

# Intellectual Property Prospector

## IP Assets Owned by Firms in Transition

January 22, 2007  
Volume 2, Number 4  
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Company Name	Reference Number	Category Profile
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(Click on Reference Number to go directly to Company Profile)

**Intellectual Property Prospector** identifies United States and Canadian companies with more than \$1 million in assets filing for bankruptcy or reporting other financial difficulty and profiles their ownership of intellectual property. The Prospector features companies that meet strictly defined, predetermined criteria and is designed to support the efforts of firms and individuals interested in identifying opportunities in the specific area of intellectual property, which includes patents, trademarks, trade secrets, and licenses, among others. Information is compiled weekly and the Prospector is distributed by email every Sunday evening to arrive before 9:00AM every Monday. The Prospector is published by Beard Group, Inc. (<http://BeardGroup.com>). For subscription information call Customer Service at 240-629-3300, ext. 27.

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In order to appear in the **Intellectual Property Prospector**, a company must report ownership of intellectual property assets, as well as one of the conditions listed below:

- An event which indicates financial distress; e.g., default, distressed exchange offer, preferred dividend omission, debt at deep discount, restructuring, low rating, audit concerns, covenant problems, and loss/deficit.
- Chapter 11, 7, or 15 bankruptcy filing
- Section 363 Sales

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**Prospector  
Profile  
07.0076**

**Aeolus Pharmaceuticals, Inc.**

23811 Inverness Place  
Laguna Niguel, CA 92677  
(949) 481-9825

NAICS		541710
Employees		1
Revenue	(mil)	\$0.09
Income	(mil)	(\$5.73)
Assets	(mil)	\$3.55
Liability	(mil)	\$1.85
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Haskell & White LLP expressed substantial doubt about Aeolus Pharmaceuticals Inc.'s ability to continue as a going concern after auditing the Company's consolidated financial statements for the years ended Sept. 30, 2006, and 2005. The auditing firm pointed to the Company's recurring losses from operations and insufficient working capital to fund its operations throughout the next fiscal year.

**Intellectual Property:** As of November 30, 2006, the Company's catalytic antioxidant small molecule technology base is described in 11 issued United States patents and 5 United States pending patent applications. These patents and patent applications belong to Duke University or the National Jewish Medical and Research Center and are licensed to the Company. These patents and patent applications cover soluble manganic porphyrins as antioxidant molecules as well as targeted compounds obtained by coupling such antioxidant compounds to molecules that bind to specific extracellular elements. The pending U.S. patent applications and issued U.S. patents include composition of matter claims and method claims for several series of compounds. Corresponding international patent applications have been filed, 51 of which have issued as of November 30, 2006. [SEC Filing 10-K 12-15-06]

**Description:** Aeolus Pharmaceuticals, Inc., a biopharmaceutical company, develops catalytic antioxidant compounds for diseases and disorders of the central nervous system, respiratory system, autoimmune system, and oncology.

**Officers:** David C. Cavalier (Chair); John L. McManus (Pres. & COO); Brian J. Day, Ph.D. (CSO); Elaine Alexander, M.D. (EVP & CMO); Michael P. McManus (Sec., Treas. & CFO); John M. Farah, Jr. (Dir.); Amit Kumar (Dir.); Michael E. Lewis (Dir.); Joseph J. Krivulka (Dir.); Chris A. Rallis (Dir.); Peter D. Suzdak (Dir.)

**Auditor:** Haskell & White LLP

**Securities:** Common Stock-Symbol AOLS.OB; OTC BB;  
29,265,249 common shares outstanding as of December 8, 2006.

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**Prospector  
Profile  
07.0077**

**Applied DNA Sciences, Inc.**

25 Health Sciences Drive, Suite 113  
Stony Brook, NY 11790  
(631) 444-6862

NAICS		621511
Employees		5
Revenue	(mil)	\$18.90
Income	(mil)	(\$2.41)
Assets	(mil)	\$4.68
Liability	(mil)	\$14.26
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Russell Bedford Stefanou Mirchandani LLP raised substantial doubt about Applied DNA Sciences, Inc.'s ability to continue as a going concern pointing to the fact that it has not established a source of revenues.

**Intellectual Property:** The Company's patent pending encryption system allows it to isolate strands of botanical DNA and then fragment and reconstitute them to form unique "DNA chimers", or encrypted DNA segments. [SEC Filing 10-KSB 01-16-07]

**Description:** Applied DNA Sciences, Inc. provides patented DNA-based technologies to prevent and identify counterfeits.

**Officers:** Jun-Jei Sheu (Chair); James A. Hayward (CEO & Dir.); Ming-Hwa Benjamin Liang (CTO & Sec.); Sanford R. Simon (Dir.); Yacov Shamash (Dir.)

**Auditor:** Russell Bedford Stefanou Mirchandani LLP

**Securities:** Common Stock-Symbol APDN.OB; OTC BB;  
121,162,385 common shares outstanding as of December 29, 2006.

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**Prospector  
Profile  
07.0078**

**ATSI Communications, Inc.**

3201 Cherry Ridge Building C, Suite 300  
San Antonio, TX 78230  
(210) 614-7240

NAICS		517110
Employees		8
Revenue	(mil)	\$14.70
Income	(mil)	\$0.95
Assets	(mil)	\$0.80
Liability	(mil)	\$4.23
(for the year ended 7/31/2006)		

**Category:** Loss/Deficit

**Event:** ATSI Communications, Inc. reported \$184,000 net loss on \$6.5 million of revenues for the first quarter ended Oct. 31, 2006, compared with \$1.2 million of net income on \$2.3 million of revenues for the same period in 2005. At Oct. 31, 2006, the Company's balance sheet showed \$1.4 million in total assets and \$4.5 million in total liabilities, resulting in a \$3.1 million stockholders' deficit. The Company's balance sheet at Oct. 31, 2006, also showed strained liquidity with \$1.3 million in total current assets available to pay \$4.3 million in total current liabilities.

**Intellectual Property:** On April 13, 2006, the Company filed suit in Bexar County, Texas and obtained injunctive relief against former consultant Diane Huth and John Highland associated to a dispute relating to who has prior claim and rightful ownership of the trade name "Telefamilia," which Defendants had undertaken to trademark for their own purposes. Temporary Injunctive relief was granted preserving ATSI's claims to such trade name. Currently, the suit is pending and no depositions have been taken and no trial date has been set. [SEC Filing 10-KSB 10-31-06]

**Description:** ATSI Communications, Inc., through its subsidiaries, provides international telecommunications services to carriers and telephony resellers worldwide.

**Officers:** John R. Fleming (Chair); Arthur L. Smith (Pres., CEO & Dir.); Ruben Caraveo (SVP-Ops.); Antonio Estrada (Controller); Murray R. Nye (Dir.)

**Auditor:** Malone & Bailey PC

**Securities:** Common Stock-Symbol ATSX.OB; OTC BB;  
18,635,950 common shares outstanding as of October 26, 2006.

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**Prospector  
Profile  
07.0079**

**Benacquista Galleries, Inc.**

6870 La Valle Plateada  
Rancho Santa Fe, CA 92067  
(858) 525-5695

NAICS		454111
Employees		2
Revenue	(mil)	\$0.11
Income	(mil)	(\$0.76)
Assets	(mil)	\$0.91
Liability	(mil)	\$1.36
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Hansen Barnett & Maxwell raised substantial doubt about Benacquista Galleries Inc.'s ability to continue as a going concern, pointing to significant losses incurred and negative cash flows from operating activities for the period from January 17, 2003 through September 30, 2006. As of September 30, 2006 the Company had a deficit accumulated of \$1,251,760 and negative working capital of \$448,155.

**Intellectual Property:** The Company has applied for registration of a number of its trademarks, including the "FDR" with the United States Patent and Trademark Office in order to establish and protect its brand names as part of intellectual property assets. [SEC Filing 10-KSB 01-16-07]

**Description:** Benacquista Galleries, Inc. offers collectable artwork and accessories through a chain of retail galleries and Web sites.

**Officers:** James Price (Pres., CEO, CFO & Dir.); Don Tolman (Dir.)

**Auditor:** Hansen Barnett & Maxwell

**Securities:** Common Stock-Symbol BAQU.OB; OTC BB;  
1,097,713 common shares outstanding as of January 16, 2007.

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**Prospector  
Profile  
07.0080**

**Centennial Communications Corp.**

3349 Route 138, Building A  
Wall, NJ 07719  
(732) 556-2200

NAICS		517212
Employees		3,400
Revenue	(mil)	\$945.73
Income	(mil)	\$20.24
Assets	(mil)	\$1,435.89
Liability	(mil)	\$2,500.75
(for the year ended 5/31/2006)		

**Category:** Loss/Deficit

**Event:** Centennial Communications Corp. reported a \$33.4 million net loss on net sales of \$216.7 million for the second fiscal quarter ended Nov. 30, 2006, compared with \$8.2 million of net income on \$207.2 of net sales for the same period in 2005. The Company has an accumulated deficit of \$1.107 billion and stockholder's deficit of \$1.096 billion as of November 30, 2006.

