of the Buyers licensing required documentations.
Close of Escrow:	14 Days after the expiration of the Due Diligence period.
Due Diligence:	45 Days to evaluate the feasibility of the location being suitable for its partial use. To conduct possible Surveys, Appraisals and any other required reports and studies. Buyer shall be allowed access to have its Architect, Contractors, Engineers and any other Vendor for designing of Buyer Improvement plans. Buyer agrees to hold Seller harmless for any liability upon accessing property and will repair any and all damages from any inspections.
Hazardous Waste Disclosure:	Seller agrees to disclose to Broker and prospective Buyer any and all information regarding the present and future zoning, environmental matters affecting the property and regarding the

	condition of the property, including but limited to soil conditions, the present and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances and underground storage tanks in, on or about the property. Broker is authorized to disclose any such information to prospective Buyer.
Contingency of Sale:	Buyer intends to partially use this property for a medical marijuana dispensary as defined in SB374 and NRS 453a, and as defined by any future Nevada State law concerning marijuana establishment as defined in SB 374 and NRS 453a, and as defined by any future Nevada State law. Seller agrees to execute an affidavit that Seller is aware of the Buyer's use of the property for submittal to the State of Nevada with Buyer's application for a marijuana establishment registration certificate. Contingent on the issuance of the Medical Marijuana Establishment certificate License from the City of Las Vegas and the State of Nevada.
Brokers Fees:	Seller/Seller agrees to pay Sellers Broker, Ron McMenamey Investment Services, Ron McMenamy and Buyers Broker, Michael Sumiyoshi, of Ohana Realty Group, a Commission of 10% of the total Sale price, to be split 50%/50% between brokers.
Earnest Deposits:	Buyer to place $20,000 Earnest Deposit at the execution of the Purchase Agreement and opening of Escrow. Upon the expiration of the Due diligence period the Buyer shall deposit an additional $10,000 earnest deposit. This $30,000 shall become non-refundable and applicable to the Buyers down payment. For each additional month thereafter the Buyer shall pay an additional $10,000 until licensing for its business use is obtained. All deposits shall be Non-refundable and Applicable to the Buyers down payment. If the Buyer does not obtain its licensing all deposits are non-refundable to the Buyer and the Seller will retain as full damages for not successfully closing this sale transaction.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer or his Broker in writing on or before 5:00 pm, September 17, 2018.
This Proposal binds neither the Seller nor the Buyer; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

Buyer: Dr. Duke Fu	9/14/18 Date
Seller: Trimmer Family LLC	Date

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
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Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.

Name of Individual or Entity Applying for a Marijuana Establishment License:
Green Therapeutics LLC

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):
[redacted]

City:	County:	State:	Zip Code:
[redacted]	[redacted]	[redacted]	[redacted]

Legal Description of the Property:
[redacted]

Ohana Realty Group
2620 Regatta Drive #211 Las Vegas, NV. 89128
Phone: 702-604-8095 Facsimile: 702-866-9750
Email: michael@ohanarealtylv.com OR michaelsumiyoshi@yahoo.com

Letter of Intent to Purchase

September 16, 2018

ROI Commercial Real Estate, Inc.
[redacted]

RE: Letter of Intent to Purchase Lot C11, approximately 0.97 acres of fee simple land at [redacted]

Dear Dan Adamson,

Please review below terms and conditions under which Dr. Duke Fu, and or Assignee/Nominee ("Buyer") is presenting the basic terms and conditions of a Purchase Sale Agreement and Joint Escrow Instruction.

This Proposal terms are as follows:

Description of Property:	[redacted]
Buyer:	Dr. Duke Fu and or Assignee/Nominee
Seller:	To be Determined.
Purchase Price:	To be determined as not disclosed on marketing package. We were advised price to be between $900,000 and $1,300,000. This LOI is subject to both parties mutually agreeing to the Sale price.
Contingency of Sale:	Buyer intends to partially use this property for a Medical and recreational marijuana dispensary as defined in SB374 and NRS 453a, and as defined by any future Nevada State law concerning marijuana specifically Buyer intends to use this facility as a cultivation and processing establishment as defined in SB 374 and NRS 453a, and as defined by any

	future Nevada State law. Seller agrees to execute an affidavit that Seller is aware of the Buyer's use of the property for submittal to the State of Nevada with Buyer's application for a marijuana establishment registration certificate. Contingent on the issuance of the Medical Marijuana Establishment certificate License from the City of North Las Vegas and the State of Nevada.
Seller's Responsibility:	Seller shall fully cooperate with Buyers licensing required documentations.
Close of Escrow:	14 Days after Buyer obtaining approval for the appropriate licensing.
Due Diligence:	60 Days to evaluate the feasibility of the location being suitable for its use. To conduct possible EPA Reports, Surveys, Geological Report and any other required reports and studies. Buyer shall be allowed access to have its Architect, Contractors, Engineers and any other Vendor for designing of Buyer Improvement plans. Buyer agrees to hold Seller harmless for any liability upon accessing property and will repair any and all damages from any inspections.
Hazardous Waste Disclosure:	Seller agrees to disclose to Broker and prospective Buyer any and all information regarding the present and future zoning, environmental matters affecting the property and regarding the condition of the property, including but limited to soil conditions, the present and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances and underground storage tanks in, on or about the property. Broker is authorized to disclose any such information to prospective Buyer.
Brokers Fees:	Seller/Seller agrees to pay Sellers Broker, ROI Commercial Real Estate Inc., Dan Adamson and Buyers Broker, Ohana Realty Group, Michael Sumiyoshi, a Commission of 6% of the total Sale price, to be split 50%/50% between brokerages.

Earnest Deposits: Buyer to place $20,000 Earnest Deposit at the execution of the Purchase Agreement and opening of Escrow. Upon the expiration of the Due diligence period the Buyer shall deposit an additional $20,000 earnest deposit. This $40,000 shall become non-refundable and applicable to the Buyers down payment. For each additional month thereafter the Buyer shall pay an additional $20,000 until licensing for its business use is obtained. All deposits shall be Non-refundable and Applicable to the Buyers down payment. If the Buyer does not obtain its licensing all deposits are non-refundable to the Buyer and the Seller will retain as full damages for not successfully closing this sale transaction.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer or his Broker in writing on or before 5:00 pm, September 19, 2018.

This Proposal binds neither the Seller nor the Buyer; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

9/1591
8

___________________________________ ________________
Buyer: Dr. Duke Fu Date

___________________________________ ________________
Seller: Date

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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BRIAN SANDOVAL
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Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.

Name of Individual or Entity Applying for a Marijuana Establishment License:
Green Therapeutics LLC

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):
[redacted]

City:	County:	State:	Zip Code:
[redacted]	[redacted]	[redacted]	[redacted]

[redacted]

LETTER OF INTENT TO LEASE

June 29, 2018

Ohana Realty Group
Michael Sumiyoshi, Leasing Manager
[redacted]

RE: Letter of Intent to Lease [redacted]

Dear Michael,

Please review below terms and conditions under which Green Therapeutics LLC, and or Assignee/Nominee ("Tenant") would Lease the above-referenced location from Landlord. It is the Tenants desires to come to an agreement on basic terms and conditions of a Lease. Landlord shall prepare the Lease Agreement, which will detail the full agreement between the parties.

This Proposal terms are as follows:

Description of Properties:	[redacted]
Tenant:	Green Therapeutics LLC and or Assignee/Nominee
Landlord:	NASDAQ5 LLC
Lease Guarantor:	Duke Fu
Lease Term:	Initial lease to be 10 years.
Lease options:	(2) 5 year options to extend.
Type of Lease:	Triple Net
Lease Rate:	Year 1 $2.25 per sq. ft. base rent plus .45 cam fee. Annual Increases of 5%.
Premise:	Approximately 1950 sq. ft.
Use:	Marijuana Dispensary
Tenant Improvement:	Landlord to provide $10,000.00 for Tenant Improvement Allowance for Improvements.
Rent Commencement of Lease:	January 1, 2019

Occupancy of Lease:	October 1, 2018
Rental Abatement:	Tenant to be given 3 months of Free Rent
Rent Commencement:	January 1, 2019.
Security Deposit:	Equal to Two Months Rent
HVAC Units:	Landlord to install one or two AC units to meet required proper AC requirements for the Restaurant.
Condition of Property:	Landlord to certify that all electrical, plumbing and HVAC are in proper working condition for a period of 30 days after rent commencement. After this period tenant shall be responsible for HVAC systems and Fixtures other than what is covered under warranty.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer in writing on or before 5:00 pm, September 10, 2018.

