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ALPHA TRADE.COM

(OTC BB: APTD.OB)

Current Price: \$0.013

Current Recommendation: **BUY**

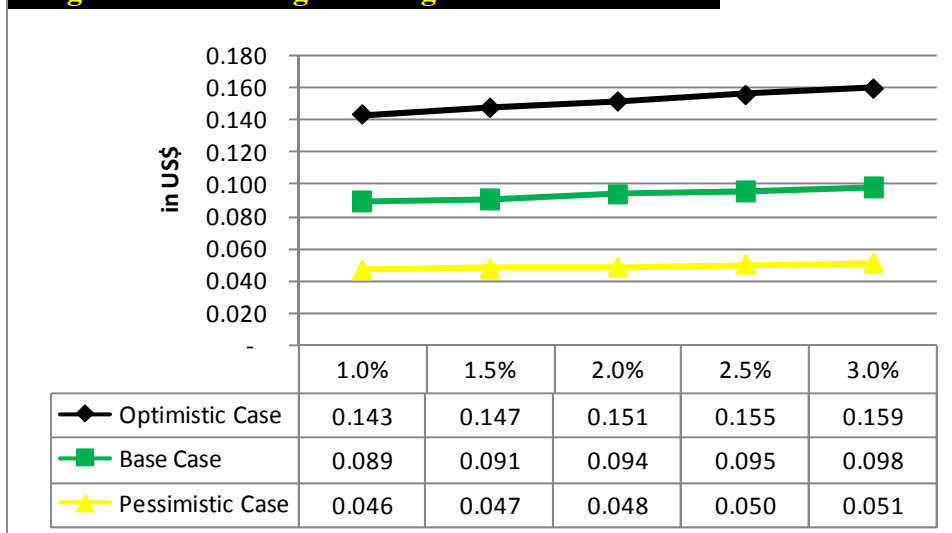
Sales Estimates

All figures in US\$ 000s	FY-2008	FY-2009E	FY-2010E	FY-2011E	FY-2012E	FY-2013E
Optimistic Case	6,075	5,885	6,934	8,575	10,869	13,220
Base Case	6,075	5,353	6,172	7,406	9,257	11,109
Pessimistic Case	6,075	4,628	5,228	6,112	7,548	8,876

Earnings Per Share (EPS) Estimates

All figures in US\$	FY-2008	FY-2009E	FY-2010E	FY-2011E	FY-2012E	FY-2013E
Optimistic Case	0.010	0.011	0.023	0.027	0.041	0.058
Base Case	0.010	0.008	0.015	0.017	0.023	0.031
Pessimistic Case	0.010	0.004	0.010	0.009	0.012	0.015

Target Price vs. Range of Long-term Growth Rates





Price and Volume Data



	Last Month	Last 3 Months	Last 6 Months	Last 9 Months	Last 12 Months
High Price	0.01	0.01	0.02	0.04	0.04
Low Price	0.01	0.01	0.01	0.01	0.01
Close Price	0.01	0.01	0.02	0.01	0.03
Total Volume	0	1,233,300	3,557,000	6,156,800	8,827,800
Average Daily Volume	18,600	28,700	33,600	36,000	37,700
Price Change vs Market (%)	97	108	80	94	28

Current Market Value	698,828
Market Value As % Of Revenues	12
Reported Shares Out. (2009/11/13) (#)	53,756,023
Balance Sheet Shares Out. (2009/09) (#)	53,756,023
Float (#)	38,818,083
Float As % Of Shares Outstanding	71.3



OVERVIEW OF COMPANY OPERATIONS

AlphaTrade provides both real-time and delayed stock market quotes to subscribers via the Internet. The Company also provides an array of financial products and services, including in depth market information from all North American exchanges and many of the exchanges in the Middle East. The Company has five diversified revenue streams: real time stock quotes - E-Gate; financial information for Websites - E-Trax, and advertising, Web design and Web hosting services. All three of its websites (www.alphatrade.com, www.zenobank.com and <http://finance.alphatrade.com>) provide information and services that both compliment and attract the online digital advertising and marketing industry.

The Company's E-Gate hosted financial data application is a subscription-based service for professionals, avid investors and day-traders. The Company also offers a customized version for banks, insurance companies, mutual funds, and brokers. AlphaTrade is expanding its subscriber base in China, Russia, Korea, Japan and the Middle East. Additionally, the Company provides advertising, web design and web hosting services under the E-Trax brand. The Company's E-Trax products and services include targeted advertising campaigns that are specifically designed to meet the needs of small, midsized and large businesses that want to target ideally suited demographics.

AlphaTrade's operating model is experiencing a significant shift. We expect the Company to generate strong revenue growth in the long-run, driven by a greater focus on building revenues through innovative digital advertising programs. AlphaTrade continues to increase its market share and web traffic which secures new advertising clients and bring in higher revenues from advertising. The rise of RFID systems and Wi-Fi application in the coming years should eliminate corruption, fraud, counterfeiting, scalping activities and give the Company a wider addressable market.



KEY DEVELOPMENTS

Top Management changes following the death of Company's Founder and former Chief Executive Officer

Ms. Penny Perfect, AlphaTrade's Founder, former Chairman, Chief Executive Officer and President passed away on December 27, 2009. The Company's Board of Directors has appointed Mr. Gordon Muir as President and Chairman of the Company's Board. Ms. Perfect was responsible for the company's mission of empowering people, growing the businesses and forming future strategies. Though this is a big blow for the Company, it is hopeful that Mr. Gordon Muir will be able to successfully oversee the daily operations of AlphaTrade and continue its success.

FINANCIAL PERFORMANCE OVERVIEW

For Nine Months Ended September 30, 2009

Continued and unparalleled financial meltdown resulted in revenue growth slowdown for AlphaTrade. Revenue for nine months ending in September 30, 2009 was \$4.02, a decline of 33% over the same period the previous year. The Company's advertising revenues were experiencing a decline as many clients curtail their marketing and advertising budgets in the current unstable economy. Advertising revenues declined from \$3.53 million during nine month period ending in September 30, 2008 to \$1.98 during the same period in 2009.

Costs of sales, which are directly linked to the price paid by the Company for financial content and feeds, increased to 28% of sales from 24% of sales reported during the same period the previous year. This is attributed to the decline in advertising revenues as a percentage of total revenues. Lower spending on professional fees, marketing expenses and research and development resulted in a decline in operating expenses from \$2.71 million in 2008 to \$2.56 million.