**Intellectual Property:** En Confianza, Centennial Te Escucha, Centennial Wireless, Centennial de Puerto Rico and Centennial Dominicana are some of the Company's primary trademarks. [SEC Filing 10-K 08-10-06]

**Description:** Centennial Communications Corp. and its subsidiaries provide wireless and broadband telecommunications services.

**Officers:** Thomas E. McInerney (Chair); Michael J. Small (CEO & Dir.); Thomas J. Fitzpatrick (EVP & CFO); Thomas R. Cogar, Jr. (EVP & CTO); Francis P. Hunt (SVP & Controller); Tony L. Wolk (SVP, Sec. & Gen. Counsel); Anthony J. de Nicola (Dir.); James R. Matthews (Dir.); James P. Pellow (Dir.); Raymond Ranelli (Dir.); Robert D. Reid (Dir.); Scott N. Schneider (Dir.); J. Stephen Vanderwoude (Dir.)

**Auditor:** Deloitte & Touche LLP

**Securities:** Common Stock-Symbol CYCL; NasdaqGS; 105,213,248 common shares outstanding as of August 1, 2006.

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**Prospector  
Profile  
07.0081**

**Conectisys Corp.**

24307 Magic Mountain Parkway, Suite 41  
Valencia, CA 91355  
(661) 295-6763

NAICS		334514
Employees		3
Revenue	(mil)	\$0.00
Income	(mil)	(\$3.05)
Assets	(mil)	\$0.75
Liability	(mil)	\$6.85

(for the year ended 9/30/2006)

**Category:** Audit Concerns

**Event:** Farber Hass Hurley & McEwen LLP raised substantial doubt about the Company's ability to continue as a going concern due to its recurring losses from operations and deficiency in working capital at September 30, 2006.

**Intellectual Property:** The Company currently relies on a combination of contractual rights, copyrights, trademarks and trade secrets to protect proprietary rights. However, although its H-Net™ system and its constituent components could benefit from patent protection, the Company has chosen to retain the proprietary rights associated with its H-Net™ system predominantly as trade secrets. [SEC Filing 10-KSB 01-16-07]

**Description:** Conectisys Corporation engages in the development of automatic meter reading technologies and products for remote reading of electronic energy meters located in residential structures.

**Officers:** Robert A. Spigno (Chair, CEO, CFO & Dir.); Lawrence Muirhead (CTO & Dir.); Rodney W. Lighthipe (Treas. & Sec.); Melissa McGough (Dir.)

**Auditor:** Farber Hass Hurley & McEwen LLP

**Securities:** Common Stock-Symbol CNES.OB; OTC BB;  
16,759,229,871 common shares outstanding as of January 12, 2007.

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**Prospector  
Profile  
07.0082**

**CopyTele, Inc.**

900 Walt Whitman Road  
Melville, NY 11747  
(631) 549-5900

NAICS		561620
Employees		22
Revenue	(mil)	\$0.51
Income	(mil)	(\$7.60)
Assets	(mil)	\$1.86
Liability	(mil)	\$0.58
(for the year ended 10/31/2006)		

**Category:** Audit Concerns

**Event:** Grant Thornton LLP expressed doubt regarding CopyTele, Inc.'s ability to continue as a going concern. The Company has incurred a net loss of \$7,601,000 during the year ended October 31, 2006, and the Company has an accumulated deficit of approximately \$80,509,000.

**Intellectual Property:** The Company has received patents from the United States and certain foreign patent offices, expiring at various dates between 2007 and 2022. The Company has also filed or is planning to file patent applications for its LVNDTM display technologies, including the PMECS and nanotube technologies, and for its encryption technologies. The Company has received patents for six variations of its video display technology. The Company also received patents related to the design, structure and method of construction of the E-Paper™ flat panel display, methods of operating the display, particle generation, applications using the E-Paper™ flat panel display, and for the solid state and thin film video color display. In addition, three of its patent applications describing its display technology have recently been published. The Company has received from the U.S. patent office four patents related to its encryption technology. Two other patent applications describing fax, voice and data encryption over satellite and cellular communication networks have recently been published. [SEC Filing 10-K 01-16-07]

**Description:** CopyTele, Inc. engages in the development, production, and marketing of multifunctional encryption products that provide information security for domestic and international users over communications media.

**Officers:** Denis A. Krusos (Chair, CEO & Dir.); Frank J. DiSanto (Pres. & Dir.); Henry P. Herms (VP-Fin., CFO & Dir.); George P. Larounis (Dir.)

**Auditor:** Grant Thornton LLP

**Securities:** Common Stock-Symbol COPY.OB; OTC BB;  
101,398,510 common shares outstanding as of January 9, 2007.

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**Prospector  
Profile  
07.0083**

**CYOP Systems International, Inc.**

1022 6th Street - Unit A  
Hermosa Beach, CA 90254  
(310) 691-2585

NAICS 516110

Revenue	(mil)	\$0.01
Income	(mil)	(\$2.01)
Assets	(mil)	\$2.43
Liability	(mil)	\$3.06

(for the year ended 12/31/2005)

**Category:** Loss/Deficit

**Event:** CYOP Systems International, Inc. reported a \$1,121,631 net loss on zero revenues for the third quarter period ended Sept. 30, 2006, compared to a net loss of \$298,229 on \$1,371 of net revenues in the same quarter in 2005. At Sept. 30, 2006, the Company's balance sheet showed \$1,858,598 in total assets and \$3,601,666 in total liabilities, resulting in a \$1,393,068 stockholders' deficit.

**Intellectual Property:** In consideration of terminating a software development agreement, a related company assigned all right, title and interest in The Skill-Bingo Patents and the Skill-Bingo Inventions purchased from FYRC, Inc. This patent has been collectively recorded as intellectual property with a carrying value of \$28,916 as of December 31, 2005 and an expected useful life of 5 years. [SEC Filing 10-KSB 05-17-06]

**Description:** CYOP is a developer and provider of online gaming solutions and services for the iGaming industry.

**Officers:** Mitch White (Chair & CEO); Canon Bryan (CFO); Andrea Carley (Sec. & Treas.); Randy Peterson (Dir.); Michael Ozerkevich (Dir.)

**Auditor:** De Leon & Company, P.A.

**Securities:** Common Stock-Symbol CYOS.OB; OTC BB;  
333,498,160 common shares outstanding as of May 15, 2006.

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**Prospector  
Profile  
07.0084**

**Daleco Resources Corporation**

120 North Church Street  
West Chester, PA 19380  
(610) 429-0181

NAICS		211000
Employees		7
Revenue	(mil)	\$2.02
Income	(mil)	(\$6.17)
Assets	(mil)	\$18.60
Liability	(mil)	\$5.80
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Vasquez & Company LLP raised substantial doubt about Daleco Resources Corporation's ability to continue as a going concern due to significant recurring net losses and negative operating cash flow.

**Intellectual Property:** The Company is the owner of U.S. Patent No. 5,387,738, on which an engineered product is based which utilizes all naturally occurring non-hazardous minerals for the remediation of sites contaminated with hazardous and toxic materials. The patented engineered products are marketed under the trademark of the CA Series. The Company has applied for the trademark for RENUGEN™, a product used to enhance the efficacy of conventional waste water treatment plants and has obtained the trademark SIERRA KAOLIN™ to cover its New Mexico Kaolin. The Company has filed for a trademark for its ORO GRANDE GOLD™ covering one of its calcium carbonate products. The Company has also applied for the trademark, "ZeoCast", for the product of its joint venture with Zinkan Enterprises, Inc. [SEC Filing 10-KSB 01-16-07]

**Description:** Daleco Resources Corporation, through its subsidiaries, engages in the exploration, development, and production of oil and gas properties.

**Officers:** Stephan V. Benediktson (Chair & CEO); Nathan K. Trynin (Vice Chair); Dov Amir (Dir.); John Gilbert (Dir.); William Pipkin (Dir.); Charles T. Maxwell (Dir.)

**Auditor:** Vasquez & Company, LLP

**Securities:** Common Stock-Symbol DLOV.OB; OTC BB;  
42,154,435 common shares outstanding as of November 30, 2006.

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**Prospector  
Profile  
07.0085**

**Ecuity, Inc.**

2001 Sixth Avenue, Suite 3302  
Seattle, WA 98121  
(425) 562-2900

NAICS		517000
Employees		15
Revenue	(mil)	\$2.35
Income	(mil)	(\$5.65)
Assets	(mil)	\$1.45
Liability	(mil)	\$14.43

(for the year ended 6/30/2006)

**Category:** Loss/Deficit

**Event:** Ecuity Inc.'s balance sheet at Sept. 30, 2006, showed total assets of \$1,306,810 and total liabilities of \$14,301,572 resulting in a total shareholders' deficit of \$12,994,762. The Company's September 30 balance sheet also showed strained liquidity with \$210,361 in total current assets available to pay \$12,216,686 in total current liabilities. For the three months ended Sept. 30, 2006, the Company reported a \$49,120 net loss on \$492,228 of revenues, compared to a \$736,689 net loss on \$669,306 of revenues during the same period last year.