This Proposal binds neither the Landlord nor the Tenant; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

Duke Fu

9/6/1
8

Tenant Green Therapeutics LLC
its Manager, Duke Fu

Date

Landlord NASDAQ5 LLC
its Manager: Leon Chen

Date

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.

Name of Individual or Entity Applying for a Marijuana Establishment License:
Green Therapeutics LLC

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):
[redacted]

City:	County:	State:	Zip Code:
[redacted]	[redacted]	[redacted]	[redacted]

Legal Description of the Property:
[redacted]

Ohana Realty Group

2620 Regatta Drive #211 Las Vegas, NV. 89128
Phone: 702-604-8095 Facsimile: 702-866-9750
Email: michael@ohanarealtylv.com OR michaelsumiyoshi@yahoo.com

Letter of Intent to Purchase

September 8, 2018

Coldwell Banker Select Real Estate-McCarran
Ron Roy, Broker and Katrina Karlsson, Realtor
[redacted]

RE: Letter of Intent to Purchase approximately .31 acres of land with 2 Retail buildings of approximately a total of 4402 square feet., Assessors Parcel Numbers 011-331-06

Dear Katrina Karlsson,

Please review below terms and conditions under which Dr. Duke Fu, and or Assignee/Nominee ("Buyer") is presenting the basic terms and conditions of Purchase Sale Agreement and Joint Escrow Instruction.

This Proposal terms are as follows:

Description of Property: [redacted]

Buyer: Dr. Duke Fu and or Assignee/Nominee

Seller: Ahmad Ishtiaq

Purchase Price: Eight Hundred Thousand Dollars ($800,000), in cash.

Contingency of Sale: Buyer intends to partially use this property for a medical marijuana dispensary as defined in SB374 and NRS 453a, and as defined by any future Nevada State law concerning marijuana specifically Buyer intends to use this facility as a cultivation and processing establishment as defined in SB 374 and NRS 453a, and as defined by any future Nevada State law. Seller agrees to execute an affidavit that Seller is aware of the Buyer's use of the property for submittal to the State of Nevada with Buyer's application for a marijuana

	establishment registration certificate. Contingent on the issuance of the Medical Marijuana Establishment certificate License from the City of Reno and the State of Nevada.
Seller's Responsibility:	Seller shall fully cooperate with Buyers licensing required documentations.
Close of Escrow:	14 Days after Buyer obtaining approval for the appropriate licensing.
Due Diligence:	60 Days to evaluate the feasibility of the location being suitable for its use. To conduct possible EPA Reports, Surveys, Geological Report, Appraisals and any other required reports and studies. Buyer shall be allowed access to have its Architect, Contractors, Engineers and any other Vendor for designing of Buyer Improvement plans. Buyer agrees to hold Seller harmless for any liability upon accessing property and will repair any and all damages from any inspections.
Hazardous Waste Disclosure:	Seller agrees to disclose to Broker and prospective Buyer any and all information regarding the present and future zoning, environmental matters affecting the property and regarding the condition of the property, including but limited to soil conditions, the present and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances and underground storage tanks in, on or about the property. Broker is authorized to disclose any such information to prospective Buyer.
Brokers Fees:	Seller/Seller agrees to pay Sellers Broker, Coldwell Banker Select Real Estate McCarran and Buyers Broker, Ohana Realty Group, a Commission of 6% of the total Sale price, to be split 50%/50% between brokerages.
Earnest Deposits:	Buyer to place $20,000 Earnest Deposit at the execution of the Purchase Agreement and opening of Escrow. Upon the expiration of the Due diligence period the Buyer shall deposit an additional $20,000 earnest deposit. This $40,000 shall become non-refundable and applicable to Purchase price. For each additional month thereafter the Buyer shall pay an additional $20,000 until licensing for its business use is obtained. All deposits shall be Non-refundable and Applicable to the Buyers down payment. If the Buyer does not obtain its licensing all deposits are non-refundable to the Buyer and the Seller will retain as full damages for not successfully closing this sale transaction.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer or his Broker in writing on or before 5:00 pm, September 12, 2018.

This Proposal binds neither the Seller nor the Buyer; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

______________________________ 9/8/18
Buyer: Dr. Duke Fu Date

______________________________ ______________
Seller: Ahmad Ishtiaq Date

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.

Name of Individual or Entity Applying for a Marijuana Establishment License:
Green Therapeutics LLC

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):
[redacted]

City:	County:	State:	Zip Code:
[redacted]	[redacted]	[redacted]	[redacted]

Legal Description of the Property:
[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

0003-00622
SA001377

Ohana Realty Group
2620 Regatta Drive #211 Las Vegas, NV. 89128
Phone: 702-604-8095 Facsimile: 702-866-9750
Email: michael@ohanarealtylv.com OR michaelsumiyoshi@yahoo.com

Letter of Intent to Purchase

September 8, 2018

Michael Sumiyoshi
Ohana Realty Group
[redacted]

RE: Letter of Intent to Purchase approximately .45 acers of fee simple land, Retail Building of approximately 3,465 square feet of space [redacted]

Dear Michael Sumiyoshi,

Please review below terms and conditions under which Dr. Duke Fu, and or Assignee/Nominee ("Buyer") is presenting the basic terms and conditions of Purchase Sale Agreement and Joint Escrow Instruction. The Following are the basic terms of the Purchase Agreement:

Description of Property:	Approximately .45 acers of fee simple land, with a Retail Building of approximately 3,465 square feet of space. [redacted]
Buyer:	Dr. Duke Fu and or Assignee/Nominee
Seller:	Hristos Spilios G. & George and Meropi & John Spilios
Purchase Price:	Seven Hundred Thousand Dollars ($700,000) cash.
Seller's Responsibility:	Seller shall fully cooperate with any of the Buyers required documentations for licensing or building permits.
Close of Escrow:	7 Days after the expiration of the Due Diligence period.
Due Diligence:	45 Days to evaluate the feasibility of the location being suitable for its use. To conduct possible Surveys, Appraisals and any other required reports and studies. Buyer shall be allowed access to have its Architect, Contractors, Engineers and any other Vendor for designing of Buyer Improvement plans. Buyer agrees to hold Seller harmless for any liability upon accessing property and will repair any and all damages from any inspections.
Hazardous Waste Disclosure:	Seller agrees to disclose and All parties are to be Held

Harmless for any Environmental Concerns. The Property is accepted in "As Is, Where Is" condition.

Closing costs: Seller to pay for owner's title insurance policy, property transfer taxes, one half (½) escrow fees, and prorated taxes at closing. Buyer to pay for ALTA owner's or lender's policy if desired, one half (½) escrow fees, and prorated taxes at closing. All other costs to be split per as customary in Clark County, State of Nevada.

Brokers Fees: Seller/Seller agrees to pay Sellers Broker, Michael Sumiyoshi of Ohana Realty Group and Buyers Broker, Marvin "Bud" Gibbs of Ohana Realty Group, a Commission of 5% of the total Sale price, to be split 50%/50% between brokers.

Earnest Deposits: Buyer to place $20,000 Earnest Deposit at the execution of the Purchase Agreement and opening of Escrow. After the expiration of the Due Diligence period, if the Buyer does not close Escrow, the deposit is non-refundable to the Buyer and the Seller will retain as full damages for not successfully closing this sale transaction.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer or his Broker in writing on or before 5:00 pm, September 11, 2018.