Due to a sharp decline in revenues, a marginal rise in cost of sales and a minor decline in operating expenses, APTD reported net loss of \$0.47 million for the nine months ending in September 30, 2009 compared to a profit of \$1.74 in 2008.



FINANCIAL FORECAST AND VALUATION

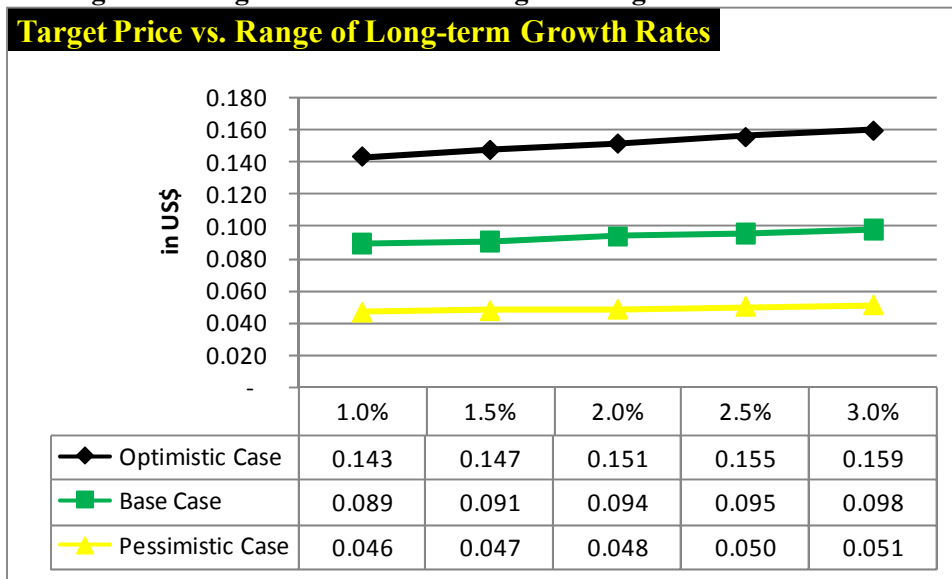
In light of the Company’s slowdown in revenue growth due to the current economic downturn, vis-à-vis our earlier projections, we have updated our financial forecasts to reflect a downward revision. We expect the revenues to decline by 12.0% in 2009 to \$5.4 million. The exhibit below highlights the key items of our revised financial forecasts based on the base case assumptions.

Figure 1: 5-year Sales, Margin and Earnings Forecasts

All figures in US\$ 000s	FY-2006	FY-2007	FY-2008	FY-2009E	FY-2010E	FY-2011E	FY-2012E	FY-2013E
Revenues	4,396	5,979	6,075	5,353	6,137	7,364	9,206	11,047
Operating Margin	-106.8%	-57.4%	18.5%	17.0%	21.8%	24.0%	26.4%	28.2%
Net Margin	-107.8%	-61.7%	13.7%	12.2%	20.4%	18.7%	20.9%	23.2%
EPS Diluted	(0.13)	(0.08)	0.01	0.01	0.02	0.02	0.03	0.04
EBITDA	(4,693)	(3,432)	1,124	910	1,336	1,770	2,426	2,560

Our downward revision in Company’s financial forecasts has resulted in a decrease in our valuation price target. Based on our Base Case forecasts our DCF valuation target price for APTD common stock ranges from \$0.09-\$0.10 per share. We used a two-stage DCF valuation methodology: first, we discounted forecasted cash flow to the present date for the next forecasted five years (until 2013) based on our forecasted revenue growth and margin improvement. Second stage: beyond 2013, we assumed a 2% growth rate to derive the long-term fair value for the stock. We used the following assumptions to derive our 12-month fair value of the stock.

Figure 2: Target Price vis-à-vis Range of Long-Term Growth Rates





CONCLUSION

We reiterate our BUY rating for ALPHA TRADE.COM (NASDAQ: APTD), albeit with a downward revision in the target price range to \$0.09-\$0.10, as per our Base Case forecast. AlphaTrade is an exciting growth story with a scalable business model. However, the infortunate demise of its founder and former CEO coupled with the unprecedented slowdown in growth global economy has resulted in a significant decline in the Company's bottom-line. In light of this double setback during the past quarter, we have significantly reduced our growth projections resulting in a lower price target. Despite the Company's setbacks, we are optimistic about the Company's long-term growth potential. In an effort to maintain momentum the Company has made successful adjustments in its marketing and growth plans. APTD's low price for its services has been its key differentiator from other large companies in the industry. The innovative and unique online marketing and advertising programs initiated by the Company are now available to clients on an a la Carte basis, facilitating the decision-making of cost conscious clients. The Company is also witnessing positive traction in gaining international exposure and expects this segment to contribute to its profit in the coming years. By launching ZenoBank.com they now have another channel for advertising revenues, while providing their customers a valuable service of driving more traffic to their company. We recommend APTD as a long term buy for risk adverse small cap investors.

RS/Cohen Independent Research Group, Inc.



APPENDIX

ANNUAL INCOME STATEMENT

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
Sales	6,075,000	5,978,825	4,395,996	3,019,881
Sequential Sales Growth	1.6%	36.0%	45.6%	57.4%
EXPENSES				
Cost of Goods Sold (COGS)	1,839,000	1,717,021	1,743,103	1,301,541
COGS Sequential Growth %	7.1%	-1.5%	33.9%	2.9%
COGS as % of Sales	30.3%	28.7%	39.7%	43.1%
Gross Margin	-	4,246,190	2,639,977	1,708,547
Gross Operating Profit	4,236,000	4,261,804	2,652,893	1,718,340
Gross Profit Sequential Growth %	-0.6%	60.6%	54.4%	162.7%
Research & Development (R&D) Expense	469,000	439,456	411,595	276,626
R&D Sequential Growth %	6.7%	6.8%	48.8%	-35.1%
R&D as % of Sales	7.7%	7.4%	9.4%	9.2%
Selling, General & Administrative (SG&A) Expense	2,625,000	7,238,913	6,921,712	1,959,292
SG&A Sequential Growth %	-63.7%	4.6%	253.3%	-12.3%
SG&A as % of Sales	43.2%	121.1%	157.5%	64.9%
EBITDA	1,142,000	-3,416,565	-4,680,414	-517,578
EBITDA Sequential Growth %	-	-27.0%	804.3%	-74.2%
EBITDA Margin %	18.8%	-57.1%	-	-17.1%
Depreciation	18,000	15,614	12,916	9,793
Interest Income	-	-	-	-
Other Income - Net	85,000	-44,223	-43,209	-
EBIT	1,209,000	-3,476,402	-4,736,539	-527,371
EBIT Sequential Growth %	-	-26.6%	798.1%	-74.4%
EBIT Margin %	19.9%	-58.1%	-	-17.5%