**Intellectual Property:** The Company currently holds and licenses the Web domain name relating to its brand, specifically the www.prostar.com and www.ecuity.net domain names. However, there can be no assurance that the Company will be able to acquire or maintain relevant domain names in all countries in which it intends to conduct business. Furthermore, the relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. The Company, therefore, may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of its trademarks and other propriety rights. [SEC Filing 10-K 9-28-06]

**Description:** Ecuity, Inc. operates as a facilities-based telecommunication carrier serving primarily the small office and home office market, as well as fiber to the premises and broadband residential markets in the United States.

**Officers:** Andrew Buffmire (Chair); Jeffrey Haberman (Vice Chair); King Cole (Pres., Treas. & Dir.); Shane Smith (CEO); John Peterson (Dir.); Robert Terhune

**Auditor:** DeLeon & Company PA

**Securities:** Common Stock-Symbol ECUI.OB; OTC BB;  
280,730,042 common shares outstanding as of November 10, 2006.

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**Prospector  
Profile  
07.0086**

**Enesco Group, Inc.**

225 Windsor Dr.  
Itasca, IL 60143  
(630) 875-5300

NAICS		453220
Employees		1,182
Revenue	(mil)	\$244.43
Income	(mil)	(\$54.03)
Assets	(mil)	\$130.19
Liability	(mil)	\$77.37
(for the year ended 12/31/2005)		

**Category:** Bankruptcy

**Event:** Enesco Group, Inc. and its debtor-affiliates Enesco International LTD and Gregg Manufacturing, Inc. filed for Chapter 11 protection on January 12, 2007, with the U.S. Bankruptcy Court in the Northern District of Illinois (Chicago), case numbers 07-00565, 07-00571 and 07-00574, Judge A. Benjamin Goldgar presiding.

**Intellectual Property:** Enesco continuously enters into and renews license agreements relating to trademarks, copyrights, designs and products, which enables the Company to market new items compatible with its existing product lines, to refresh its product offerings for changing consumer preferences, and to reduce the risk of dependency on one line. Enesco's licenses are either non-exclusive or exclusive for specific products in specified channels and territories. Enesco owns approximately 300 trademark registrations. The registrations for Enesco's trademarks are maintained and renewed provided that the trademarks are still in use for the goods covered by such registration. Enesco historically has renewed its registered trademarks and expects to continue to renew them as business needs require. [SEC Filing 10-K 03-31-06]

**Description:** Enesco Group, Inc. and its debtor-affiliates design, manufacture, and sells licensed and proprietary branded giftware and home and garden décor products to a variety of specialty gift, home décor, mass market, and direct mail retailers.

**Officers:** Leonard A. Campanaro (Chair); Basil Elliott (Pres.& CEO); Marie Meisenbach Grau (EVP & CFO); Anthony G. Testolin (Chief Acctg. Officer & Prin. Fin. Officer); Richard W. Blackburn (Dir.); Donna Brooks Lucas (Dir.); Judith R. Haberkorn (Dir.); Thane A. Pressman (Dir.); David C. du Four (Dir.); Roger A. Odell (Dir.)

**Auditor:** KPMG LLP

**Attorneys:** Brian L Shaw, Esq. of Shaw Gussis Fishman Glantz Wolfson & Tow; Chicago, IL; (312) 541-0151

**Securities:** Common Stock-Symbol ENCZ.PK; PNK;  
15,107,494 common shares outstanding as of November 10, 2006.

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**Prospector  
Profile  
07.0087**

**Environmental Control Corp.**

2501-1020 Harwood Street,  
Vancouver, Canada V6E 4R1  
(604) 669-3532

NAICS		336399
Employees		2
Revenue	(mil)	\$0.00
Income	(mil)	(\$0.36)
Assets	(mil)	\$0.29
Liability	(mil)	\$0.02

(for the year ended 9/30/2006)

**Category:** Audit Concerns

**Event:** Manning Elliott LLP expressed substantial doubt about the Company's ability to continue as a going concern because the Company has not generated any revenues and has incurred operating losses since inception.

**Intellectual Property:** The Company's catalytic muffler technology is registered for two patents in the United States under the titles of "Combined Catalytic Muffler" and "Reverse Flow Catalytic Muffler". The Company holds one patent in Canada under the title "Combined Catalytic Muffler" and has one pending patent in Canada under the title "Reverse Flow Catalytic Muffler". The Company also has one pending patent in Europe under the title of "Reverse Flow Catalytic Muffler". [SEC Filing 10-KSB 01-16-07]

**Description:** Environmental Control Corporation is involved in the development of emission control devices for small spark ignition combustion engines.

**Officers:** Albert E. Hickman (Chair, Pres. & CEO); Gary Bishop (CFO & Dir.); Nils Rodeblad (Dir.); Michael J. Mugford (Dir.); Edward P. Noonan (Dir.)

**Auditor:** Manning Elliott LLP

**Securities:** Common Stock-Symbol EVCC.OB; OTC BB;  
41,000,000 common shares outstanding as of December 31, 2006.

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**Prospector  
Profile  
07.0088**

**Fonix Corporation**

9350 South 150 East, Suite 700  
Sandy, UT 84070  
(801) 553-6600

NAICS		541512
Revenue	(mil)	\$16.19
Income	(mil)	(\$22.63)
Assets	(mil)	\$9.29
Liability	(mil)	\$24.52
(for the year ended 12/31/2005)		

**Category:** Loss/Deficit

**Event:** On January 9, 2007, Fonix Corporation filed an amended financial report for the quarter ended September 30, 2006. It reported a \$10,847,000 net loss on \$386,000 of revenues for the third quarter ended September 30, 2006, compared with a \$6,515,000 net loss on \$258,000 of revenues for the same period in 2005. The Company posted an accumulated deficit of \$288,069,000 and stockholders' deficit of \$51,478,000 as of September 30, 2006. The Company's September 30, 2006 balance sheet also showed \$3,042,000 in total assets and \$54,520,000 in total liabilities, resulting in a \$51.5 million total stockholders' deficit.

**Intellectual Property:** Certain elements of the Company's Core Technologies are the subject of seven patents issued and allowed by the United States Patent and Trademark Office and 10 other patent applications which are pending. In addition to its patents, the Company relies on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. [SEC Filing 10-K 03-21-06]

**Description:** Fonix Corporation delivers speech interface solutions and applications that help people to interact conversationally with information systems and computing devices.

**Officers:** Thomas A. Murdock (Pres., CEO & Dir.); Roger D. Dudley (EVP, CFO & Dir.); William A. Maasberg, Jr. (COO & Dir.)

**Auditor:** Hansen, Barnett & Maxwell

**Securities:** Common Stock-Symbol FNIX.OB; OTC BB;  
820,095,891 common shares outstanding as of August 8, 2006.

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**Prospector  
Profile  
07.0089**

**General Datacomm Industries, Inc.**

6 Rubber Avenue  
Naugatuck, CT 06770  
(203)-729-0271

NAICS		517000
Employees		100
Revenue	(mil)	\$14.10
Income	(mil)	(\$1.33)
Assets	(mil)	\$9.85
Liability	(mil)	\$45.45
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Eisner LLP raised doubt about the ability of General Datacomm Industries, Inc. to continue as a going concern. The Company, which on September 15, 2003 emerged from bankruptcy proceedings, has both a working capital and stockholders' deficit at September 30, 2006, has limited ability to obtain new financing and has defaulted under its senior secured debt.

**Intellectual Property:** The Company presently owns approximately 61 domestic patents and has no additional applications pending. All of these patents and applications have also been filed in Canada; most also have been filed in various other foreign countries. Many of those filed outside the United States have been allowed while the remainder are pending. The Company believes that certain features relating to its equipment for which it has obtained patents, or for which patent applications have been filed, are important to its business. [SEC Filing 10-KSB 01-16-07]

**Description:** General DataComm Industries, Inc. provides networking and telecommunications products, services, and solutions.

**Officers:** Howard S. Modlin (Chair, Pres., Sec. & CEO); William G. Henry (VP-Fin. & CFO); George M. Gray (VP-Ops. & CTO); John L. Segall (Dir.); Aletta P. Richards (Dir.)