This Proposal binds neither the Seller nor the Buyer; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

______________________ 9/10/18

Buyer: Dr. Duke Fu Date

______________________ ______________

Seller: George Spilios Date

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION
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Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.			
Name of Individual or Entity Applying for a Marijuana Establishment License: Green Therapeutics LLC			
Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box): [redacted]			
City: [redacted]	County: [redacted]	State: [redacted]	Zip Code: [redacted]
Legal Description of the Property: [redacted]			

Ohana Realty Group
2620 Regatta Drive #211 Las Vegas, NV. 89128
Phone: 702-604-8095 Facsimile: 702-866-9750
Email: michael@ohanarealtylv.com OR michaelsumiyoshi@yahoo.com

Letter of Intent to Purchase

September 8, 2018

Jenny L. Johnson Broker/Team Director REALTOR®, CDPE, ePRO CA BRE #01944081 NV BS #0144734 [redacted]

RE: Letter of Intent to Purchase approximately .47 acres of land with a Retail buildings of approximately a total of 5166 square feet, Assessors Parcel Numbers [redacted]

Dear Jenny Johnson,

Please review below terms and conditions under which Dr. Duke Fu, and or Assignee/Nominee ("Buyer") is presenting the basic terms and conditions of Purchase Sale Agreement and Joint Escrow Instruction.

This Proposal terms are as follows:

Description of Property:	.47 acres of land with a Retail buildings of approximately a total of 5166 square feet, Assessors Parcel Numbers [redacted]
Buyer:	Dr. Duke Fu and or Assignee/Nominee
Seller:	TBD
Purchase Price:	**Seven** Hundred Thousand Dollars ($700,000), in cash.
Contingency of Sale:	Buyer intends to partially use this property for a medical marijuana dispensary as defined in SB374 and NRS 453a, and as defined by any future Nevada State law concerning marijuana specifically Buyer intends to use this facility as a cultivation and processing establishment as defined in SB 374 and NRS 453a, and as defined by any future Nevada State law. Seller agrees to execute an affidavit that Seller is aware of the Buyer's use of the property for submittal to the State of Nevada with Buyer's application for a marijuana establishment registration certificate. Contingent on the

issuance of the Medical Marijuana Establishment certificate License from the City of Zephyr Cove and the State of Nevada.

Seller's Responsibility: Seller shall fully cooperate with Buyers licensing required documentations.

Close of Escrow: 14 Days after Buyer obtaining approval for the appropriate licensing.

Due Diligence: 60 Days to evaluate the feasibility of the location being suitable for its use. To conduct possible EPA Reports, Surveys, Geological Report, Appraisals and any other required reports and studies. Buyer shall be allowed access to have its Architect, Contractors, Engineers and any other Vendor for designing of Buyer Improvement plans. Buyer agrees to hold Seller harmless for any liability upon accessing property and will repair any and all damages from any inspections.

Hazardous Waste Disclosure: Seller agrees to disclose to Broker and prospective Buyer any and all information regarding the present and future zoning, environmental matters affecting the property and regarding the condition of the property, including but limited to soil conditions, the present and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances and underground storage tanks in, on or about the property. Broker is authorized to disclose any such information to prospective Buyer.

Brokers Fees: Seller/Seller agrees to pay Sellers Broker, Chase International and Buyers Broker, Ohana Realty Group, a Commission of 6% of the total Sale price, to be split 50%/50% between brokerages.

Earnest Deposits: Buyer to place $20,000 Earnest Deposit at the execution of the Purchase Agreement and opening of Escrow. Upon the expiration of the Due diligence period the Buyer shall deposit an additional $20,000 earnest deposit. This $40,000 shall become non-refundable and applicable to Purchase price. For each additional month thereafter the Buyer shall pay an additional $20,000 until licensing for its business use is obtained. All deposits shall be Non-refundable and Applicable to the Buyers down payment. If the Buyer does not obtain its licensing all deposits are non-refundable to the Buyer and the Seller will retain as full damages for not successfully closing this sale transaction.

Time is of the essence with respect to the acceptance of this proposal and it is to expire if acceptance is not communicated to Buyer or his Broker in writing on or before 5:00 pm, September 12, 2018.

This Proposal binds neither the Seller nor the Buyer; it represents the negotiations of the parties as to the terms and conditions. This proposal or any correspondence between the parties is non-binding until they have fully executed a Lease.

9/10/18

Buyer: Dr. Duke Fu

Date

Seller:

Date

Attachment I Facility Jurisdiction Form

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION
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Las Vegas, Nevada 89101
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HENDERSON OFFICE
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Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT I
FACILITY JURISDICTION FORM

Mark the jurisdiction(s) and number of stores in each jurisdiction for which you are applying. Only one application is necessary for multiple jurisdictions and licenses, however, you must submit attachments “A” & “E” for each jurisdiction, location and the appropriate application fee for each of the jurisdictions/locality and number of licenses requested.

No applicant may be awarded more than 1 (one) retail store license in a jurisdiction/locality, unless there are less applicants than licenses allowed in the jurisdiction.

Jurisdiction	***Indicate Number of Licenses Requested***
Unincorporated Clark County	1
City of Henderson	1
City of Las Vegas	1
City of Mesquite	
City of North Las Vegas	1
Carson City	
Churchill County	
Douglas County	1
Elko County	
Esmeralda County	
Eureka County	
Humboldt County	

Jurisdiction	***Indicate Number of Licenses Requested***
Unincorporated Washoe County	
City of Reno	1
City of Sparks	
Lander County	
Lincoln County	
Lyon County	
Mineral County	
Nye County	
Pershing County	
Storey County	
White Pine County	

5.2.12
A proposal of the applicant's name, signage and advertising plan which will be used in the daily operation of the recreational marijuana establishment on the form supplied by the Department (Attachment G) must be included in this tab.

Green Therapeutics (GT) signage and advertising plan include two logos ("Green Therapeutics" and "Provisions™") that have been approved by the Department for use (Exhibit 5.2.12.A) . No logos are used without prior approval from the Department. The primary focus of advertising are through cannabis specific magazines and social media. All signs of advertisement will be approved by the Department before use. All advertising will contain the warnings:

"FOR USE BY ADULTS 21 YEARS OF AGE AND OLDER"
"KEEP OUT OF REACH OF CHILDREN"

Green Therapeutics do not advertise or offer any marijuana or marijuana product as "free" or "donated" without a purchase. GT posts signs in prominent locations inside the retail marijuana store which state activities that are strictly prohibited and punishable by law, including, without limitation, the following statements:
(a) "No minors permitted on the premises unless the minor holds a letter of approval and is accompanied by a designated primary caregiver";
(b) "No on-site consumption of any marijuana or marijuana products";
(c) "Distribution to persons under the age of 21 is prohibited";

[redacted]

[redacted]

[redacted]

Submit via e-mail

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

[redacted]

Submit via e-mail

[redacted]

[redacted]

5 Year NV State and Local Tax Summary

Lunas Construction Clean-Up

	2013	2014	2015	2016	2017	2018	Grand Total
State Payroll Taxes	[redacted]						
Local Licenses and Permits							
NV Commerce Tax							
NV MBT							
Personal Property Taxes							$ 641,993.46

Norvic

	2013	2014	2015	2016	2017	2018	
State Payroll Taxes	[redacted]						
Other State Taxes							
Local Licenses and Permits							$ 133,020.38

NVDD Holding RP1

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 92,978.36

NVDD Holding RP2

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 29,324.03

NVDD Holding RP3

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 70,412.35

NVDD Holding RP4

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 32,144.12

NVDD Holding RP5

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 43,588.61

NVDD Holding RP6

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 16,828.82

NVDD Living Trust

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 60,393.06

NVDD Limited Partnership

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 29,782.95

MRM Holding LLC

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 5,724.64

Nye County Depository

	2013	2014	2015	2016	2017	2018	
Property Taxes	[redacted]						$ 3,520.22
							$ 1,159,711.00

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WILLIAM D. ANDERSON
Executive Director

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APPLICANT INFORMATION

Provide all requested information in the space next to each numbered question. The information in Sections V1 through V10 will be used for application questions and updates. Type or print responses**. Include this applicant information sheet in Tab III of the Identified Criteria Response (Page 10)**.

V1	Company Name: Herbal Choice Incorporated

[redacted]

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ATTACHMENT B
OWNER, OFFICER AND BOARD MEMBER ATTESTATION FORM

[redacted]

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[redacted]

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ATTACHMENT C
OWNER, OFFICER AND BOARD MEMBER INFORMATION FORM

Provide the following information for each owner, officer and board member listed on the Recreational Marijuana Establishment Application. Use as many sheets as needed.