**ANNUAL INCOME STATEMENT (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
Interest Expense	374,000	212,001	-	-
Pretax Income	835,000	-3,688,403	-4,736,539	-527,371
Pre-Tax Income Sequential Growth %	-	-22.1%	798.1%	-74.4%
Pre-Tax Income Margin	-	-	-	-
Income Taxes	-	-	-	-
Minority Interest	-	-	-	-
Net Income from Continuing Operations	834,000	-3,688,403	-4,736,539	-527,371
Net Income from Discontinued Operations	-	-	-	-
Net Income from Total Operations	834,000	-3,688,403	-4,736,539	-527,371
Extraordinary Income Losses	-	-	-	-
Other Gains Losses	-	-	-	-
NET INCOME				
Total Net Income	834,000	-3,688,403	-4,736,539	-527,371
Net Income Sequential Growth %	-	-22.1%	798.1%	-74.4%
Net Income Margin %	-	-	-	-
EARNINGS PER SHARE				
Basic EPS Total	0.02	-0.08	-0.14	-0.01
Basic EPS Sequential Growth %	-	-42.9%	-	-88.9%
Diluted EPS - Total	0.01	-0.08	-0.16	-0.01
Diluted EPS Sequential Growth %	-	-50.0%	-	-88.9%
Dividends per Share	-	-	-	-



QUARTERLY INCOME STATEMENT

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
Sales	1,114,938	1,150,000	1,751,000	1,587,000
Sequential Sales Growth	-3.0%	-34.3%	10.3%	-4.9%
Sales Growth Over Past 4 Quarters	-33.2%	-64.4%	-49.5%	-18.6%
EXPENSES				
Cost of Goods Sold (COGS)	332,449	393,000	397,000	-
COGS Sequential Growth %	-15.4%	-1.0%	-	-
COGS Over Past 4 Quarters %	-31.6%	-13.5%	-17.2%	-
COGS as % of Sales	29.8%	34.2%	22.7%	-
Gross Margin	782,489	-	-	-
Gross Operating Profit	782,489	757,000	1,354,000	1,587,000
Gross Profit Sequential Growth %	3.4%	-44.1%	-14.7%	34.3%
Gross Profit Growth Over Past 4 Quarters %	-33.8%	-72.8%	-54.7%	8.7%
Research & Development (R&D) Expense	62,951	69,000	65,000	-
R&D Sequential Growth %	-8.8%	6.2%	-	-
R&D Growth Over Past 4 Quarters %	-49.2%	-44.5%	-55.9%	-
R&D as % of Sales	5.6%	6.0%	3.7%	-
Selling, General & Administrative (SG&A) Expense	424,513	524,000	1,420,000	-
SG&A Sequential Growth %	-19.0%	-63.1%	-	-
SG&A Growth Over Past 4 Quarters %	-44.1%	-34.9%	49.5%	-
SG&A as % of Sales	38.1%	45.6%	81.1%	-
EBITDA	295,025	164,000	-131,000	1,587,000
EBITDA Sequential Growth %	79.9%	-	-	431.0%
EBITDA Growth Over Past 4 Quarters %	-1.3%	-91.1%	-	-
EBITDA Margin %	26.5%	14.3%	-7.5%	100.0%
Depreciation	4,377	5,000	5,000	-
Interest Income	-	-	-	-
Other Income - Net	-4,394	-489,000	-71,000	-1,378,000
EBIT	286,254	-330,000	-207,000	209,000
EBIT Sequential Growth %	-	59.4%	-	-15.4%
EBIT Growth Over Past 4 Quarters %	15.9%	-	-	-
EBIT Margin %	25.7%	-28.7%	-11.8%	13.2%

**QUARTERLY INCOME STATEMENT (CONTINUED)**

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
Interest Expense	16,675	106,000	104,000	-
Pretax Income	269,579	-436,000	-311,000	209,000
Pre-Tax Income Sequential Growth %	-	40.2%	-	37.5%
Pre-Tax Income Growth Over Past 4 Quarters	77.4%	-	-	-
Pre-Tax Income Margin	-	-	-	-
Income Taxes	-	-	-	-
Minority Interest	-	-	-	-
Net Income from Continuing Operations	269,579	-436,000	-310,000	209,000
Net Income from Discontinued Operations	-	-	-	-
Net Income from Total Operations	269,579	-436,000	-310,000	209,000
Extraordinary Income Losses	-	-	-	-
Other Gains Losses	-	-	-	-
NET INCOME				
Total Net Income	269,579	-436,000	-310,000	209,000
Net Income Sequential Growth %	-	40.6%	-	37.5%
Net Income Growth Over Past 4 Quarters %	77.4%	-	-	-
Net Income Margin %	-	-	-	-
EARNINGS PER SHARE				
Basic EPS Total	-	-0.01	-0.01	-
Basic EPS Sequential Growth %	-	-	-	-
Basic EPS Growth Over Past 4 Quarters %	-	-	-	-
Diluted EPS - Total	-	-0.01	-0.01	-
Diluted EPS Sequential Growth %	-	-	-	-
Diluted EPS Growth Over Past 4 Quarters %	-	-	-	-
Dividends per Share	-	-	-	-