**Auditor:** Eisner LLP

**Securities:** Common Stock-Symbol GNRD.PK; PNK;  
3,468,141 common shares outstanding as of December 8, 2006.

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**Prospector  
Profile  
07.0090**

**Global Payment Technologies, Inc.**

425 B Oser Avenue  
Hauppauge, NY 11788  
(631) 231-1177

NAICS		333313
Employees		102
Revenue	(mil)	\$14.30
Income	(mil)	(\$4.14)
Assets	(mil)	\$11.68
Liability	(mil)	\$2.85
(for the year ended 9/30/2006)		

**Category:** Loss/Deficit

**Event:** Global Payment Technologies, Inc. reported that for the quarter ended Sept. 30, 2006, net loss was \$921,000, as compared with a net loss of \$291,000 in the prior year period. Net sales for the quarter ended Sept. 30, 2006 decreased to \$3,206,000, as compared with \$5,016,000 in the same prior year period, primarily as a result of lower sales to an Australian affiliate and to the Russian gaming market. For the year ended September 30, 2006, the Company booked a net loss of \$4,143,000 on net sales of \$14,303,000.

**Intellectual Property:** The Company holds 10 U.S. patents, including "Escrow Box for Coin Operated Machines," "Paper Currency Acceptor and Method of Handling Paper Currency for Vending Machines and the Like," "Anti-fraud Currency Acceptor," "Bill Accumulating and Stacking Device," "Soft Count Tracking System," "Paper Currency Validator (Side-Looking Sensors)," "Electrical Switch Connectors," "Stacker Mechanism for Stacking Bank Notes," "Apparatus and Method for Detecting a Security Feature in a Currency Note," and "Bank Note Validator (RGBI)". In addition, the Company has also applied for patent protection in a large number of international markets. If corresponding foreign patents are obtained, these patents could provide important protection for certain technological advantages validators possess in international markets. In September 2006, the Company filed for patents on revolutionary new optical technology expected to be unveiled in a new product launch during fiscal 2007. The Company has licensed certain patented proprietary technology covered by U.S. Patent No. 5,630,755 to Ardac, Inc. in 1999. [SEC Filing 10-K 01-16-07]

**Description:** Global Payment Technologies, Inc. engages in designing and manufacturing currency validation systems.

**Officers:** Richard E. Gerzof (Chair); Stephen Nevitt (Pres., CEO & Dir.); William McMahon (VP, CFO & Sec.); Elliot H. Goldberg (Dir.); William H. Wood (Dir.); Matthew Dollinger (Dir.);

**Auditor:** Eisner LLP

**Securities:** Common Stock-Symbol GPTX; NasdaqGM;  
6,218,201 common shares outstanding as of December 31, 2006.

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**Prospector  
Profile  
07.0091**

**GreenMan Technologies, Inc.**

12498 Wyoming Ave So.  
Savage, MN 55378  
(781) 224-2411

NAICS		326199
Employees		79
Revenue	(mil)	\$17.61
Income	(mil)	(\$3.71)
Assets	(mil)	\$9.51
Liability	(mil)	\$20.92
(for the year ended 9/30/2006)		

**Category:** Loss/Deficit

**Event:** On December 15, 2006, GreenMan Technologies, Inc. reported strained liquidity for the year ended September 30, 2006, with \$3.5 million in total current assets available to pay \$7.5 million in total current liabilities. The Company reported a \$3.7 million net loss on \$17.6 million of net sales for the year ended September 30, 2006. The Company's balance sheet as of September 30, 2006 showed \$9.5 million in total assets and \$20.9 million in total liabilities, resulting in an \$11.4 million stockholders' deficit.

**Intellectual Property:** The Company has used the name "GreenMan" in interstate commerce since inception and asserts a common law right in and to that name. [SEC Filing 10-KSB 12-15-06]

**Description:** GreenMan Technologies, Inc. is comprised of a group of 8 affiliated companies that is on an annualized run-rate to collect, process, and market over 30 million scrap tires in whole, shredded, or granule form.

**Officers:** Maurice E. Needham (Chair); Lyle Jensen.(Pres., CEO & Dir.); Charles E. Coppa (Treas., Sec. & CFO); Allen Kahn (Dir.); Nicholas DeBenedictis (Dir.)

**Auditor:** Wolf & Company PC

**Securities:** Common Stock-Symbol GMTI.OB; OTC BB;  
21,493,595 common shares outstanding as of December 1, 2006.

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**Prospector  
Profile  
07.0092**

**Interactive Systems Worldwide, Inc.**

2 Andrews Drive, 2nd Floor  
West Paterson, NJ 07424  
(973) 256-8181

NAICS		541511
Employees		18
Revenue	(mil)	\$0.11
Income	(mil)	(\$4.72)
Assets	(mil)	\$3.17
Liability	(mil)	\$1.00
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Eisner has express substantial doubt on Interactive Systems Worldwide, Inc.'s ability to continue as a going concern due to the Company's net losses incurred and cash used in its operating activities in fiscal 2006 and 2005. Further, the Company will require additional financing to meet its forecasted cash requirements during fiscal 2007.

**Intellectual Property:** The Company regards the SportXction® System as proprietary. The Company has two U.S. patents covering its proprietary wagering methods and its related computer processing system. Corresponding applications for each of the two patents have been filed and approved in 17 foreign countries. The Company also has a patent pending to use its technology in a fixed-odds/pari-mutuel hybrid for use in horse racing wagering. The Company applied for Federal trademark registration and for State of Nevada servicemark registration for the name SportXction®, both of which have been issued. [SEC Filing 10-KSB 01-16-07]

**Description:** Interactive Systems Worldwide, Inc. provides interactive, client/server-based computer system 'SportXction' for purposes of wagering on sporting events.

**Officers:** Bernard Albanese (Chair & CEO); James McDade (VP & CFO); Fredric Kupersmith (Dir.); Bruce Feldman (Dir.); Philip Rule (Dir.); Harold Rapaport (Dir.)

**Auditor:** Eisner LLP

**Securities:** Common Stock-Symbol ISWI; NasdaqCM;  
12,202,738 common shares outstanding as of January 8, 2007.

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**Prospector  
Profile  
07.0093**

**Lenox Group, Inc.**

1 Village Place, 6436 City West Pkwy  
Eden Prairie, MN 55344  
(952) 944-5600

NAICS		423940
Employees		1,620
Revenue	(mil)	\$330.92
Income	(mil)	\$15.17
Assets	(mil)	\$469.93
Liability	(mil)	\$308.18
(for the year ended 12/31/2005)		

**Category:** Low Rating

**Event:** On January 5, 2007, Moody's Investors Service has lowered the debt ratings of Lenox Group, Inc. including the Company's corporate family rating to Caa2 from B2; probability of default rating to Caa2 from B2; and \$100 million term loan to Caa2, LGD 4, 57% from B2, LGD3, 46%. The SGL-4 speculative grade liquidity rating was affirmed. The rating outlook remains negative. The downgrade reflects the Company's severely strained financial condition and liquidity that has resulted from lower-than-expected earnings and cash flows in 2006. In Moody's opinion, there is an increased risk of a restructuring, including the potential for a distressed exchange, in the Company's near to intermediate term. The Company said it owed \$96.3 million on the loans as of December 8, according to an SEC filing. As of September 30, it had \$429,000 in cash.

**Intellectual Property:** The Company owns 226 U.S. trademark registrations and has pending eight U.S. trademark applications for registration. These registrations cover the Company's brand names, logos and important product names. In addition, the Company owns trademark registrations in select foreign countries where the Company's products are manufactured, marketed and/or sold. [SEC Filing 10-K 03-16-06]

**Description:** Lenox Group, Inc. engages in the design, distribution, wholesale, and retail of tableware, collectibles, and other giftware products in the United States and Canada.

**Officers:** Stewart Kasen (Chair); Joel D. Anderson (Pres.); James G. Berwick (EVP); Elise M. Linehan (EVP); Kathleen S. Thie (EVP); David J. Enright (SVP, Gen. Counsel & Sec.); Gregg A. Peters (VP & Dir.); Marc L. Pfefferle (Interim CEO); Timothy J. Schugel (CFO & COO); Louis C. Scala (Chief Merchandising & Brand Officer); James E. Bloom (Dir.); Stewart M. Kasen (Dir.); Reatha Clark King (Dir.); Charles N. Hayssen (Dir.); John V. Weber (Dir.); Glenda B. Glover (Dir.); Dolores A. Kunda (Dir.)