Last Name:	First Name:	MI:	
Madrigal	Norberto	L	☒ OR ☐ OF ☐ BM

Date of Birth: [redacted]
Gender:
Race: Latino
Ethnicity: Hispanic

Residence Address:
[redacted]

Describe the individual's title, role in the organization and the responsibilities of the position of the individual:

Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes ■ No

Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes ■ No

Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes ■ No

Is this individual employed by or a contractor of the Department? ☐ Yes ■ No

Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? ☐ Yes ☐ No

Is this individual a law enforcement officer? ☐ Yes ■ No

Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? ■ Yes ☐ No

Has a copy of the Request and Consent to Release Application Form been submitted with this application? ■ Yes ☐ No

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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ■ Yes ☐ No
If yes, list the person, the other ME(s) and describe the interest.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION
Norberto Madrigal	Cultivation	C112	Owner

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ATTACHMENT C
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Last Name:	First Name:	MI:	
McDonald	Marshall	J.	☐ OR ☐ OF ☐ BM
Date of Birth: [redacted] Gender: Male	Race: White	Ethnicity:	

[redacted]

Director of Seurity, to train all staff on appropriate security procedures LCB R092-17a Sec. 1116.

Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes ☑ No

Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes ☑ No

Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes ☑ No

Is this individual employed by or a contractor of the Department? ☐ Yes ☑ No

Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? ☑ Yes ☐ No

Is this individual a law enforcement officer? ☑ Yes ☐ No

Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? ☑ Yes ☐ No

Has a copy of the Request and Consent to Release Application Form been submitted with this application? ☑ Yes ☐ No

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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ☐ Yes ☒ No
If yes, list the person, the other ME(s) and describe the interest.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION
	NONE		

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ATTACHMENT C
OWNER, OFFICER AND BOARD MEMBER INFORMATION FORM

Provide the following information for each owner, officer and board member listed on the Recreational Marijuana Establishment Application. Use as many sheets as needed.

Last Name:	First Name:	MI:	
Boutsikakis	Catherine		☐ OR ☐ OF ☑ BM

Date of Birth: [redacted] Race: White Ethnicity: American
Gender: Female

Residence Address: [redacted]

[redacted]

Describe the individual's title, role in the organization and the responsibilities of the position of the individual:
Quality Control Manager, coordinating directly with the Inventory Control Manager, Jay Matos, to create and maintain regulatory compliance and marijuana product handling policies and procedures.

Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes ☒ No

Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes ☒ No

Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes ☒ No

Is this individual employed by or a contractor of the Department? ☐ Yes ☒ No

Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? ☒ Yes ☐ No

Is this individual a law enforcement officer? ☐ Yes ☒ No

Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? ☒ Yes ☐ No

Has a copy of the Request and Consent to Release Application Form been submitted with this application?
☒ Yes ☐ No

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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ☐ Yes ☑ No
If yes, list the person, the other ME(s) and describe the interest.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION
	None		

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Last Name: DOUMANI | First Name: RONALD | MI: M | ☐ OR ☐ OF ☐ BM

Date of Birth: [redacted] | Race: WHITE | Ethnicity: LEBANESE

Gender: MALE

Residence Address: [redacted] the organization and the responsibilities of the position of the individual:

Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes [X] No

Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes [X] No

Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes [X] No

Is this individual employed by or a contractor of the Department? ☐ Yes [X] No

Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? [X] Yes ☐ No

Is this individual a law enforcement officer? ☐ Yes [X] No

Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? [X] Yes ☐ No

Has a copy of the Request and Consent to Release Application Form been submitted with this application? [X] Yes ☐ No

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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ☐ Yes ☒ No
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NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION
	NONE		

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Last Name: Matos	First Name: John	MI: J	☐ OR ☐ OF ☐ BM
Date of Birth: [redacted] Gender: Male	Race: White	Ethnicity: Hispanic	
Residence Address: [redacted]			

Describe the individual's title, role in the organization and the responsibilities of the position of the individual.
Compliance Officer: Ensure that the company is conducting business in full compliance with all state and local laws, regulations and procedures as well as ensuring that the SOP's are enforced and followed.

Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes ☒ No

Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes ☒ No

Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes ☒ No

Is this individual employed by or a contractor of the Department? ☐ Yes ☒ No

Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? ☒ Yes ☐ No

Is this individual a law enforcement officer? ☐ Yes ☒ No

Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? ☒ Yes ☐ No

Has a copy of the Request and Consent to Release Application Form been submitted with this application? ☒ Yes ☐ No

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HENDERSON OFFICE
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Henderson, Nevada 89074
Phone: (702) 486-2300
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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ☐ Yes ☒ No
If yes, list the person, the other ME(s) and describe the interest.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION

NORBERTO MADRIGAL

CEO
PRESIDENT
EXECUTIVE MANAGER
BOARD MEMBER
COMMUNITY ADVOCATE

SKILLS & ABILITIES

I have been blessed with the ability to create long lasting relationships with almost anyone I come in contact with. This has been my secret ability to excel. My relationships believe in me and I believe in them to create pathways for positive growth to occur amongst all parties. I also poses a skill that allows me to see problems as opportunities to excel in areas others tend to look away from. I Turn Trash into Cash!!

EXPERIENCE

LUNAS INC - *PRESENT*

CEO

Head of Business Development.
Performing Strategic Due diligence in marketing activity.
Extensive Role in developing efficient policies, systems and procedures.
Analyze Sales and Marketing.
Organize in professional association with the local community.
Frequent participation in various board of advisors.
200 Employees , on target for $12 Million in gross sales

NORVIC DEMOLITION - *PRESENT*

PRESIDENT

Preside over the entire workforce.
Maintain awareness of competitive opportunities.
Formulating and Implementing strategic plan to guide business direction.
25 Employees on target for $3 Million in gross sales

D & W AUTO SALES- *PRESENT*

EXECUTIVE MANAGER

Establishes strategic Benchmark Weekly Goals.
Accomplishes financial objectives by forecasting requirements.
Schedules and prepares monthly budgets.
Establishes personal networks.
Recommends systems and improvements.
4 Employees on target for $2.5 Million in gross sales

HERBAL CHOICE INC- *PRESENT*

OWNER AND BOARD MEMBER

Develop strategic relationships to design and construct a boutique cultivation operation. Created from the ground up
Manage and oversee construction of facility.
Permit and spearhead the opening of cultivation grow.
Work with key personnel to develop proper SOP's

COMMUNITY -DONATING TIME OR FUNDS

Vice Chair Latin Chamber of Commerce, Catholic Charities Donor, CSN advisory board, American heart association, Opportunity Village, Cub Scouts,

NORBERTO MADRIGAL
CEO
PRESIDENT
EXECUTIVE MANAGER
BOARD MEMBER
COMMUNITY ADVOCATE

AWARDS

PSI Seminars – Contribution award -2004,05,06,07,08
Latin Chamber of Commerce –Business of the year -2008
El Mundo – Recycling Las Vegas -2010
Las Vegas Business Press- Green award nomination- 2011
Congressman Joe Heck-Congressional Recognition – 2011
Senator Harry Reid – Certificate of Commendation -2012
Senator Dean Heller -Senatorial Recognition- 2012
Congressman Joe Heck – Congressional Recognition -2012
El Tiempo -Community recycler 2000 tons per day-2012
Vegas Inc Magazine – Las Vegas Hispanic Powerbroker 2012
Marketplace.org- Latino Entrepreneur -2012
Latin Chamber Certificate of Achievement Leadership NV-2012
Governor Brian Sandoval – Certificate of recognition- 2012
Jaliscience de Nevada- Certificate of appreciation 2013
Desert Valley Times- Oasis Demolition Starts -2013
Senator Dean Heller-Certificate of Commemoration – 2013
Senator Harry Reid – Certificate of Commendation -2015
Latin Chamber of Commerce – Award Recipient
Clark County of Nevada- Certificate of participation -2017
Senor of Distinction Gala – Honoree Award Recipient 2018

Ronald Doumani

[redacted]

Skills

Ability to identify undervalued assets in the property market and the financial markets.

Comfortable making educated assumptions versus providing textbook precision.

Understands the need and implementation of regulatory standards and protocols in nascent industries that are critical to its existence and ultimate growth and success.

Proficient at financial analysis and is able to decipher the health of a company through analysis of its financial statements.