**ANNUAL BALANCE SHEET**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
ASSETS				
Cash and Equivalents	56,000	153,760	147,323	147,408
Marketable Securities	1,561,000	664,090	-	-
Cash & Marketable Securities Sequential Growth %	135.1%	-	-	-
Cash & Marketable Sec. as % of Total Assets	55.1%	55.7%	-	-
Accounts Receivable	1,172,000	28,047	64,766	5,830
Accounts Receivable Sequential Growth %	-	-56.7%	-	-
Accounts Receivable as % of Total Assets	41.3%	2.4%	12.0%	0.8%
Other Short Term Receivables	-	-	-	-
Inventories	-	-	-	-
Inventories Sequential Growth %	-	-	-	-
Inventories as % of Total Assets	-	-	-	-
Prepaid Expenses	1,000	750	7,148	229,460
Current Deferred Income Taxes	-	-	-	-
Other Current Assets	-	-	-	-
Total Current Assets	2,790,000	846,647	219,237	382,698
Net Fixed Assets	46,000	45,633	37,550	46,531
Net Fixed Assets Sequential Growth %	0.8%	21.5%	-19.3%	56.0%
Net Fixed Assets as % of Total Assets	1.6%	3.8%	6.9%	6.2%
Intangibles	-	-	-	-
Intangibles Sequential Growth %	-	-	-	-
Intangibles as % of Total Assets	-	-	-	-
Non Current Deferred Income Taxes	-	-	-	-
Other Non Current Assets	-	300,000	284,458	320,800
Total Assets	2,835,000	1,192,280	541,245	750,029

**ANNUAL BALANCE SHEET (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
LIABILITIES				
Accounts Payable	4,908,000	2,404,822	547,139	348,875
Accounts Payable Sequential Growth %	104.1%	339.5%	56.8%	-8.1%
Accounts Payable as % of Total Assets	-	-	-	-
Notes Payable	-	-	-	-
Debt Payable	-	-	-	-
Debt Payable Sequential Growth %	-	-	-	-
Debt Payable as % of Total Assets	-	-	-	-
Accrued Expenses	-	-	-	-
Accrued Liabilities	-	-	-	-
Deferred Revenues	737,000	244,578	241,332	204,753
Current Deferred Income Taxes	-	-	-	-
Other Current Liabilities	-	2,190,414	714,295	429,927
Total Current Liabilities	5,645,000	4,839,814	1,502,766	983,555
Current Liabilities Sequential Growth %	16.6%	222.1%	52.8%	-53.8%
Current Liabilities as % of Total Assets	-	-	-	-
Long Term Debt	-	-	-	-
Long Term Debt Sequential Growth %	-	-	-	-
Long Term Debt as % of Total Assets	-	-	-	-
Deferred Income Taxes	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Total Liabilities	5,645,000	4,839,814	1,502,766	983,555
Total Liabilities Sequential Growth %	16.6%	222.1%	52.8%	-53.8%
Total Liabilities as % of Total Assets	-	-	-	-

**ANNUAL BALANCE SHEET (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
E Q U I T Y				
Preferred Stock	4,000	4,000	4,000	2,000
Common Stock Par Value	-2,814,000	-3,651,534	-965,521	-235,526
Capital Surplus	54,000	48,590	36,750	29,899
Additional Paid in Capital	33,681,000	32,719,057	30,857,336	26,023,780
Retained Earnings	-34,851,000	-34,800,150	-31,111,747	-26,375,208
Treasury Stock	-	-	-	-
Other Equity Adjustments	-1,698,000	-1,619,031	-747,860	86,003
Total Equity	-2,810,000	-3,647,534	-961,521	-233,526
Total Equity Sequential Growth %	-23.0%	279.4%	311.7%	-88.4%
Total Equity as % of Total Assets	-	-	-	-
Total Liabilities and Stock Equity	2,835,000	1,192,280	541,245	750,029
S H A R E H O L D I N G S / E M P L O Y E E S				
Total Common Shares Outstanding	54,076,000	48,589,773	40,429,070	32,892,041
Shares Outstanding Sequential Growth %	11.3%	20.2%	22.9%	29.8%
Treasury Shares	-	-	-	-
Basic Weighted Shares Outstanding	51,176,000	48,589,773	35,411,744	29,592,164
Diluted Weighted Shares Outstanding	81,176,000	48,589,773	35,411,744	29,592,164
Diluted Shares Outstanding Sequential Growth %	67.1%	37.2%	19.7%	31.8%
Number of Employees	2	21	19	18
Number of Part Time Employees	-	-	-	-

**QUARTERLY BALANCE SHEET**

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
ASSETS				
Cash and Equivalents	9,208	94,000	2,000	56,000
Marketable Securities	528,608	188,000	842,000	1,561,000
Cash & Marketable Securities Sequential Growth %	181.2%	-77.7%	-46.1%	-34.2%
Cash & Marketable Sec. Growth Over Past 4 Quarters %	-77.7%	-90.1%	71.8%	135.1%
Cash & Marketable Sec. as % of Total Assets	92.2%	55.6%	48.2%	55.1%
Accounts Receivable	1,152	20,000	864,000	1,172,000
Accounts Receivable Sequential Growth %	-94.2%	-97.7%	-26.3%	-72.7%
Accounts Receivable Growth Over Past 4 Quarters %	-	-99.6%	-61.5%	-
Accounts Receivable as % of Total Assets	0.2%	5.9%	49.4%	41.3%
Other Short Term Receivables	-	-	-	-
Inventories	-	-	-	-
Inventories Sequential Growth %	-	-	-	-
Inventories Growth Over Past 4 Quarters %	-	-	-	-
Inventories as % of Total Assets	-	-	-	-
Prepaid Expenses	3,000	-	-	1,000
Current Deferred Income Taxes	-	-	-	-
Other Current Assets	-	-	-	-
Total Current Assets	541,968	301,000	1,707,000	2,790,000
Net Fixed Assets	31,399	36,000	41,000	46,000
Net Fixed Assets Sequential Growth %	-12.8%	-12.2%	-10.9%	-8.0%
Net Fixed Assets Growth Over Past 4 Quarters %	-37.2%	-9.3%	1.7%	0.8%
Net Fixed Assets as % of Total Assets	5.5%	10.7%	2.3%	1.6%
Intangibles	-	-	-	-
Intangibles Sequential Growth %	-	-	-	-
Intangibles Growth Over Past 4 Quarters %	-	-	-	-
Intangibles as % of Total Assets	-	-	-	-
Non Current Deferred Income Taxes	-	-	-	-
Other Non Current Assets	-	-	-	-
Total Assets	573,367	338,000	1,748,000	2,835,000



QUARTERLY BALANCE SHEET (CONTINUED)