**Auditor:** Deloitte & Touche LLP

**Securities:** Common Stock-Symbol LNX; NYSE;  
14,125,111 common shares outstanding as of October 27, 2006.

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**Prospector  
Profile  
07.0094**

**Med Gen, Inc.**

7284 W Palmetto Park Road  
Boca Raton, FL 33433  
(561) 750-1100

NAICS		325412
Employees		8
Revenue	(mil)	\$0.27
Income	(mil)	(\$7.91)
Assets	(mil)	\$1.88
Liability	(mil)	\$8.73

(for the year ended 9/30/2006)

**Category:** Audit Concerns

**Event:** Stark Winter Schenkein & Co. LLC, in Denver, Colorado, expressed substantial doubt about Med Gen Inc.'s ability to continue as a going concern after auditing the company's financial statements for the fiscal year ended Sept. 30, 2006. The auditing firm pointed to the Company's significant losses from operations and working capital and stockholder deficiencies. The Company reported a \$7.9 million net loss on \$270,801 of net sales for the year ended Sept. 30, 2006, compared with a \$12.2 million net loss on \$802,127 of net sales during the same period last year. At Sept. 30, 2006, the Company's balance sheet showed \$1.9 million in total assets, \$1.7 million in total liabilities, \$6.5 million in derivative financial instruments, \$277,842 in convertible debentures, and \$200,000 in redeemable common shares, resulting in a \$6.8 million total stockholders' deficit. The Company's balance sheet also showed strained liquidity with \$1.5 million in total current assets available to pay \$1.7 million in total current liabilities.

**Intellectual Property:** The name "SNORenz[R]" is a registered trademark, owned by the Company, and issued by the United States Patent and Trademark Office (Reg. No. 2,210,381 - 12/15/98). The Company also owns the trademark registration for the Good Nights Sleep product. The Company has registered SNORenz[R] in Korea and Snoraway[R] and Good Night's Sleep[R] in all countries participating in the EU as a Community Trademark. [SEC Filing 10-KSB 01-05-07]

**Description:** Med Gen, Inc. offers healthcare products primarily in the United States.

**Officers:** Paul B. Kravitz (Chair, Sec., CEO & Dir.); Paul S. Mitchell (Pres., Treas., COO & Dir.)

**Auditor:** Stark Winter Schenkein & Co. LLC

**Securities:** Common Stock-Symbol MGEN.OB; OTC BB;  
289,311,265 common shares outstanding as of December 18, 2006.

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**Prospector  
Profile  
07.0095**

**Monumental Marketing, Inc.**

20 Robert Pitt Drive, Suite 214  
Monsey, New York 10952  
(845) 425-0077

NAICS	550000
Employees	
Revenue (mil)	\$0.00
Income (mil)	(\$0.45)
Assets (mil)	\$0.08
Liability (mil)	\$0.23
(for the year ended 9/30/2006)	

**Category:** Audit Concerns

**Event:** Pollard-Kelley Auditing Services, Inc. raised substantial doubt on Monumental Marketing, Inc.'s ability to continue as a going concern pointing to incurred net losses of approximately \$451,006 and \$212,574 for the years ended September 30, 2006 and 2005 respectively. The Company also has a liquidity problem, and requires additional financing in order to finance its business activities on an ongoing basis.

**Intellectual Property:** The Company has entered into a letter of undertaking and an escrow services agreement with Yehuda Meller and his company, T.A.G Engineering Ltd. Pursuant to the terms of the letter of undertaking, the Company agreed to purchase patent applications filed with the Israeli Patent Office: patent application no. 161777-8, which was filed on December 4, 2005 and patent application no. 162809-8, which was filed on December 13, 2005. The patent applications relate to a less than lethal weapon currently known as the "Bouncer", which is in its development stage. [SEC Filing 10-KSB 01-16-07]

**Description:** The Company was formed specifically to be a "clean public shell" and for the purpose of either merging with or acquiring an operating company with operating history and assets.

**Officers:** Haim Karo (Pres., Sec. & Dir.); Raanan Alergand (Treas. & Dir.)

**Auditor:** Pollard-Kelley Auditing Services, Inc.

**Securities:** 28,174,999 common shares outstanding as of December 28, 2006.

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**Prospector  
Profile  
07.0096**

**Nanoscience Technologies, Inc.**  
45 Rockefeller Plaza, Suite 2000, No. 43  
New York, NY 10111  
(212) 332-3443

NAICS	541710
Employees	2
Revenue (mil)	\$0.00
Income (mil)	(\$1.88)
Assets (mil)	\$0.00
Liability (mil)	\$1.52

(for the year ended 9/30/2006)

**Category:** Default

**Event:** The Company has experienced a chronic working capital deficiency, which has severely handicapped its ability to meet business objectives. The Company has current assets of \$2,803 and liabilities of \$1,523,905. The Company recorded no revenues during the fiscal year ended September 30, 2006. Further, the Company is in default with respect to loans in the principal amount of \$1,790,000 from its principal creditor.

**Intellectual Property:** The Company is a party to an Amended and Restated Research and License Agreement, dated September 12, 2003, with New York University that was further amended on November 11, 2003. Under the terms of the License Agreement, NYU granted a license to certain pre-existing inventions and certain intellectual property to be generated by a designated research project being conducted at NYU relating to DNA nanotechnology. The intellectual property portfolio contained five issued patents and five patent applications. [SEC Filing 10-KSB 01-16-07]

**Description:** Nanoscience Technologies, Inc., a development stage company, delivers nanotechnology manufacturing solutions, nanodevices, and nanomaterials to various industries worldwide.

**Officers:** James H. Schneider (Pres., CEO & Dir.); Fred J. Griffin (CFO)

**Auditor:** Goldstein Golub Kessler LLP

**Securities:** Common Stock-Symbol NANS.OB; OTC BB;  
11,101,946 common shares outstanding as of November 30, 2006.

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**Prospector  
Profile  
07.0097**

**National Scientific Corp.**

14505 North Hayden Road, Suite 305  
Scottsdale, AZ 85260  
(480) 948-8324

NAICS		334000
Employees		4
Revenue	(mil)	\$0.23
Income	(mil)	(\$0.95)
Assets	(mil)	\$0.22
Liability	(mil)	\$1.62
(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Epstein Weber & Conover, PLC expressed substantial doubt on National Scientific Corporation's ability to continue as a going concern. The Company has not yet generated significant revenues, and is dependent upon raising capital from investors. Additionally, National Scientific Corporation has incurred aggregate losses during the past two years of over \$2,086,000 and has a total shareholders' deficit of approximately \$1,400,000 at September 30, 2006.

**Intellectual Property:** The Company has applied for U.S. patents relating to several technologies, including Heterojunction Bipolar Transistor, Monolithic Inductor, Distributed Amplifier, TMOS® Memory, Mode Dielectric Resonator, and Communications Receiver with Integrated IF Filter. The Company has filed patent applications for other semiconductor-related patents since 2000, including some improvements to existing products as well as on related devices. The commercial importance of these inventions and the final disposition of these applications are uncertain. The Company also holds the U.S. trademark to the word TMOS®, awarded on July 1, 2003, U.S. Trademark registration number 2732825. [SEC Filing 10-KSB 01-06-07]

**Description:** National Scientific Corporation engages in the research, development, manufacture, and sale of mobile computer-related hardware and software products, and devices primarily in the United States.

**Officers:** Michael A. Grollman (Chair & CEO); Graham L. Clark (Pres., CEO & Dir.); Gregory Szabo (Dir.)

**Auditor:** Epstein Weber & Conover, PLC

**Securities:** Common Stock-Symbol NSCT.OB; OTC BB;  
99,108,039 common shares outstanding as of January 10, 2007.

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**Prospector  
Profile  
07.0098**

**Nesco Industries, Inc.**  
305 Madison Avenue, Suite 4510  
New York, NY 10165  
(212) 986-0886

NAICS		326000
Employees		8
Revenue	(mil)	\$1.00
Income	(mil)	(\$4.40)
Assets	(mil)	\$0.91
Liability	(mil)	\$10.52
(for the year ended 3/30/2006)		

**Category:** Loss/Deficit

**Event:** Nesco Industries Inc. reported a \$906,000 net loss on revenues of \$504,000 for the quarter ended Oct. 31, 2006, compared with a \$1.5 million net loss on revenues of \$247,000 for the same period in 2005. At Oct. 31, 2006, the Company's balance sheet showed \$1.5 million in total assets and \$12.4 million in total liabilities, resulting in an \$11 million total stockholders' deficit. The Company's balance sheet also showed strained liquidity with \$425,000 in total current assets available to pay \$12.2 million in total current liabilities.

**Intellectual Property:** The Company holds no issued patents related to the hydrogel products, but has several patents pending and holds a registered trademark on AQUAMATRIX™ which is used on its hydrogels. Under its agreement with Dicon Technologies, Inc., the Company obtained the right to manufacture and market foam products under U.S. Patent No. 5,976,616 - Polyurethane Foam Materials With Skin Conditioning Additives, U.S. Patent No. 6,566,576 B1 - Hydrocolloid Foam Medical Dressings and Method Of Making The Same, U.S. Patent No. 6,706,775 - Polyurethane Foam Products with Controlled release of Agents and Additives, as well as certain other patent applications and patents pending. [SEC Filing 10-KSB 07-31-06]

**Description:** Nesco Industries, Inc., through its subsidiary, Hydrogel Design Systems, Inc., engages in the development, manufacture, and marketing, of high water content, electron beam cross-linked, aqueous polymer hydrogels and hydrogel patches.