Very adaptable to different situations within organizational structure. Does not mind taking a leadership role if necessary, however, is more than willing to defer if the situation warrants it and will do whatever is necessary for success of the organization.

Experience

LaConcha & El Morroco Motels/ Owner-anything required
1982-2007, Las Vegas, Nevada

Majestic Resorts/ Vice President-Board Of Directors
2004-2007, Las Vegas, Nevada

Reiss Realty/ Broker-salesperson
2003-2006, Las Vegas, Nevada

Prudential Americana Group/ Broker-salesperson
2006-2008, Las Vegas, Nevada

Quality Flooring/ Owner
2007-2008, Las Vegas, Nevada

Education

University Nevada Las Vegas
Bachelor of Science in Business Administration-Real Estate

University Nevada Las Vegas
Bachelor of Science In Business Administration-Finance

Dean's Honor Roll 1997-1998
Golden Key National Honor Society 1999

Emil Games Interactive/ President 2015-2017
2012-2017 Investor, Las Vegas, Nevada

MICHAEL J. McDONALD [redacted]

Education
Western High School
UNLV
LVMPD
Silver State Law Enforcement Academy / Post Certification

PROFESSIONAL EXPERIENCE

- Alexis Park Resort 84- 88
  Director of Guest Services
- LVMPD 89 - 99
- Las Vegas City Councilmen / Mayor Pro-Team 95- 03
- President of Alpha Omega Strategies 88-present
- Laughlin Constable 12 - present
- Chairman of the Nevada Repubican Party
- National Republican Party Member 12 - present

Other Boards served on

- Sons of Erin
- Notre Dame Club of Las Vegas
- Our Lady of Las Vegas Church
- Saint Anne's Catholic Church
- Elks Helldorado

A distinguished member of the Las Vegas Metropolitan Police Department, now retired, Michael J. McDonald was first elected to the office of Councilman for the City of Las Vegas, Ward 1, on June 6, 1995. He was re-elected on May 4, 1999 in the primary. He was the youngest person ever elected to the Las Vegas City Council and was also the first Las Vegas Councilman to hold dual badges of Councilman and Police Officer. Councilman McDonald was appointed Mayor Pro-Tem on July 14, 1997.

Councilman McDonald served as Chairman of Las Vegas Convention and Visitors Authority and Chairman of the Las Vegas Housing Authority. He also served in leadership roles as a committee member on the Emergency Operations Management Commission, Senior Citizens Advisory Board, Las Vegas Centennial Committee, Yucca Mountain Nuclear Repository Committee and the Clark County Debt Commission Committee.

A community activist, McDonald spearheaded the Community 89109 Project, was an active board member of the Boys & Girls Clubs of Las Vegas and Opportunity Village. He also serves on the Boards of the Youth Charities of Southern Nevada, the UNLV Boxing Club, UNLV Rebel Football Foundation, and the Las Vegas Springs Preserve.

During his two terms of office, Councilman McDonald created the Neighborhood Services Department, Rapid Response Division, a Council Action Request (CAR) Tracking System and held regular neighborhood meetings to inform constituents of Ward 1 developments. He also developed the Meadows Village Task Force to stop the proliferation of slumlords, drugs and prostitution in this area of the city.

He built All American Park, the first park specifically designed for youth football; Firefighter Memorial Park, dedicated to all firefighters in Clark County who died in the line of duty; and rehabbed Gary Dexter and Essex Circle Parks.

He accomplished tremendous redevelopment efforts in Ward 1; the Westlund Fair Shopping Center on Decatur and Charleston housing Super Wal-Mart and Lowe's, which created 800 new jobs for local residents. HCA Accounts Division relocated their offices to Decatur and Sahara, creating 600 new high-paying positions. These centers were built *without* using taxpayer monies and continue to thrive today.

AWARDS AND HONORS

- Commendation by Sheriff John Moran, July 2, 1992, for saving child's life in car accident, while transporting to Child Haven.
- UNLV Student of the Month Letter of Recognition from UNLV President Robert Maxson, July 1992.
- Meritorious Service Award, August 1993; entered a burning building at 3600 Swenson to save lives.
- Exemplary Service Award from Sheriff Jerry Keller, held in high esteem by members of LVMPD.
- Started campaign in 1993 against handbill distributors on the Las Vegas Strip, making hundreds of arrests and issuing numerous citations; presented case to Clark County Commission, who passed a new law in 1997 making handbill peddling illegal.
- Meritorious Service Award, May 199
- Community Service Award, May 1994
  (1st officer to receive both awards in one year)
- Nominated for the International Association of Chief of Police (IACP) Office of the Year Award, by Sheriff John Moran, May 1994
- Proclamation from Clark County Commissioners for 89109 Project.
- Proclamation from Governor Robert Miller, Michael J. McDonald Day of Honor, September 21, 1994.
- Senatorial Recognition from Senator Richard Bryan, October 20, 1994.
- Proclamation from Mayor & City Council, Michael J. McDonald Day, July 26, 1995, making history as first person granted legal permission to simultaneously serve as Councilman and Police Officer.

Catherine Boutsikakis

> Consultant
> Staff Pharmacist
> Supervising Pharmacist

[redacted]

[redacted]

SUMMARY

Licensed pharmacist in Nevada and New York State with 25 years of experience providing top-notch pharmacy services in a retail setting. Outstanding interpersonal skills with a track record of establishing positive relationships. Respected leader, able to train and manage diverse teams to deliver peak performance.

EXPERIENCE

July 2015 - PRESENT
AB Consulting Group
Consultant
> Provide pharmaceutical consulting services i.e., expert advice on pharmacy services and medications.
> Provide social media consulting regarding medical cannabis.

August 2007 – August 2014
Pollina Pharmacy
Staff Pharmacist
Performed daily management of pharmacy, supervising all aspects of operations in absence of owner.
> Recognized for ability to manage a high volume of prescriptions.
> Cultivated strong network of physicians, resulting in an increase of new patients and revenue.
> Redesigned workflow for pharmacy operations to increase safety and productivity.
> Improved drug inventory management system to reduce waste and minimize back orders.

September 1993 – February 2006
Genovese Drug Stores / Eckerd Pharmacy
Supervising Pharmacist
> Managed ancillary staff and prepared shift schedules.
> Responsible for monitoring and maintaining inventory.
> Supervised and trained personnel and new pharmacists.
> Established and maintained professional working relationships with local health care providers.
> Managed one of the chain's "Fertility Sites", including dispensing of specialty drug products and compounding capsules and suppositories.
> Set up new pharmacies within the chain to meet federal, state and company specifications; then remain with the store for a select period to establish a relationship with the community

EDUCATION

May 1993
St John's University
Bachelor of Science in Pharmacy

SKILLS

> PDX and Optus Pharmacy systems
> MS Office
> Fluent in Greek

AWARDS

Received Eckerd Pharmacy Outstanding Pharmacy Management Award

Jay Matos

> General Manager
> Government Affairs
> President

[redacted]

EXPERIENCE

February 2018 – April 2018
Medmen Dispensary
General Manager (Contractor)
Managed and executed the sale, conversion and transfer of Panacea systems and personnel to Medmen while staying open for business, keeping up with compliance and managing inventory in government database METRC.

August 2017 - 2018
Panacea / Just Quality Dispensary Grow & Production
General Manager (Contractor)
Responsible for bringing the dispensary into compliance with State regulations. Set policies and procedures for employees. Set budget, ordered products, managed quality control, store complaints. Facilitated sale of dispensary to Medmen.

2009 – Present
LeadNet, LLC
Government Affairs
Key Accomplishments:

- An intricate part of a team assisting and lobbying for the Medical Marijuana law in Nevada. Worked with most government agencies in NV, including municipalities, in developing and/or implementing policies. Well versed in MME laws; policies; processes and procedures of the industry; how an MME business operates, and how it affects the public.
- Planned and hosted a trip to Arizona for a contingent of Nevada lawmakers to educate them on local and state MME laws, policies and procedures and how MME facilities operate.
- Assisted the Clark County Commission with a town hall meeting to educate the public on how MME facilities operate under government law, policies and procedures; and hosted a workshop for Clark County staff, Metro Police and Fire Departments, the Health Department, NV Energy and SN Water District.
- Consistently attended Clark County open meetings on policy development.
- Negotiate retainer agreements with businesses to represent them as a liaison and work with NV Legislators, City Council, County Commissioners and staff to expedite client businesses' special use permits, licenses, zoning, ordinances and BDR's.
- Work with government officials on creating ordinances, regulations and policies and procedures. Host town hall meetings educating the public on new businesses entering their district/wards.