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
LIABILITIES				
Accounts Payable	3,533,235	4,418,000	5,015,000	4,908,000
Accounts Payable Sequential Growth %	-20.0%	-11.9%	2.2%	134.7%
Accounts Payable Growth Over Past 4 Quarters %	69.0%	120.3%	132.2%	104.1%
Accounts Payable as % of Total Assets	-	-	-	-
Notes Payable	-	-	-	-
Debt Payable	34,764	-	31,000	-
Debt Payable Sequential Growth %	-	-	-	-
Debt Payable Growth Over Past 4 Quarters %	117.3%	-	-53.0%	-
Debt Payable as % of Total Assets	-	-	-	-
Accrued Expenses	-	-	-	-
Accrued Liabilities	-	-	-	-
Deferred Revenues	573,583	732,000	1,012,000	737,000
Current Deferred Income Taxes	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Current Liabilities	4,141,582	5,150,000	6,058,000	5,645,000
Current Liabilities Sequential Growth %	-19.6%	-15.0%	7.3%	-8.6%
Current Liabilities Growth Over Past 4 Quarters %	-32.9%	-13.7%	23.3%	16.6%
Current Liabilities as % of Total Assets	-	-	-	-
Long Term Debt	-	-	-	-
Long Term Debt Sequential Growth %	-	-	-	-
Long Term Debt Growth Over Past 4 Quarters %	-	-	-	-
Long Term Debt as % of Total Assets	-	-	-	-
Deferred Income Taxes	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Total Liabilities	4,141,582	5,150,000	6,058,000	5,645,000
Total Liabilities Sequential Growth %	-19.6%	-15.0%	7.3%	-8.6%
Total Liabilities Growth Over Past 4 Quarters %	-32.9%	-13.7%	23.3%	16.6%
Total Liabilities as % of Total Assets	-	-	-	-

**QUARTERLY BALANCE SHEET (CONTINUED)**

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
E Q U I T Y				
Preferred Stock	-	4,000	4,000	4,000
Common Stock Par Value	-3,568,215	-4,816,000	-4,314,000	-2,814,000
Capital Surplus	53,756	54,000	54,000	54,000
Additional Paid in Capital	34,606,348	33,689,000	33,689,000	33,681,000
Retained Earnings	-35,567,651	-35,597,000	-35,162,000	-34,851,000
Treasury Stock	-	-	-	-
Other Equity Adjustments	-2,660,668	-2,962,000	-2,896,000	-1,698,000
Total Equity	-3,568,215	-4,812,000	-4,310,000	-2,810,000
Total Equity Sequential Growth %	-25.8%	11.6%	53.4%	-
Total Equity Growth Over Past 4 Quarters %	-	-	140.6%	-23.0%
Total Equity as % of Total Assets	-	-	-	-
Total Liabilities and Stock Equity	573,367	338,000	1,748,000	2,835,000
S H A R E H O L D I N G S / E M P L O Y E E S				
Total Common Shares Outstanding	53,756,023	54,476,000	54,476,000	54,076,000
Shares Outstanding Sequential Growth %	-1.3%	-	0.7%	3.0%
Shares Outstanding Growth Over Past 4 Quarters %	2.4%	5.7%	8.3%	11.3%
Treasury Shares	-	-	-	-
Basic Weighted Shares Outstanding	54,357,342	54,476,000	54,200,000	51,176,000
Diluted Weighted Shares Outstanding	84,357,342	54,476,000	54,200,000	81,176,000
Diluted Shares Outstanding Sequential Growth %	54.9%	0.5%	-33.2%	57.0%
Diluted Shares Outstanding Growth Over Past 4 Quarters %	63.1%	-54.0%	9.3%	67.1%
Number of Employees	NA	NA	NA	NA
Number of Part Time Employees	NA	NA	NA	NA

**ANNUAL CASH FLOW STATEMENT**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
CASH FLOW FROM OPERATING ACTIVITIES				
Net Income/Loss	834,000	-3,688,403	-4,736,539	-527,371
Depreciation	18,000	15,614	12,916	9,793
Amortization	-	-	-	-
Amortization of Intangibles	-	-	-	-
Deferred Income Taxes	-	-	-	-
Operating Gains Losses	-809,000	-1,680,097	-915,130	391,200
Extraordinary Gains Losses	-	-	-	-
Increase Decrease - Receivables	-1,144,000	36,719	-58,936	129,382
Increase Decrease - Inventories	-	-	-	-
Increase Decrease - Prepaid Expenses	-	6,398	192,312	-14,424
Increase Decrease - Other Current Assets	-	-	-	-
Increase Decrease - Payables	621,000	1,857,683	198,264	-30,549
Increase Decrease - Other Current Liabilities	-393,000	1,479,365	319,428	88,037
Increase Decrease - Other Working Capital	-	-	-	-
Other Non Cash Items	291,000	1,447,061	4,603,954	-
Net Cash - Continuing Operations	-583,000	-525,660	-383,731	46,068
Net Cash - Discontinued Operations	-	-	-	-
Net Cash - Operating Activities	-583,000	-525,660	-383,731	46,068
Net Cash - Operations Sequential Growth %	10.9%	37.0%	-	-
Net Cash - Operations as % of Change in Cash	-	-	-	-

**ANNUAL CASH FLOW STATEMENT (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Property Plant Equipment	-	-	-	-
Sale of Long Term Investments	289,000	-	-	-
Sale of Short Term Investments	-	70,794	49,331	-
Purchase of Property Plant Equipment	-19,000	-23,697	-3,935	-26,499
Acquisitions	-	-	-	-
Purchase of Long Term Investments	-	-	-	-
Purchase of Short Term Investments	-	-	-	-
Other Investing Changes Net	-	-	-	-
Cash - Discontinued Investing Activities	-	-	-	-
Net Cash - Investing Activities	270,000	47,097	45,396	-26,499
Net Cash - Investing Sequential Growth %	473.3%	3.7%	-	14.9%
Net Cash - Investing as % of Change in Cash	-	731.7%	-	-38.9%
CASH FLOW FROM FINANCING ACTIVITIES				
Issuance of Debt	-	456,500	338,250	-
Issuance of Capital Stock	198,000	-	-	52,500
Repayment of Long Term Debt	-	-	-	-
Repurchase of Capital Stock	-	-	-	-
Dividends Paid	-	-	-	-
Other Financing Charges Net	17,000	28,500	-	-4,000
Cash - Discontinued Financing Activities	-	-	-	-
Net Cash - Financing Activities	214,000	485,000	338,250	48,500
Net Cash - Financing Sequential Growth %	-55.9%	43.4%	597.4%	-67.4%
Net Cash - Financing as % of Change in Cash	-	-	-	71.3%
Effect of Exchange Rate Changes	-	-	-	-
Net Change - Cash and Cash Equivalents	-98,000	6,437	-85	68,069
Cash at Beginning of Period	154,000	147,323	147,408	79,339
Cash at End of Period	56,000	153,760	147,323	147,408
Cash Sequential Growth %	-63.6%	4.4%	-0.1%	85.8%