**Officers:** Arlen Reynolds (Chair); Matthew Harriton (Pres., CEO, CFO & Dir.); Gene E. Burelson (Dir.); Wayne M. Celia (Dir.); Joel S. Kanter (Dir.)

**Auditor:** Rothstein, Kass & Company, P.C.

**Securities:** Common Stock-Symbol NESK.OB; OTC BB; 20,136,225 common shares outstanding as of July 7, 2006.

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**Prospector  
Profile  
07.0099**

**North American Scientific, Inc.**

20200 Sunburst Street  
Chatsworth, CA 91311  
(818) 734-8600

NAICS		339100
Employees		173
Revenue	(mil)	\$19.67
Income	(mil)	(\$17.38)
Assets	(mil)	\$27.20
Liability	(mil)	\$10.01
(for the year ended 10/31/2006)		

**Category:** Loss/Deficit

**Event:** North American Scientific, Inc. reported a loss of \$6.1 million, versus a loss of \$44.6 million last year. Sales dipped to \$6.3 million from about \$6.9 million last year. For the full-year, North American Scientific posted a net loss of \$17.1 million, compared with a loss of \$55.5 million. Annual operating expenses declined to \$27.1 million from \$68.2 million. Sales slid 9.9 percent in 2006, to \$29 million from \$32.2 million.

**Intellectual Property:** The Company has 22 patents as of December 31, 2006. In addition, the Company has 12 additional United States pending patent applications. The Company has also been issued 11 foreign patents and has 14 foreign patent applications still pending. The Company also licenses from third parties some of the technologies used in its core products. [SEC Filing 10-K 01-16-07]

**Description:** North American Scientific, Inc. engages in the manufacture, marketing, and sale of products for the radiation oncology community.

**Officers:** L. Michael Cutrer (Pres., CEO & Dir.); David N. King (VP, Sec. & Gen. Counsel); James W. Klingler (SVP & CFO); Michael J. Ryan (SVP)

**Auditor:** Singer Lewak Greenbaum & Goldstein LLP

**Securities:** Common Stock-Symbol NASI; NasdaqGM; 29,336,144 common shares outstanding as of December 29, 2006.

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**Prospector  
Profile  
07.0100**

**Onstream Media Corporation**

1291 SW 29 Avenue  
Pompano Beach, FL 33069  
(954) 917-6655

NAICS		516110
Employees		61
Revenue	(mil)	\$8.42
Income	(mil)	(\$6.47)
Assets	(mil)	\$17.17
Liability	(mil)	\$8.78
(for the year ended 9/30/2006)		

**Category:** Loss/Deficit

**Event:** The Company reported that revenue increased by approximately 18% in the fourth quarter of fiscal year 2006 to \$2.3 million, from \$1.9 million in the fourth quarter of fiscal year 2005. The net loss for the year ended September 30, 2006 was approximately \$6.5 million as compared to a net loss of approximately \$9.6 million for the prior fiscal year.

**Intellectual Property:** To protect proprietary rights, the Company relies generally on copyright, trademark and trade secret laws, confidentiality agreements with employees and third parties, and agreements with consultants, vendors and customers. The Company may pursue the registration of certain of its trademarks and service marks in the United States, although it has not secured registration of all its marks. [SEC Filing 10-KSB 01-16-06]

**Description:** The Company is an online service provider of live and on-demand digital media communications and applications, including webcasting, webconferencing, digital asset management and web publishing services.

**Officers:** Randy S. Selman (Chair, Pres. & CEO); Clifford Friedland (Vice Chair & SVP-Dev't.); Alan M. Saperstein (Treas., COO & Dir.); David Glassman (SVP & CMO); Robert E. Tomlinson (SVP & CFO); Benjamin Swirsky (Dir.); Robert J. Wussler (Dir.); Charles C. Johnston (Dir.); Carl L. Silva (Dir.)

**Auditor:** Goldstein Lewin & Company

**Securities:** Common Stock-Symbol ONSM; NasdaqCM;  
24,181,795 common shares outstanding as of January 10, 2007.

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**Prospector  
Profile  
07.0101**

**Photoworks, Inc.**

71 Columbia Street, Suite 200  
Seattle, WA 98104  
(206) 281-1390

NAICS		812921
Employees		48
Revenue	(mil)	\$11.67
Income	(mil)	(\$9.89)
Assets	(mil)	\$1.75
Liability	(mil)	\$9.75

(for the year ended 9/30/2006)

**Category:** Loss/Deficit

**Event:** PhotoWorks, Inc. reported \$1.7 million in total assets and \$3.7 million in total liabilities at Sept. 30, 2006, resulting in a \$2 million stockholders' deficit. At Sept. 30, 2006, the Company's balance sheet also showed strained liquidity with \$1.3 million in total current assets available to pay \$2.1 million in total current liabilities. For the year ended Sept. 30, 2006, the Company reported a \$3.8 million net loss on \$11.7 million of revenues, compared with a \$7.4 net loss on \$13.7 million of revenues for the year ended Sept. 30, 2005.

**Intellectual Property:** The Company currently markets its services and products under registered and common-law trademarks and service marks, including PhotoWorks®, Seattle Film Works®, PhotoMail®, PhotoStreamer®, Pictures On Disk™, Photo Clutch™ and Pictures On Disk™ on CD. The Company considers a large portion of its website and infrastructure processes to be proprietary. The Company makes limited patent filings, in part to avoid disclosure of its competitive strengths. However, the Company attempts to protect proprietary rights through a combination of copyright, trademark and trade secret laws, employee and third-party nondisclosure agreements, restricting access to certain portions of its premises, and contractual restrictions on use and disclosure in the end-user licenses. [SEC Filing 10-KSB 01-05-07]

**Description:** PhotoWorks, Inc., an online photography services company, offers processing and printing services to digital and traditional camera users primarily in the United States.

**Officers:** Andy Wood (Pres. & CEO); Bruce Fischer (VP-Fin. & CFO); Thomas J. Kelley (VP & CMO); Dan Zimmerman (VP-Eng'g.)

**Auditor:** Williams & Webster, P.S.

**Securities:** Common Stock-Symbol PHTW.OB; OTC BB;  
39,440,048 common shares outstanding as of December 31, 2006.

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**Prospector  
Profile  
07.0102**

**Reliability, Inc.**

15720 Park Row, Suite 500  
Houston, TX 77218  
(281) 492-0550

NAICS		334412
Employees		51
Revenue	(mil)	\$2.90
Income	(mil)	(\$3.48)
Assets	(mil)	\$5.59
Liability	(mil)	\$3.18

(for the year ended 12/31/2005)

**Category:** Loss/Deficit

**Event:** Reliability Inc. reported a \$396,000 net loss on \$8,000 of revenues for the quarter ended Sept. 30, 2006, compared with a \$717,000 net loss on \$187,000 of revenues for the same period in 2005. At Sept. 30, 2006, the Company's balance sheet showed \$2.8 million in total assets, \$479,000 in total liabilities and \$2.3 million in total stockholders' equity.

**Intellectual Property:** The Company believes that rapidly changing technology in the electronics industry makes the Company's future success dependent on the quality of its products and services, the technical skills of its personnel, and its ability to adapt to the changing technological requirements more than upon the protection of any proprietary rights. The Company holds several patents on certain components of its test and conditioning equipment and topology for regulated outputs of its DC-DC converters. Although the Company believes that its intellectual property has value and can provide it with a competitive advantage, no single patent is, in itself, critical to the Company as a whole or to any of its operating segments. While the Company attempts to protect its intellectual property through patents, copyrights, trade secrets, trademarks, and other means, there can be no assurance that these measures will be sufficient or provide significant competitive advantages. [SEC Filing 10-KSB 03-28-06]

**Description:** Reliability, Incorporated engages in the design, manufacture, and marketing of equipment used to test and condition integrated circuits.

**Officers:** Larry Edwards (Chair, Pres. & CEO); James M. Harwell (EVP & COO); Paul Nestrta (VP); Carl Schmidt (CFO, Sec. & Treas.)

**Auditor:** Fitts Roberts & Company PC

**Securities:** Common Stock-Symbol REAL.PK; PNK;  
6,335,965 common shares outstanding as of March 20, 2006.

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**Prospector  
Profile  
07.0103**

**SteelCloud, Inc.**

14040 Park Center Road, Suite 210  
Herndon, VA 20171  
(703) 674-5500

NAICS		334100
Employees		89
Revenue	(mil)	\$36.47
Income	(mil)	(\$0.13)
Assets	(mil)	\$21.05
Liability	(mil)	\$5.06

(for the year ended 10/31/2005)

**Category:** Loss/Deficit

**Event:** SteelCloud, Inc. had revenues for fiscal year 2006 of \$24,215,911 compared to \$34,525,138 in fiscal year ended October 31, 2005. Previously reported non-recurring goodwill and restructuring write-offs accounted for nearly 60% of the net loss for the fiscal year 2006 of \$10,040,153 compared to a net loss \$129,654 in fiscal year 2005. The Company has an accumulated deficit of \$30,164,503 as of October 31, 2005.