February 2003 – January 2009
NetFaze Technologies
President
Key Accomplishments:

- Managed operating budgets and Service Level Agreements in the hospitality, finance, transportation and retail industries.
- Managed United States Department of Energy, Bechtel Nevada operations, desktop deployment and telecom contracts with 96% customer service satisfaction.

SKILLS

Fluent in Spanish

My name is Norberto Madrigal, I have been raised in Las Vegas Nevada for over 40 years, during which time I have become owner of a few local companies, including Lunas Inc., Norvic Demolition Inc., Herbal Choice Inc., and D&W Auto Sales.

The First Company I was able to be a part of is, Lunas construction cleanup Inc. a minority family owned business founded in 1988 by my father, Manuel Madrigal. As a co-owner of the company I take part in its daily activities, such as employee oversight and customer relations. Lunas holds a strong commitment to the environment and is constantly developing new techniques to recycle waste. Thus far, Lunas has successfully diverted over 450,000,000 pounds from local landfills. We proudly employee over 200 people full time to accomplish these goals .

My experience at Lunas motivated my desire to create a new company, Norvic Demolition Inc. I founded the company in 2007 and since then it has grown to become a known name in its industry. Norvic Demolition provides a progressive approach to demolitions by promoting the recycling of all debris and the use of recycled materials. Our initiative has encouraged greener construction methods and has stimulated the recycling industry. We have completed hundreds of projects however some of our proud projects are demolitions like the Oasis Casino in Mesquite Nevada, certain terminals at McCarran international airport, portions of Hard Rock Hotel casino and much more.

Furthermore, as a business owner I have often had the opportunity to work with numerous government agencies. Through Lunas, I established a relationship in 2008 with the United States Air Force. As a company, we are responsible for the collection and recycling of waste tires within all Air Force facilities in the Southwest region of the United States. Lunas has also had the opportunity to work with the Southern Nevada Water Authority both in Las Vegas and in Laughlin. We have helped the Authority clean-up dirt spoils throughout the Valley and continuously recycle their e-waste.

I appreciate the country and community I live in and am constantly seeking opportunities to improve it. This principle is regularly implemented by both Lunas and Norvic, both companies regularly contribute to projects for the enrichment of the community. We do so by: sponsoring little leagues and youth camps; donating vegetable seeds to CCSD schools wishing to develop educational gardens; supplying vegetable seeds to the Moapa Paiute Reservation and educating them in self-sufficiency gardening; providing over 200 mattresses to Catholic charities; donating over $200,000 in clothing to Shade Tree, Safe Nest ; providing over $25,000 in site work for the completion of Nevada Veterans Memorial and lastly, donating turkeys to homeless shelters every Thanksgiving making sure for that evening our community has one additional meal they can be Thankful for.

As an individual I currently sit on the board as Vice Chair for the Latin Chamber of Commerce; where I am given the opportunity to make a bigger impact to our business community bringing them resources and strategic partnerships to stimulate our economy. I also sat on the College of Southern Nevada Advisory Board; where I provide solutions to community problems affecting college students. I am also a founder of the Las Vegas chapter of SEPA (Seminarios Exitos Personales Ahora) an organization that hosts personal growth seminars monthly for the Hispanic community. I'm proud to mention, today SEPA has helped over 1500 students ages 12 to 93 graduate the course. Additionally, I helped establish the annual March Skyline Project, which selects a struggling community in the Las Vegas Valley and helps clean up and renovate its' buildings.

In regards to business management experience, as a part owner and founder of several companies I have an extensive understanding of all aspects of business. Specifically relating to start-up companies, I know exactly what it takes to build a company from the ground up. My 28 years of experience in business has helped strengthen my management skills. I fully understand the importance of customer satisfaction and employee guidance. I know the foundation and principles required to have and grow a successful business.

As my background and experience show, I am both a business owner and a community advocate. Therefore, after learning about the medical benefits of marijuana and the lives it improves every day, I believe it is a market that will benefit the community in more ways than one. Thank you for the opportunity and God Bless America.

Norberto Madrigal
Las Vegas Entrepreneur

Ronald Doumani

[redacted]

Skills

Ability to identify undervalued assets in the property market and the financial markets.

Comfortable making educated assumptions versus providing textbook precision.

Understands the need and implementation of regulatory standards and protocols in nascent industries that are critical to its existence and ultimate growth and success.

Proficient at financial analysis and is able to decipher the health of a company through analysis of its financial statements.

Very adaptable to different situations within organizational structure. Does not mind taking a leadership role if necessary, however, is more than willing to defer if the situation warrants it and will do whatever is necessary for success of the organization.

Experience

LaConcha & El Morroco Motels/ Owner-anything required
1982-2007, Las Vegas, Nevada

Majestic Resorts/ Vice President-Board Of Directors
2004-2007, Las Vegas, Nevada

Reiss Realty/ Broker-salesperson
2003-2006, Las Vegas, Nevada

Prudential Americana Group/ Broker-salesperson
2006-2008, Las Vegas, Nevada

Quality Flooring/ Owner
2007-2008, Las Vegas, Nevada

Education

University Nevada Las Vegas
Bachelor of Science in Business Administration-Real Estate

University Nevada Las Vegas
Bachelor of Science In Business Administration-Finance

Dean's Honor Roll 1997-1998
Golden Key National Honor Society 1999

Emil Games Interactive/ President 2015-2017
2012-2017 Investor, Las Vegas, Nevada

Jay Matos

John "Jay" Matos is one of the longest and strongest supporters of the Nevada cannabis industry. He is a well-known cannabis consultant with over 15 prestigious clients, a founding member of the Clark County Green Ribbon Advisory Panel and helped write, gain support for and pass SB374 with Senator Tick Segerblom, bringing legalized medical marijuana to the patients of Nevada who needed it.

Jay hosted political fundraisers and campaign events in 2012 to build up support for SB374. Looking to form a group to help the push to reform Nevada's medical marijuana program, in March 2013 he visited the first dispensary opened in the state of Arizona, Arizona Organix, along with Nevada Judiciary Committee Members Mark Hutchison, Scott Hammond and Ruben Kihuen, non-member David Parks, Assemblywoman Michele Fiore, R-Las Vegas, Steve Yeager of the Clark County Public Defender's Office, Nevada media and staff.

Jay hosted a second trip to Arizona Organix with the Nevada Division of Public and Behavioral Health Director and staff along with the Clark County Business License Director, staff and Metropolitan Police narcotics representatives. A third trip was hosted by Mr. Matos for local municipalities. In attendance were City of Las Vegas, Clark County and Henderson representatives. In Nevada Jay provided an "In-Service Training" for Clark County staff from Business Licensing, Planning, Zoning, Fire, Metro and liaisons to many of the County Commissioners.

Jay is the owner of LeadNet, LLC a consulting firm in Nevada which specializes in cannabis consulting and compliance; mergers and acquisitions; licensing and critical management; government and public affairs. Through LeadNet, Jay and his staff negotiate retainer agreements with businesses to represent them as a liaison on state and local municipal issues including working with Nevada Dept. of Taxation, City Council, County Commissioners and staff in compliance, applying for special use permits, restricted licenses, privilege licenses, zoning, ordinances and many other government processes and procedures.

Having been raised in Las Vegas from the age of 12-22 Mr. Matos has a huge heart for the Las Vegas community and does what he can to assist and serve the under privileged children of the valley and their families. He is the Director of GR8 Community Development Corporation, a non-profit started by he and his wife in 2014. Through GR8 over 5,000 children have been assisted with toys for Christmas and back to school supplies. In 2014 and 2015 large toy drives were held to help support the Las Vegas Rescue Mission and toys were distributed to roughly 2,000 less fortunate children each year so that they would have something to open on Christmas morning. In August of 2018 GR8 participated in Commissioner Lawrence Weekly's Back to School Fair and distributed 2,000 lunch boxes, notebooks, pencils, sharpeners, rulers and pencil cases to make sure the children had what they needed to start the new school year on the right foot. This year a turkey and food drive is being held with hopes to assist 1,000 families with putting a Thanksgiving meal on their table and another Christmas Toy Drive will also be held to bring holiday cheer to as many children as possible.