QUARTERLY CASH FLOW STATEMENT

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
CASH FLOW FROM OPERATING ACTIVITIES				
Net Income/Loss	-476,270	-746,000	-310,000	834,000
Depreciation	14,377	10,000	5,000	18,000
Amortization	-	-	-	-
Amortization of Intangibles	-	-	-	-
Deferred Income Taxes	-	-	-	-
Operating Gains Losses	-361,257	-210,000	-459,000	-809,000
Extraordinary Gains Losses	-	-	-	-
Increase Decrease - Receivables	1,170,912	1,152,000	309,000	-1,144,000
Increase Decrease - Inventories	-	-	-	-
Increase Decrease - Prepaid Expenses	-2,000	1,000	1,000	-
Increase Decrease - Other Current Assets	-	-	-	-
Increase Decrease - Payables	-938,037	-730,000	107,000	621,000
Increase Decrease - Other Current Liabilities	-163,427	-5,000	275,000	-393,000
Increase Decrease - Other Working Capital	-	-	-	-
Other Non Cash Items	500,000	500,000	-	291,000
Net Cash - Continuing Operations	-255,702	-28,000	-74,000	-583,000
Net Cash - Discontinued Operations	-	-	-	-
Net Cash - Operating Activities	-255,702	-28,000	-74,000	-583,000
Net Cash - Operations Sequential Growth %	813.2%	-62.2%	-87.3%	29.8%
Net Cash - Operations Growth Over Past 4 Quarters %	-43.1%	-93.7%	-79.1%	10.9%
Net Cash - Operations as % of Change in Cash	-	-	-	-



QUARTERLY CASH FLOW STATEMENT (CONTINUED)

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Property Plant Equipment	-	-	-	-
Sale of Long Term Investments	174,496	66,000	-	289,000
Sale of Short Term Investments	-	-	-	-
Purchase of Property Plant Equipment	-	-	-	-19,000
Acquisitions	-	-	-	-
Purchase of Long Term Investments	-	-	-11,000	-
Purchase of Short Term Investments	-	-	-	-
Other Investing Changes Net	-	-	-	-
Cash - Discontinued Investing Activities	-	-	-	-
Net Cash - Investing Activities	174,496	66,000	-11,000	270,000
Net Cash - Investing Sequential Growth %	164.4%	-	-	229.3%
Net Cash - Investing Growth Over Past 4 Quarters %	112.8%	-25.2%	-	473.3%
Net Cash - Investing as % of Change in Cash	-	173.7%	20.4%	-
CASH FLOW FROM FINANCING ACTIVITIES				
Issuance of Debt	34,764	-	31,000	-
Issuance of Capital Stock	-	-	-	198,000
Repayment of Long Term Debt	-	-	-	-
Repurchase of Capital Stock	-	-	-	-
Dividends Paid	-	-	-	-
Other Financing Charges Net	-	-	-	17,000
Cash - Discontinued Financing Activities	-	-	-	-
Net Cash - Financing Activities	34,764	-	31,000	214,000
Net Cash - Financing Sequential Growth %	-	-	-85.5%	-
Net Cash - Financing Growth Over Past 4 Quarters %	-83.8%	-	-80.8%	-55.9%
Net Cash - Financing as % of Change in Cash	-74.9%	-	-57.4%	-
Effect of Exchange Rate Changes	-	-	-	-
Net Change - Cash and Cash Equivalents	-46,442	38,000	-54,000	-98,000
Cash at Beginning of Period	55,650	56,000	56,000	154,000
Cash at End of Period	9,208	94,000	2,000	56,000
Cash Sequential Growth %	-90.2%	-	-96.4%	-
Cash Growth Over Past 4 Quarters %	-	-	-94.3%	-63.6%



ANNUAL RATIOS

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
Receivables / Sales (%)	19.3	0.5	1.5	0.2
Inventory / Sales (%)	-	-	-	-
Sales per Dollar of Inventory	NC	NC	NC	NC
Sales per Dollar of Net Plant	132.07	131.02	117.07	64.90
Receivables per day of Sales	69.45	1.69	5.30	0.69
PROFITABILITY METRICS				
Gross Profit Margin	69.7	71.3	60.3	56.9
Pre Tax Profit Margin	13.7	-61.7	NC	-17.5
Net Profit Margin	13.7	-61.7	NC	-17.5
Payout Ratio	-	NE	NE	NE
Interest Coverage	3.2	NC	NC	NC
Tax Rate	-	-	-	-
PERFORMANCE METRICS				
Return on Equity (ROE)	NS	NE	NE	NE
Return on Assets (ROA)	29.4	-309.4	-875.1	-70.3
Return on Invested Capital (ROI)	-29.7	101.1	492.6	225.8
Sales per Employee	3,037,500	284,706	231,368	167,771
Income per Employee	417,000	-175,638	-249,292	-29,298
EFFICIENCY RATIOS				
Receivable Turnover	10.1	128.8	124.5	999.6
Inventory Turnover	NC	NC	NC	NC
Total Asset Turnover	3.0	6.9	6.8	7.0
Days of COGS in Inventory	-	-	-	-
Sales per Dollar of Receivables	5.18	213.17	67.88	517.99