**Intellectual Property:** In fiscal 2005, the Company won two of its pending patents with the U.S. Patent and Trademark office, one for wireless network security and another for intrusion detection technology. U.S. patent application #10/208,485 filed July 30, 2002 has been allowed and a notice of allowance has been received by the Company. It is expected that the patent will be issued from this application on or before June 20, 2006. In addition, the Company will be filing a divisional patent application for remaining claims from this patent now allowable under new changes of the law. The Company also received a notice of allowance issued by the Patent office for its U.S. patent application #10/329,232. The Company also has additional patents pending. The Company conducts its business under the trademarks and service marks of "SteelCloud," "SteelCloud Company" and "Dunn Computer Corporation." The Company believes its copyrights, trademarks and service marks have significant value and are an important factor in the marketing of its products. [SEC Filing 10-K 01-30-06]

**Description:** SteelCloud, Inc. engages in the design, development, and manufacture of customized computer servers and network appliances for both the public and private sectors worldwide.

**Officers:** Brian Hajost (Pres.); Thomas Dunne (CEO & Dir.); Kevin Murphy (CFO); E.A. Burkhalter (Dir.); James Bruno (Dir.); Jay Kaplowitz (Dir.); Benjamin Krieger (Dir.); Arthur L. Money (Dir.)

**Auditor:** Grant Thornton LLP

**Securities:** Common Stock-Symbol SCLD; NasdaqCM;  
14,050,521 common shares outstanding as of January 23, 2006.

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**Prospector  
Profile  
07.0104**

<b>Sub Surface Waste Management of Delaware, Inc.</b> 6451-C El Camino Real Carlsbad, CA 92009 (760) 918-1860	NAICS	562000	
	Employees	4	
	Revenue	(mil)	\$0.51
	Income	(mil)	(\$2.50)
	Assets	(mil)	\$0.93
	Liability	(mil)	\$1.05
	(for the year ended 9/30/2006)		

**Category:** Audit Concerns

**Event:** Russell Bedford Stefanou Mirchandani LLP expressed substantial doubt about the Company's ability to continue as a going concern due to recurring losses from operations and difficulty in generating sufficient cash flow to meet obligations and sustain operations. [SEC Filing 10-KSB 01-16-07]

**Intellectual Property:** The Company sub-licenses two patents from XyclonyX, an affiliate of the Company: a patent for a method of treating hydrocarbon spills, a patent for a method of treating hydrocarbon contaminated soil, and a patent for treatment of contaminated activated charcoal issued June 14, 2005. The Company's Chief Engineer Behzad Mirzayi, P.E., in conjunction with XyclonyX developed the BACÔ and Bio-GACÔ carbon recycling technology and carbon treatment of contaminated activated charcoal, which was published on June 14, 2005. [SEC Filing 10-KSB 01-16-07]

**Description:** Sub Surface Waste Management of Delaware, Inc. engages in the design, installation, and operation of proprietary soil and groundwater remediation systems for clean up of toxic waste releases to soil and groundwater, and the bio-recycling of spent activated carbon filtration media.

**Officers:** Bruce Beattie (Chair, Pres. & CEO); Behzad Mirzayi (VP, COO & Dir.); Conrad Nagel (CFO & Dir.); Robert C. Brehm (Dir.); Bill Hopkins (Dir.)

**Auditor:** Russell Bedford Stefanou Mirchandani LLP

**Securities:** Common Stock-Symbol SSWM.OB; OTC BB;  
99,060,794 common shares outstanding as of January 11, 2007.

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**Prospector  
Profile  
07.0105**

**Valentis, Incorporated**

863A Mitten Rd.  
Burlingame, CA 94010  
(650) 697-1900

NAICS		325414
Employees		8
Revenue	(mil)	\$0.73
Income	(mil)	(\$15.34)
Assets	(mil)	\$5.26
Liability	(mil)	\$2.42
(for the year ended 6/30/2006)		

**Category:** Audit Concerns

**Event:** Ernst & Young LLP raised substantial doubt about the ability of Valentis, Incorporated to continue as a going concern. The auditing firm pointed to the Company's losses since inception, including a net loss of \$15.3 million for the year ended June 30, 2006, and its accumulated deficit of \$240 million as of June 30, 2006. On January 18, Company's common stock will cease trading on the Nasdaq due to failure to maintain a minimum of \$2.5 million in equity, among others. The Company plans to appeal the decision and request a hearing. The Company's total assets as of June 30, 2006 decreased to \$5,258,000 from total assets of \$14,152,000 as of June 30, 2005.

**Intellectual Property:** The Company owns or has exclusive rights to 39 issued United States patents and 45 granted foreign patents. The Company owns or has exclusive rights to approximately 12 pending patent applications in the United States and 34 foreign pending patent applications. The Company's patent applications may not be approved. Any patents granted now or in the future may be invalidated or offer only limited protection against potential infringement and development by its competitors of competing products. [SEC Filing 10-K 09-28-06]

**Description:** Valentis, Incorporated develops novel therapeutics using its proprietary technologies, including multiple gene delivery and gene expression systems and PEGylation technologies designed to improve the safety, efficacy and dosing characteristics of genes, proteins, and viruses.

**Officers:** Benjamin F. McGraw, III (Chair, Pres. & CEO); Joseph A. Markey (VP); Patrick G. Enright (Dir.); Reinaldo M. Diaz (Dir.); George M. Lasezkay (Dir.); Dennis J. Purcell (Dir.); John S. Schroeder (Dir.)

**Auditor:** Ernst & Young LLP

**Securities:** Common Stock-Symbol VLTS; NasdaqCM;  
17,070,446 common shares outstanding as of November 13, 2006.

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**Prospector  
Profile  
07.0106**

**Virtual Media Holdings, Inc.**

#14 - 34368 Manufacturer's Way  
Abbotsford, Canada V2S 7M1  
(604) 852-1806

NAICS		454111
Employees		5
Revenue	(mil)	\$3.60
Income	(mil)	(\$0.25)
Assets	(mil)	\$0.60
Liability	(mil)	\$0.49
(for the year ended 6/30/2005)		

**Category:** Audit Concerns

**Event:** Dale Matheson Carr-Hilton Labonte LLP has expressed doubt about the Company's continue as an ongoing business for the next twelve months if it does not generate sufficient revenues to support its plan of operation or raise new capital.

**Intellectual Property:** The Company acquired the business assets of DVD Marketplace from Wide Open Technologies of Charlotte, North Carolina on December 2, 2005. These assets included the website, the domain name www.dvdmarketplace.com, license for all operating software including technology, code and a fully functioning 3rd party selling platform. [SEC Filing 20-F 01-16-07]

**Description:** Virtual Media Holdings, Inc. connects people who love books, music, movies, games and more to thousands of independent sellers around the world.

**Officers:** Steven Gaspar (Pres., Treas., CEO, CFO & Dir.); Christopher Gaspar (VP-Ops. & Dir.)

**Auditor:** Dale Matheson Carr-Hilton Labonte LLP

**Securities:** Common Stock-Symbol VMHIF.OB; OTC BB;  
85,205,082 common shares outstanding as of September 30, 2006.

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**Prospector  
Profile  
07.0107**

**Visualant, Inc.**

500 Union Street, Suite 406  
Seattle, WA 98101  
(206) 903-1351

NAICS		561620
Employees		1
Revenue	(mil)	\$0.00
Income	(mil)	(\$1.03)
Assets	(mil)	\$0.01
Liability	(mil)	\$0.48

(for the year ended 9/30/2006)

**Category:** Audit Concerns

**Event:** Madsen & Associates, CPA's Inc. expressed substantial doubt about the Visualant, Inc.'s ability to continue as a going concern due to the Company's need of additional working capital for its planned activities and to service its debt. The Company has an accumulated deficit of \$4,094,689 and strained liquidity with \$7,160 in current assets available to pay \$480,376 in total current liabilities as of September 30, 2006.

**Intellectual Property:** The only property owned by the Company is its intellectual property. During 2006, the Company filed patents covering work that the RatLab LLC performed. The patents focus on using photonics to establish a unique identifier for objects, on communicating that identifier, and on comparing it against a template. [SEC Filing 10-KSB 01-16-07]

**Description:** Visualant, Incorporated, a development stage color technology company, develops color technology, providing multidimensional spectral-based pattern file creation and matching solutions.

**Officers:** Ronald P. Erickson (Chair & Dir.); Ralph Brier (Pres., CEO & Dir.); Jerry D. Goldberg (Sec., Treas. & CFO); Robert Dougherty (Dir.); Jon Pepper (Dir.); Dr. Masahiro Kawahata (Dir.); William E. Gordon, III (Dir.)