GR8 Community Development Corporation also has a youth sports program which currently runs eighteen club baseball teams called CBA Nevada; with over 200 players it helps to keep kids off the streets, out of trouble, focused on their education and working hard towards their future and long-term goals. Fund raisers are held yearly and sponsorships are given to those children who have a love for baseball but may not otherwise be able to afford to play. GR8 also hosts an annual CBA College Baseball Camp in conjunction with the LVCVA (Las Vegas Convention and Vacation Authority) and Las Vegas 51's that brings in 30-40 of the top college coaches to work with and possibly recruit 100 of the most talented high school players. Through CBA and the camp over 300 players have been put into college.

Jay Matos was born in New York, lived most of his younger years surrounded by his heritage in Puerto Rico, moved to Las Vegas at the age of 12 and then at the age of 22 he moved to Boston, MA to pursue a technology career, he lived there for eight years until his return to Las Vegas in 1999. He has been married for 21 years to his wife, Cheri and they have four boys; Jaytee (25), Jayden (17), Jayzic (11) and Jaymin (5) as well as a granddaughter, Lyric (2).

Catherine Boutsikakis

Catherine Boutsikakis is a licensed and registered Pharmacist in Nevada and New York State. She attended St. John's University College of Pharmacy and Allied Health Professions. While in school, she was active in the student chapter of the American Pharmaceutical Association and Lambda Kappa Sigma – a professional pharmacy sorority.

Both organizations were active in community outreach and educating the public on pharmacy and health care issues. Catherine graduated St. John's in May of 1993 with a Bachelor of Science in Pharmacy degree and began a long career in the pharmacy field.

Her first 13 years were spent working for Genovese Drug Stores (later Eckerd Pharmacy). Most of that time was spent as a Supervising Pharmacist where she was responsible for managing the pharmacy department – budgeting, scheduling, payroll, ordering, and inventory – in addition to her regular duties of dispensing and consulting.

In 2002, she was given an Outstanding Pharmacy Management Award. Her celebrated work as a manager led to being assigned extra projects. She was trained as a fertility specialist, which entailed becoming an expert on all medications used for fertility purposes including compounding capsules, creams, and suppositories. She was also selected to set up and open new chain locations. This gave her experience in government regulations as it involved filing paperwork with the State Board of Pharmacy and the DEA for licensing, registration, and controlled substance inventory. It also required physician outreach to familiarize health care providers in the area with the new store.

Another project required being sent to various stores, which were not compliant with policies and procedures, and reorganizing them to get them on track.

In 2007, she switched to an independent pharmacy practice setting. The focus there was more patient and community based as opposed to management, but she was responsible for the operations of the business when the owner was unavailable.

While still in New York, she was very active in the local elementary school. She spent three years on the School Leadership Team, a group comprised of teachers and parent representatives who develop educational policies for the school. They also make sure there are resources to support those policies. She also spent two years as the president of the Parent Teachers Association and was responsible for supporting the school by way of fundraising, hosting workshops, and organizing festivals and social events.

Upon moving to Las Vegas in 2015, she began freelance work for AB Consultant Group providing pharmaceutical consulting services. Beginning in December of 2017, she also began providing social media consulting by providing social media posts concerning medical cannabis and the health care field. In total she has been licensed and registered as a pharmacist for 25 years in New York State and for just over a year in Nevada. During this time, she has been actively keeping up with her continuing education classes across a broad spectrum of health care topics, including medical cannabis.

She is currently enrolled in the Cannabis Care Certification program through Americans For Safe Access Foundation.

Michael J. McDonald

Michael is the only son and youngest child of John and Doris McDonald, he is a first generation Nevadan and life long resident of Las Vegas. Michael is a proud alum of both Western High School and UNLV. However, he left UNLV to follow a calling to join the Las Vegas Metropolitan Police Department in 1989.

Michael found serving the public extremely rewarding and advanced in Metro quickly, but as fate would have it, on two occasions Officer McDonald responded to calls that would require him to disregard his own safety for the sake of the people that he vowed to protect and sustain injuries that would place him on light duty.

Michael would not let this cruel blow from fate stop him from serving his community. While on light duty he created Project 89109, a community policing project in a high crime area that helped the residents of that neighborhood join forces with elected officials, businesses and the LVMPD in order to clean up the area. The project was highly successful and with Officer McDonald's guidance and contributions to the outreach program he was nominated for the National Police Officer of the Year Award by the International Association of Chiefs of Police. The Department ultimately won the Webber Seavy Award for his efforts with Project 89109.

In 1995, a neophyte to local politics, Mr. McDonald entered the City Council race as a virtual unknown. Michael started is campaign with just $50.00 but, with his family, friends and supporters walking the neighborhoods to meet and listen to the residents of this forgotten corridor, he won the race in a huge upset and moved into City Hall as the youngest City Councilman ever elected.

During his tenure in City Hall, Michael was the only Republican City Councilman, the youngest elected official and the only person in history to hold duel badges. He was the youngest Mayor Pro Tem and the youngest Chairman for the Las Vegas Convention and Visitors Authority in Las Vegas history. At the time of his retirement from the LVMPD, Michael was one of the most highly decorated officers on the force. The service to his community and many contributions while serving it have resulted in accolades that include two Medals of Honor, letters of commendation, and awards for meritorious service, exemplary service, and community service. Michael has also received two keys to the city, as well as proclamations from the Mayor and the Las Vegas City Council for his numerous accomplishments within the City. He’s also been given proclamations from Clark County Commissioners and two different Nevada Governors. Michael has also received recognition from both of Nevada’s Congressional leaders, two different United States Senators and President Clinton.

In 2012 Michael returned to his law enforcement roots by joining the Laughlin Constable's Office. As a retired Officer of the LVMPD combined with his extensive knowledge of tactical weapons training and community policing he quickly rose through the ranks and is now the Assistant Constable for the City of Laughlin.

Currently, Michael is the longest serving State Chairman for the Nevada Republican Party and a member of the Republican National Committee. He is very active in local, state and national politics in both partisan and non partisan ways.

In 2008, Michael's beloved mother Doris fell ill. She was able to obtain some marijuana products that helped her regain her appetite, rest and helped ease her pain. Michael saw the positive effects that marijuana could have and soon found himself advocating for the legalization of medical and later recreational marijuana starting at the 2013 Nevada Legislature and beyond.

Michael is the President of Alpha Omega Strategies, a firm that specializes in government affairs, marketing and advertising. Michael joined forces with Jay Matos to assist Senator Segerblom at the 2013, 2015 and 2017 Legislative Sessions helping create the legislation for SB374.

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BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

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ATTACHMENT B

OWNER, OFFICER AND BOARD MEMBER ATTESTATION FORM

[redacted]

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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ATTACHMENT B

OWNER, OFFICER AND BOARD MEMBER ATTESTATION FORM

[redacted]

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ATTACHMENT B

OWNER, OFFICER AND BOARD MEMBER ATTESTATION FORM

[redacted]

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DEPARTMENT OF TAXATION
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ATTACHMENT D
REQUEST AND CONSENT TO RELEASE APPLICATION FORM

[redacted]

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
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Reno, Nevada 89502
Phone: (775) 687-9999
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LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT D
REQUEST AND CONSENT TO RELEASE APPLICATION FORM

[redacted]

[redacted]

NEW

Nevada Marijuana Enforcement Division

Driver's License Front

■Name

NAME

Ronald Doumani

PHYSICAL ADDRESS

[redacted]

Copy the front of driver's license (or state/federal issued photo identification) into the area below.
If photocopying, insert this sheet into the photocopy machine.

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Back

■Name

NAME	Ronald Malick Dowman
PHYSICAL ADDRESS	[redacted]
PHYSICAL [redacted]	

Copy the back of driver's license (or state/federal issued photo identification) into the area below. If photocopying, insert this sheet into the photocopy machine.