**ANNUAL RATIOS (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
PER SHARE DATA				
Sales per Share	0.11	0.12	0.11	0.09
Cash - per Share	-	-	-	-
Current Assets per Share	0.05	0.02	0.01	0.01
Total Assets per Share	0.05	0.02	0.01	0.02
Tangible Book Value per Share	-0.05	-0.08	-0.02	-0.01
Long Term Debt - per Share	-	-	-	-
Working Capital per Share	-0.05	-0.08	-0.03	-0.02
Cash Flow per Share	0.02	-0.08	-0.12	-0.02
Free Cash Flow per Share	-0.01	-0.01	-0.01	-
PRICE/EARNINGS				
Price Earnings Ratio - Closing Price	3.0	NE	NE	NE
VALUATION METRICS				
Price to Sales	0.27	2.08	1.40	3.74
Price to Tangible Book Value - Ratio	-0.60	-3.13	-7.73	-33.64
Price to Cash Flow - Ratio	1.5	-3.1	-1.3	-16.8
Price to Free Cash Flow - Ratio	-3.0	-25.0	-15.5	NC
Price to Equity	NS	NS	NS	NS



QUARTERLY RATIOS

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
Receivables / Sales (%)	-	0.3	10.5	19.3
Inventory / Sales (%)	-	-	-	-
Sales per Dollar of Inventory	NC	NC	NC	NC
Sales per Dollar of Net Plant	178.44	171.00	200.97	132.07
Receivables per day of Sales	0.07	1.17	37.75	69.45
PROFITABILITY METRICS				
Gross Profit Margin	80.0	79.3	83.8	69.7
Pre Tax Profit Margin	-4.8	-6.3	25.5	13.7
Net Profit Margin	-4.8	-6.3	25.5	13.7
Payout Ratio	-	-	-	-
Interest Coverage	NC	NC	8.2	3.2
Tax Rate	-	-	-	-
PERFORMANCE METRICS				
Return on Equity (ROE)	NE	NE	NS	NS
Return on Assets (ROA)	-46.6	-113.9	120.2	29.4
Return on Invested Capital (ROI)	7.5	8.0	-48.8	-29.7
Sales per Employee	NA	NA	NA	3,037,500
Income per Employee	NA	NA	NA	417,000
EFFICIENCY RATIOS				
Receivable Turnover	2.6	2.7	5.3	10.1
Inventory Turnover	NC	NC	NC	NC
Total Asset Turnover	1.5	1.7	3.4	3.0
Days of COGS in Inventory	-	-	-	-
Sales per Dollar of Receivables	4863.66	307.80	9.54	5.18

**QUARTERLY RATIOS (CONTINUED)**

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
PER SHARE DATA				
Sales per Share	0.10	0.11	0.15	0.11
Cash - per Share	-	-	-	-
Current Assets per Share	0.01	0.01	0.03	0.05
Total Assets per Share	0.01	0.01	0.03	0.05
Tangible Book Value per Share	-0.07	-0.09	-0.08	-0.05
Long Term Debt - per Share	-	-	-	-
Working Capital per Share	-0.07	-0.09	-0.08	-0.05
Cash Flow per Share	-	-0.01	0.04	0.02
Free Cash Flow per Share	-	-	-	-0.01
PRICE/EARNINGS				
Price Earnings Ratio - Closing Price	NE	NE	NC	3.0
VALUATION METRICS				
Price to Sales	0.13	0.18	0.13	0.27
Price to Tangible Book Value - Ratio	-0.19	-0.22	-0.25	-0.60
Price to Cash Flow - Ratio	NC	-2.0	0.5	1.5
Price to Free Cash Flow - Ratio	NC	NC	NC	-3.0
Price to Equity	NS	NS	NS	NS

**ANNUAL LIQUIDITY AND LEVERAGE**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
LIQUIDITY METRICS				
Quick Ratio	0.5	0.2	0.1	0.2
Current Ratio	0.5	0.2	0.1	0.4
Payout Ratio	-	NE	NE	NE
Leverage Ratio	NS	NS	NS	NS
Total Asset Turnover	3.0	6.9	6.8	7.0
Total Liabilities to Total Assets %	199.1	405.9	277.6	131.1
DEBT METRICS				
Debt Payable	-	-	-	-
Debt Payable Sequential Growth %	-	-	-	-
Debt Payable as % of Total Assets	-	-	-	-
Total Debt / Equity	NS	NS	NS	NS
Long Term Debt	-	-	-	-
Long Term Debt Sequential Growth %	-	-	-	-
Long Term Debt as % of Total Assets	-	-	-	-
Long Term Debt / Total Capital	-	-	-	-
Long Term Debt - per Share	-	-	-	-
Long Term Debt / Equity	NS	NS	NS	NS
Long Term Debt as % of Invested Capital	-	-	-	-
Long Term Debt to Total Liabilities %	-	-	-	-
CASH METRICS				
Cash as % of Revenue	0.9	2.6	3.4	4.9
Revenue per Dollar Cash	108.48	38.88	29.84	20.49
Cash Flow	852,000	-3,672,789	-4,723,623	-517,578
Cash Flow per Share	0.02	-0.08	-0.12	-0.02
Price to Cash Flow - Ratio	1.5	-3.1	-1.3	-16.8
Free Cash Flow	-602,000	-549,357	-387,666	19,569
Free Cash Flow per Share	-0.01	-0.01	-0.01	-
Price to Free Cash Flow - Ratio	-3.0	-25.0	-15.5	NC

**ANNUAL LIQUIDITY AND LEVERAGE (CONTINUED)**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
ASSETS				
Cash and Equivalents	56,000	153,760	147,323	147,408
Other Non Cash Items	291,000	1,447,061	4,603,954	-
Net Cash - Continuing Operations	-583,000	-525,660	-383,731	46,068
Net Cash - Discontinued Operations	-	-	-	-
Net Cash - Operating Activities	-583,000	-525,660	-383,731	46,068
Net Cash - Operations Sequential Growth %	10.9%	37.0%	-	-
Net Cash - Operations as % of Change in Cash	-	-	-	-
Cash at Beginning of Period	154,000	147,323	147,408	79,339
Cash at End of Period	56,000	153,760	147,323	147,408
Cash Sequential Growth %	-63.6%	4.4%	-0.1%	85.8%
Working Capital to Equity \$	101.5	109.4	132.9	255.1
Working Capital As % of Price	-166.7	-32.0	-19.4	-5.9
Working Capital per Share	-0.05	-0.08	-0.03	-0.02
Increase Decrease - Receivables	-1,144,000	36,719	-58,936	129,382
Increase Decrease - Inventories	-	-	-	-
Increase Decrease - Prepaid Expenses	-	6,398	192,312	-14,424
Increase Decrease - Other Current Assets	-	-	-	-
Increase Decrease - Payables	621,000	1,857,683	198,264	-30,549
Increase Decrease - Other Current Liabilities	-393,000	1,479,365	319,428	88,037
Increase Decrease - Other Working Capital	-	-	-	-



