

	A	B	C	D	E	F	G	H	I	J	K
4											
5	<i>note: colored cells are input cells</i>										
6				Warrant #1	Warrant #2	Warrant #3	Warrant #4				
7											
8	INPUT AREA										
9	Valuation Date			9/1/2006	10/1/2005	2/15/2005	12/31/2004				
10	Option Expiration Date			9/1/2007	10/1/2010	2/15/2010	12/31/2009				
11	Option Grant Date			9/1/2006	10/1/2005	10/1/2005	10/1/2005				
12											
13	Number of options granted			100,000,000	100,000,000	100,000,000	100,000,000				
14											
15	Current Stock Price		where:	\$ 1.00	\$ 0.80	\$ 1.00	\$ 1.00				
16	Exercise Price		S =	\$ 0.01	\$ 0.95	\$ 0.60	\$ 0.75				
17	Expected Time To Maturity (Yrs)		X =	1.0	5.0	5.0	5.0				
18	Risk Free Rate		T =	4.820%	4.250%	4.250%	4.250%				
19	Dividend Yield		r =	0.000%	0.000%	0.000%	0.000%				
20	Expected Volatility in Stock Price		d =	45.503%	20.736%	0.000%	0.000%				
21			v =								
22											
23											
24											
25	CALL OPTION VALUE										
26	$C=SN(d1)-[X]e^{-rT}N(d2)$	per share		\$ 0.99	\$ 0.16	\$ 0.51	\$ 0.39				
27											
28											
29											
30	Consideration for Option/Warrant	\$ 205,000		\$ 99,000	\$ 16,000	\$ 51,000	\$ 39,000				
31											
32											
33											
34											
35											
36	Compensation or Debt?			Compensation	Compensation	Compensation	Compensation				
37	<i>If compensation, see below. If debt, see tab 2</i>										
38											
39											
40											
41											
42											
43											
44											
45											
46	Compensation Reconciliation:										
47	Total compensation	205,000		99,000	16,000	51,000	39,000				
48	Less: amount recognized under APB 25	164,000		99,000	-	40,000	25,000				
49	Net compensation under 123	41,000		-	16,000	11,000	14,000				
50											
51	DISCLOSURE UNDER FASB 123										
52	1999	-		-	-	-	-				
53	2000	-		-	-	-	-				
54	2001	-		-	-	-	-				
55	2002	-		-	-	-	-				
56	2003	-		-	-	-	-				
57	2004	-		-	-	-	-				
58	2005	-		-	-	-	-				
59	2006	41,000		-	16,000	11,000	14,000				
60		41,000		-	16,000	11,000	14,000				
61		Disclosure only									
62		FASB 123									
63											
64											
65	Disclosure: weighted average assumptions:										
66											
67	Shares issued	400,000,000		100,000,000	100,000,000	100,000,000	100,000,000				
68	WA exercise price	\$ 0.58		\$ 0.00	\$ 0.24	\$ 0.15	\$ 0.19				
69											
70	Weighted Average:										
71	Dividend rate	0.000%		0.000%	0.000%	0.000%	0.000%				
72	Risk-free interest rate	4.393%		1.205%	1.063%	1.063%	1.063%				
73	Expected lives	4.0		0.3	1.3	1.3	1.3				
74	Expected price volatility	16.560%		11.376%	5.184%	0.000%	0.000%				
75											
76											

Hyper-links to IRS web-sites for easy research and documentation.

Hyper-link to worksheet tabs with calculations.

Calculation documentation, including comment notes for instruction.

Input areas are shaded for identification

Drop-down menu for classification

valuation results

Disclosure information, including weighted average computations

Calculations made from information provided for disclosure requirements.

Tab 2: Tab set for calculations required for the allocation of warrant valuations that are attached to debt, as required by FASB 14;

Tab 3: Through the tracking of existing stock transactions, the volatility is calculated. This is a required variable in the valuation of stock warrants and options. This tab is hyper-linked to the main calculation work-paper.