[redacted]

Nevada Marijuana Enforcement Division

Applicant Required Attestation Form

[redacted]

Nevada Marijuana Enforcement Division

Applicant Dispense/Divert Pledge Form

[redacted]

[redacted]

[redacted]

Nevada Marijuana Enforcement Division

Agent Applicant Fingerprint Submission Form

Provide this form to the fingerprint technician at the time fingerprints are taken. Submit the completed, stamped form with your agent card application.

Fingerprint technician: Please ensure that you see a photo ID for identity verification purposes prior to fingerprinting. Also, please enter the required information in the lower right hand corner and return this form to the applicant for submission to the Marijuana Enforcement Division.

[redacted]

Nevada Marijuana Enforcement Division

Agent Basic Information Document

The information on this form is required for all agent registration applications. Enter the required information below, print and sign where required.

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Front

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Back

[redacted]

Nevada Marijuana Enforcement Division

Applicant Required Attestation Form

[redacted]

Nevada Marijuana Enforcement Division

Applicant Dispense/Divert Pledge Form

[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Nevada Marijuana Enforcement Division

[redacted]

[redacted]

Nevada Marijuana Enforcement Division

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■Instructions

Please type or print legibly. All fingerprints must go to DPS for processing. Electronic submission to DPS is REQUIRED unless being fingerprinted outside of Nevada.

[redacted]

Nevada Marijuana Enforcement Division

Agent Basic Information Document

The information on this form is required for all agent registration applications. Enter the required information below, print and sign where required.

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Front

■Name

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Back

■Name

NAME

[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Nevada Marijuana Enforcement Division

Applicant Required Attestation Form

[redacted]

Nevada Marijuana Enforcement Division

Applicant Dispense/Divert Pledge Form

[redacted]

[redacted]

[redacted]

Nevada Marijuana Enforcement Division

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■Instructions

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■Applicant

NAME (FIRST MIDDLE LAST) SOCIAL SECURITY NUMBER (optional)

[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Nevada Marijuana Enforcement Division

Agent Basic Information Document

The information on this form is required for all agent registration applications. Enter the required information below, print and sign where required.

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Front

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Back

[redacted]

Nevada Marijuana Enforcement Division

Applicant Required Attestation Form

[redacted]

Nevada Marijuana Enforcement Division

[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Nevada Marijuana Enforcement Division

[redacted]

[redacted]

Nevada Marijuana Enforcement Division

Agent Basic Information Document

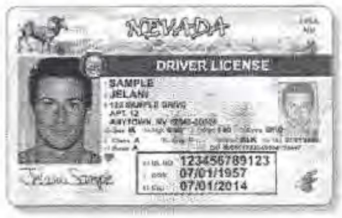
The information on this form is required for all agent registration applications. Enter the required information below, print and sign where required.

Please type or print legibly.

[redacted]

Nevada Marijuana Enforcement Division

Driver's License Front



[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

Nevada Marijuana Enforcement Division

Driver's License Back

[redacted]

Nevada Marijuana Enforcement Division

[redacted]

[redacted]

[redacted]

Nevada Marijuana Enforcement Division

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■ Applicant

[redacted]

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■Applicant

[redacted]

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ATTACHMENT A

RECREATIONAL MARIJUANA ESTABLISHMENT APPLICATION

GENERAL INFORMATION

[redacted]

BRIAN SANDOVAL
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ATTACHMENT A
RECREATIONAL MARIJUANA ESTABLISHMENT APPLICATION

GENERAL INFORMATION

[redacted]

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ATTACHMENT A (continued)

Recreational Marijuana Establishment Owner (OR), Officer (OF), Board Member (BM) Names

[redacted]

ATTACHMENT A (continued)

[redacted]

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ATTACHMENT A

RECREATIONAL MARIJUANA ESTABLISHMENT APPLICATION

GENERAL INFORMATION

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ATTACHMENT A (continued)

Recreational Marijuana Establishment Owner (OR), Officer (OF), Board Member (BM) Names

[redacted]

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ATTACHMENT A (continued)

[redacted]

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ATTACHMENT F
MULTI-ESTABLISHMENT LIMITATIONS FORM

[redacted]

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ATTACHMENT H
IDENTIFIER LEGEND FORM

[redacted]

HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY

[redacted]

Property Value

[redacted]

Property Value
$1,450,000.00
$2,000,000.00
$398,000.00
$1,200,000.00
$225,000.00
$225,000.00
$600,000.00
$1,500,000.00
$600,000.00

o

Table of Contents

HERBAL CHOICE INC.

Business Entity Information

Status:	Active	File Date:	4/9/2014
Type:	Domestic Corporation	Entity Number:	E0188472014-0
Qualifying State:	NV	List of Officers Due:	4/30/2019
Managed By:		Expiration Date:	
NV Business ID:	NV20141246399	Business License Exp:	4/30/2019

Additional Information

Central Index Key:	

Registered Agent Information

Name:	BORGHESE LEGAL, LTD.	Address 1:	10161 PARK RUN DR STE 150
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89145
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 100,000.00
Par Share Count:	100,000.00	Par Share Value:	$ 1.00

− Officers

☐ Include Inactive Officers

President - NORBERTO MADRIGAL

Address 1:	4830 E. CARTIER AVE.	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89115	Country:	
Status:	Active	Email:	

Secretary - NORBERTO MADRIGAL

Address 1:	4830 E. CARTIER AVE.	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89115	Country:	
Status:	Active	Email:	

Treasurer - NORBERTO MADRIGAL

Address 1:	4830 E. CARTIER AVE.	Address 2:	
City:	LAS VEGAS	State:	NV

Zip Code:	89115	Country:	
Status:	Active	Email:	

Director - NORBERTO MADRIGAL

Address 1:	4830 E. CARTIER AVE.	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89115	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Incorporation		
Document Number:	20140263128-09	# of Pages:	2
File Date:	4/9/2014	Effective Date:	

Initial Stock Value: Par Value Shares: 100,000 Value: $ 1.00 No Par Value Shares: 0 -- Total Authorized Capital: $ $100,000.00

Action Type:	Initial List		
Document Number:	20140263129-10	# of Pages:	1
File Date:	4/9/2014	Effective Date:	

(No notes for this action)

Action Type:	Amended List		
Document Number:	20140512512-53	# of Pages:	2
File Date:	7/17/2014	Effective Date:	

(No notes for this action)

Action Type:	Amended List		
Document Number:	20140523496-76	# of Pages:	2
File Date:	7/22/2014	Effective Date:	

(No notes for this action)

Action Type:	Annual List		
Document Number:	20150155225-18	# of Pages:	2
File Date:	4/3/2015	Effective Date:	

(No notes for this action)

Action Type:	Amended List		
Document Number:	20150186636-38	# of Pages:	2
File Date:	4/24/2015	Effective Date:	

(No notes for this action)

Action Type:	Resignation of Officers		
Document Number:	20150194906-77	# of Pages:	1
File Date:	4/29/2015	Effective Date:	

DIRECTOR/KENNETH R GREEN

Action Type:	Resignation of Officers		
Document Number:	20160114675-13	# of Pages:	1
File Date:	3/14/2016	Effective Date:	

(No notes for this action)

Action Type:	**Annual List**		
Document Number:	**20160140828-12**	**# of Pages:**	**2**
File Date:	**3/29/2016**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Commercial Registered Agent Resignation**		
Document Number:	**20160335758-90**	**# of Pages:**	**1**
File Date:	**7/28/2016**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Registered Agent Change**		
Document Number:	**20160376907-61**	**# of Pages:**	**1**
File Date:	**8/25/2016**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Annual List**		
Document Number:	**20170100878-94**	**# of Pages:**	**2**
File Date:	**3/6/2017**	**Effective Date:**	
2017-2018			
Action Type:	**Registered Agent Resignation**		
Document Number:	**20170425950-65**	**# of Pages:**	**1**
File Date:	**10/5/2017**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Registered Agent Change**		
Document Number:	**20180051691-13**	**# of Pages:**	**1**
File Date:	**1/26/2018**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Annual List**		
Document Number:	**20180193965-24**	**# of Pages:**	**1**
File Date:	**4/30/2018**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Amended List**		
Document Number:	**20180194018-84**	**# of Pages:**	**1**
File Date:	**4/30/2018**	**Effective Date:**	
(No notes for this action)			

HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]