QUARTERLY LIQUIDITY AND LEVERAGE

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
LIQUIDITY METRICS				
Quick Ratio	0.1	0.1	0.3	0.5
Current Ratio	0.1	0.1	0.3	0.5
Payout Ratio	-	-	-	-
Leverage Ratio	-0.2	-0.1	-0.4	-1.0
Total Asset Turnover	1.5	1.7	3.4	3.0
Total Liabilities to Total Assets %	722.3	1523.7	346.6	199.1
DEBT METRICS				
Debt Payable	34,764	-	31,000	-
Debt Payable Sequential Growth %	-	-	-	-
Debt Payable Growth Over Past 4 Quarters %	117.3%	-	-53.0%	-
Debt Payable as % of Total Assets	-	-	-	-
Total Debt / Equity	NS	NS	NS	NS
Long Term Debt	-	-	-	-
Long Term Debt Sequential Growth %	-	-	-	-
Long Term Debt Growth Over Past 4 Quarters %	-	-	-	-
Long Term Debt as % of Total Assets	-	-	-	-
Long Term Debt / Total Capital	-	-	-	-
Long Term Debt - per Share	-	-	-	-
Long Term Debt / Equity	-	-	-	-
Long Term Debt as % of Invested Capital	-	-	-	-
Long Term Debt to Total Liabilities %	-	-	-	-
CASH METRICS				
Cash as % of Revenue	0.2	1.5	-	0.9
Revenue per Dollar Cash	608.49	65.49	4119.88	108.48
Cash Flow	-253,044	-370,158	2,114,922	852,000
Cash Flow per Share	-	-0.01	0.04	0.02
Price to Cash Flow - Ratio	NC	-2.0	0.5	1.5
Free Cash Flow	-255,702	-28,000	-74,000	-602,000
Free Cash Flow per Share	-	-	-	-0.01
Price to Free Cash Flow - Ratio	NC	NC	NC	-3.0



QUARTERLY LIQUIDITY AND LEVERAGE (CONTINUED)

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
ASSETS				
Cash and Equivalents	9,208	94,000	2,000	56,000
Other Non Cash Items	500,000	500,000	-	291,000
Net Cash - Continuing Operations	-255,702	-28,000	-74,000	-583,000
Net Cash - Discontinued Operations	-	-	-	-
Net Cash - Operating Activities	-255,702	-28,000	-74,000	-583,000
Net Cash - Operations Sequential Growth %	813.2%	-62.2%	-87.3%	29.8%
Net Cash - Operations Growth Over Past 4 Quarters %	-43.1%	-93.7%	-79.1%	10.9%
Net Cash - Operations as % of Change in Cash	-	-	-	-
Cash at Beginning of Period	55,650	56,000	56,000	154,000
Cash at End of Period	9,208	94,000	2,000	56,000
Cash Sequential Growth %	-90.2%	-	-96.4%	-
Cash Growth Over Past 4 Quarters %	-	-	-94.3%	-63.6%
Working Capital to Equity \$	100.9	100.7	100.9	101.5
Working Capital As % of Price	-538.5	-450.0	-400.0	-166.7
Working Capital per Share	-0.07	-0.09	-0.08	-0.05
Increase Decrease - Receivables	1,170,912	1,152,000	309,000	-1,144,000
Increase Decrease - Inventories	-	-	-	-
Increase Decrease - Prepaid Expenses	-2,000	1,000	1,000	-
Increase Decrease - Other Current Assets	-	-	-	-
Increase Decrease - Payables	-938,037	-730,000	107,000	621,000
Increase Decrease - Other Current Liabilities	-163,427	-5,000	275,000	-393,000
Increase Decrease - Other Working Capital	-	-	-	-

**ANNUAL INDUSTRY COMPARISON**

	31-Dec-2008	31-Dec-2007	31-Dec-2006	31-Dec-2005
All values are % compared to industry				
Sales	0.6	0.9	0.3	0.1
Earnings	1.3	-6.2	-4.1	-0.2
EPS	-	-25.8	-34.8	-1.7
Price	1.5	6.8	10.2	28.6
P/E	15000.0	NC	NC	NC
Price to Book Ratio	NC	NC	NC	NC
Price to Sales Ratio	60.0	196.2	700.0	1968.4
Price to Cash Flow Ratio	46.4	-48.3	-75.4	-1501.8
Price to Free Cash Flow Ratio	42.8	-183.3	-601.2	NC
Debt to Equity Ratio	-	-	-	-
Current Ratio	35.7	14.3	4.0	22.2
Gross Profit Margin	184.9	202.6	171.3	132.6
Pre-Tax Profit Margin	304.4	-734.5	NC	-261.2
Post-Tax Profit Margin	204.5	-693.3	NC	-175.0
Net Profit Margin	204.5	-693.3	NC	-175.0
Return on Equity	NC	NC	NC	NC
Leverage Ratio	NC	NC	NC	NC
Asset Turnover	250.0	1150.0	971.4	636.4



QUARTERLY INDUSTRY COMPARISON

	30-Sep-2009	30-Jun-2009	31-Mar-2009	31-Dec-2008
All values are % compared to industry				
Sales	0.9	0.8	1.0	0.6
Earnings	-0.6	-0.9	4.2	1.3
EPS	-11.0	-18.9	1.1	-
Price	0.3	0.8	1.1	1.5
P/E	NC	NC	NC	15000.0
Price to Book Ratio	NC	NC	NC	NC
Price to Sales Ratio	4.1	10.5	11.0	60.0
Price to Cash Flow Ratio	NC	-19.6	6.3	46.4
Price to Free Cash Flow Ratio	NC	NC	NC	42.8
Debt to Equity Ratio	-	-	-	-
Current Ratio	8.3	8.3	25.0	35.7
Gross Profit Margin	173.2	188.8	210.6	184.9
Pre-Tax Profit Margin	-114.3	-210.0	772.7	304.4
Post-Tax Profit Margin	-64.9	-118.9	411.3	204.5
Net Profit Margin	-64.9	-118.9	411.3	204.5
Return on Equity	NC	NC	NC	NC
Leverage Ratio	NC	NC	NC	NC
Asset Turnover	187.5	170.0	377.8	250.0



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