**Auditor:** Madsen & Associates, CPA's Inc.

**Securities:** Common Stock-Symbol VSUL.OB; OTC BB;  
16,503,891 common shares outstanding as of December 15, 2006.

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**Prospector  
Profile  
07.0108**

**Wegener Corporation**

11350 Technology Circle  
Duluth, GA 30097  
(770) 623-0096

NAICS		334220
Employees		92
Revenue	(mil)	\$20.39
Income	(mil)	(\$2.88)
Assets	(mil)	\$11.13
Liability	(mil)	\$6.05

(for the year ended 9/1/2006)

**Category:** Loss/Deficit

**Event:** Wegener Corporation reported that first quarter revenues for fiscal 2007 were \$4.8 million, resulting in a net loss of \$962,000. This compares to revenues of \$5.0 million for the first quarter of fiscal 2006 and a net loss of \$643,000.

**Intellectual Property:** The Company holds five U.S patents currently, the most significant of which is a patent covering advanced receiver grouping techniques in Compel® which will expire on January 15, 2008. The Company holds eight active trademarks, such as Compel®, iPump®, Wegener® and Unity®. Currently, the Company has 12 patent applications pending and two trademark applications pending. Additionally, the Company licenses certain analog audio processing technology to several manufacturing companies which generated royalty revenues of \$82,000, \$58,000, and \$87,000 during the past three years. During the second quarter of fiscal 2003, the Company entered into a license agreement with StarGuide Digital Networks, Inc., which granted to Wegener a number of limited licenses of StarGuide patents related to delivering IP data by satellite and store/forward audio. In addition, as of September 1, 2006, the Company has entered into eight other license agreements for utilization of various technologies. These agreements currently require royalty payments, or may require future royalties for products under development, none of which are expected to have a material adverse effect on financial condition or results of operations. [SEC Filing 10-K 11-30-06]

**Description:** Wegener Corporation, through its subsidiary, Wegener Communications, Inc., engages in the design and manufacture of satellite communications electronics equipment.

**Officers:** Robert A. Placek (Chair, Pres. & CEO); C. Troy Woodbury, Jr. (Treas, CFO & Dir.); Ned L. Mountain (Dir.); Phylis Eagle-Oldson (Dir.); Jeffrey J. Haas (Dir.); Joe K. Parks (Dir.); Thomas G. Elliot (Dir.); David W. Wright (Dir.)

**Auditor:** BDO Seidman, LLP

**Securities:** Common Stock-Symbol WGNR; NasdaqCM;  
12,579,051 common shares outstanding as of November 1, 2006.

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**Prospector  
Profile  
07.0109**

**Winning Edge International, Inc.**  
5092 South Jones Boulevard, Suite 100  
Las Vegas, NV 89118  
(702) 967-6000

NAICS	713200
Employees	17
Revenue (mil)	\$5.60
Income (mil)	(\$1.20)
Assets (mil)	\$0.83
Liability (mil)	\$1.89

(for the year ended 7/31/2006)

**Category:** Loss/Deficit

**Event:** Winning Edge International, Inc. reported a \$668,468 net loss on \$2 million of total revenues for the quarter ended Oct. 31, 2006, compared with a \$462,848 net loss on \$1.8 million of revenues for the same period in 2005. At Oct. 31, 2006, the Company's balance sheet showed \$1.3 million in total assets and \$2.9 million in total liabilities, resulting in a \$1.6 million total stockholders' deficit. The Company's balance sheet at Oct. 31, 2006, also showed strained liquidity with \$1.1 million in total current assets available to pay \$2.8 million in total current liabilities.

**Intellectual Property:** The Company has acquired and owns the registered trademark, "The WinningEDGE". The Company also owns the Internet domain names www.winningedge.com, www.ewinners.com as well as over a dozen other domain names that are pertinent to its business and industry. The Company believes that its trade names and other proprietary rights are important to its brand-building efforts and marketing concept. The Company also owns a patent (U.S. Patent # 6,260,019 Web-based Prediction Marketplace) that is a method and apparatus for facilitating electronic commerce between suppliers of predictions and consumers of predictions which is being infringed by many of its competitors. The Company believes that licensing of the patent could result in a substantial additional revenue stream. [SEC Filing 10-KSB 11-14-06]

**Description:** Winning Edge International, Inc., through its wholly owned subsidiary, Global SportsEDGE, Inc., engages in the production of television, radio, and Web-based programming related to sports and gaming, and provision of sports handicapping analysis and advice to sports bettors worldwide.

**Officers:** Wayne Allyn Root (Chair & CEO); Douglas R. Miller (Pres., Sec., COO & Dir.); Jeff Johnson (CFO); Robert Seale (Dir.); Roger Aspey-Kent (Dir.); Roger L. Harrison (Dir.)

**Auditor:** Moore Stephens PC

**Securities:** Common Stock-Symbol WNED.OB; OTC BB;  
118,396,450 common shares outstanding as of October 1, 2006.

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**Prospector  
Profile  
07.0110**

**Xenonics Holdings, Inc.**

2236 Rutherford Road, Suite 123  
Carlsbad, CA 92008  
(760) 438-4004

NAICS		335129
Employees		15
Revenue	(mil)	\$4.83
Income	(mil)	(\$1.49)
Assets	(mil)	\$3.07
Liability	(mil)	\$0.67

(for the year ended 9/30/2006)

**Category:** Audit Concerns

**Event:** Eisner LLP raised substantial doubt about Xenonics Holdings, Inc.'s ability to continue as a going concern after auditing the Company's consolidated financial statements for the year ended September 30, 2006. The auditor pointed to the Company's incurred recurring losses and accumulated deficit. The Company reported a \$1,488,000 net loss on \$4,833,000 of total revenues for the year ended Sept. 30, 2006, compared with \$5,004,000 net loss on \$4,434,000 revenues in the comparable period of 2005.

**Intellectual Property:** The Company has 11 design and utility patents issued, allowed or pending, including patents for technology platform, which applies high efficiency dimmable electronic ballast circuitry and precision optics to xenon light as well as ruggedized digital low-light viewing device. The Company continues to make advancements, and has recently filed for an additional patent covering certain technologies that complement its NightHunter product technologies. In addition to the foregoing patents, the Company also relies on certain know-how and trade secrets related to the design and manufacture of its products. The Company believes that the patents and know-how and trade secrets provide protection to certain of its core technologies, and allow the Company to develop future products that can be scaled up or down. The Company's "NightHunter", "Xenonics" and "SuperVision" trademarks have been registered with the United States Patent and Trademark Office. [SEC Filing 10-KSB 12-15-06]

**Description:** Xenonics Holdings, Inc., through its subsidiary, Xenonics, Inc., designs, manufactures, and markets portable illumination products in the United States.

**Officers:** Alan P. Magerman (Chair); Richard J. Naughton (CEO & Dir.); Jeffrey P. Kennedy (COO); Donna G. Lee (CFO); Robert Petersen (Dir.); Robert Buie (Dir.); Eli Shapiro (Dir.)

**Auditor:** Eisner LLP

**Securities:** Common Stock-Symbol XNN; AMEX;  
16,790,675 common shares outstanding as of November 13, 2006.

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**Prospector  
Profile  
07.0111**

**Xiom Corp.**

68A Lamar Street  
West Babylon, NY 11704  
(631) 643-4400

NAICS		333912	
Employees		6	
Revenue	(mil)		\$0.63
Income	(mil)		\$0.81
Assets	(mil)		\$0.68
Liability	(mil)		\$0.26
(for the year ended 9/30/2006)			

**Category:** Audit Concerns

**Event:** N. Blumenfrucht CPA PC raised substantial doubt about Xiom Corp.'s ability to continue as a going concern. The Company has an accumulated deficit of approximately \$245,000. The Company incurred a net loss for the period ended September 30, 2006 of approximately \$800,000 and has working capital of approximately \$130,000.

**Intellectual Property:** The Company's plastic spray technology is unique and has patents pending. The patents cover technology and processes to apply and deliver powder coatings through a specialized spray system that allows those coatings to be applied both on site and in a factory. The patents will last, upon issuance for a period of 17 years, unless other patents are applied for. [SEC filing 10-KSB 01-17-07]

**Description:** XIOM Corp. manufactures thermal spray coating devices and powders. The Company manufactures and distributes the Xiom 1000 polymer multicoat spray system, which is used to deposit a mixture of plastics, plastic additives, and chemicals for various applications.

**Officers:** Andrew B. Mazzone (Chair, Pres. & CFO); Thomas Gardega (EVP & Dir.)

**Auditor:** N. Blumenfrucht CPA PC

**Securities:** Common Stock-Symbol XMCP.OB; OTC BB;  
7,533,260 common shares outstanding as of January 16, 2007.

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