

LIGHTPATH TECHNOLOGIES INC
Form DEF 14A
September 08, 2004

SCHEDULE 14A

(RULE 14A)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY |
| <input checked="" type="checkbox"/> | Definitive Proxy Statement | <input type="checkbox"/> | (AS PERMITTED BY RULE 14A-6(E)(2)) |
| <input type="checkbox"/> | Definitive Additional Materials | | |
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LIGHTPATH TECHNOLOGIES, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, If Other Than The Registrant)

Payment of filing fee (Check the appropriate box):

No fee required.

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- (1) Amount Previously Paid:
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- (3) Filing Party:
- (4) Date Filed:

LightPath Technologies, Inc.

Annual Meeting of Stockholders

October 20, 2004

Notice and Proxy Statement

September 13, 2004

Dear LightPath Stockholder:

I am pleased to invite you to the Annual Meeting of the stockholders of LightPath Technologies, Inc. The meeting will be held on Wednesday, October 20, 2004 at 11:00 a.m. (local time - EDT) at our corporate headquarters, 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826.

At the meeting, you and the other stockholders will be asked to (i) elect directors, (ii) approve an amendment to increase the shares available in the Company's Incentive Plan to allow us to continue to offer equity incentives to attract and retain individuals with skills necessary for our success, and (iii) approve the proposal for the Company to issue up to 1,200,000 additional Common Shares or securities convertible into or exercisable for such Common Shares in one or more offerings, with certain quantitative restrictions, to be conducted by the Company from time to time for such purposes as determined by the Board of Directors. You will also have the opportunity to hear what has happened in our business in the past year and to ask questions.

The enclosed Notice and Proxy Statement contain details concerning the foregoing items and any other business to be conducted at the Annual Meeting. Other detailed information about LightPath and its operations, including its audited financial statements, are included in our Annual Report on Form 10-K, a copy of which is enclosed. We urge you to read and consider these documents carefully.

We hope you can join us at the meeting. Whether or not you expect to attend, please read the enclosed Proxy Statement, **mark your votes on the enclosed proxy card, sign and date it, and return it to us in the enclosed postage-paid envelope.** Your vote is important, so please return your proxy card promptly.

Sincerely,

Robert Ripp

Chairman of the Board

Corporate Headquarters

2603 Challenger Tech Court, Suite 100 * Orlando, Florida USA 32826 * 407-382-4003

LIGHTPATH TECHNOLOGIES, INC.

2603 Challenger Tech Court, Suite 100

Orlando, Florida USA 32826

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On October 20, 2004

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of LightPath Technologies, Inc., a Delaware corporation (the Company). The meeting will be held on Wednesday, October 20, 2004 at 11:00 a.m. local time (EDT) at our corporate headquarters, 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826, for the following purposes:

1. To elect two directors (Class I directors) to the Company's Board of Directors;
2. To approve an amendment to the Company's Amended and Restated Omnibus Incentive Plan (Plan) to add 450,000 shares to the Plan. Currently only 16,377 shares are available for future use and this amendment would bring the total available for future grant to 466,377 shares. We are seeking this amendment in order to provide adequate shares to attract and retain qualified individuals;
3. To approve the proposal for the Company to issue up to 1,200,000 additional Common Shares or securities convertible into or exercisable for such Common Shares in one or more offerings, with certain quantitative restrictions, to be conducted by the Company from time to time for such purposes as determined by the Board of Directors; and
4. To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is September 3, 2004. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors,

Kenneth Brizel

Chief Executive Officer

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Orlando, Florida

September 13, 2004

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, *please complete, date, sign and return* the enclosed proxy as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS

To be held October 20, 2004

LIGHTPATH TECHNOLOGIES, INC.

2603 Challenger Tech Court, Suite 100

Orlando, Florida USA 32826

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors of LightPath Technologies, Inc. (sometimes referred to as the Company or LightPath) is soliciting your proxy to vote at the Annual Meeting of Stockholders to be held on Wednesday, October 20, 2004 at 9:00 a.m. local time at our corporate headquarters, 2603 Challenger Tech Court, Suite 100, Orlando, Florida 32826. You are invited to attend the Annual Meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We intend to mail this proxy statement and accompanying proxy card on or about September 13, 2004 to all stockholders of record entitled to vote at the Annual Meeting.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on September 3, 2004 will be entitled to vote at the Annual Meeting. On this record date, there were 3,375,770 shares (including all restricted stock awards at such date) of Class A common stock (our only class of common stock) outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on September 3, 2004, your shares were registered directly in your name with our transfer agent, Continental Stock Transfer and Trust, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted. Even if you fill out and return your

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proxy, you may still vote in person if you are able to attend the meeting.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on September 3, 2004, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are specific matters scheduled for a vote:

1. The election of two directors (the Class I directors) to our Board of Directors;
2. The approval an amendment to the Company's Amended and Restated Omnibus Incentive Plan (Plan) to add 450,000 shares to the Plan. Currently only 16,377 shares are available for future use and this

amendment would bring the total available for future grant to 466,377 shares. We are seeking this amendment in order to provide adequate shares to attract and retain qualified individuals; and

3. The approval for the Company to issue up to 1,200,000 additional Common Shares or securities convertible into or exercisable for such Common Shares in one or more offerings, with certain quantitative restrictions, to be conducted by the Company from time to time for such purposes as determined by the Board of Directors.

A vote may also be held on any other business as may properly come before the Annual Meeting or any postponement or adjournment thereof, although there is no other business anticipated to come before the Annual Meeting.

How do I vote?

With regard to the election of directors, you may vote For all nominees listed or you may Withhold Authority for any or all of the nominees. For all other matters, you may vote For or Against or abstain from voting. The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from LightPath. Simply complete and mail the proxy card to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

How many votes do I have?

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On each matter to be voted upon, you have one vote for each share of common stock you own as of September 3, 2004.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted For all proposals outlined in this Proxy, including For each of the nominees for director. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

LightPath will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication.

Directors and employees will not be paid any additional compensation for soliciting proxies. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** proxy card to ensure that all of your shares are voted.

What is householding ?

The Securities and Exchange Commission has adopted rules that permit companies and intermediaries such as brokers to satisfy the delivery requirements for proxy statements with respect to two or more security holders sharing the same address by delivering a single proxy statement addressed to those security holders. This process, which is commonly referred to as householding, potentially means convenience for security holders and cost savings for companies.

A number of brokers with account holders who are LightPath stockholders will be householding our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker and also notify us by sending your written request to Investor Relations, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 or by calling Investor Relations at 407-382-4003, ext. 314. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should also contact their broker and notify us in writing or by telephone.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. You may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a written notice that you are revoking your proxy to LightPath's Secretary at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826.

You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

How are votes counted?

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Votes will be counted by the inspector of elections appointed for the meeting, who will separately count For , Against and Withhold Authority votes, abstentions and broker non-votes. A broker non-vote occurs when a nominee/broker holding shares for a beneficial owner does not vote on a particular proposal because the nominee/broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as Against votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved.

How many votes are needed to approve the proposals?

With regard to Proposal No. 1 (election of directors), the two nominees receiving a plurality of the votes cast at the meeting will be elected as directors of the Company. A properly executed proxy marked Withhold

Authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

To be approved, Proposals No. 2 (amendment to our Omnibus Incentive Plan), and No. 3 (proposal for the Company to offer up to 1,200,000 additional Common Shares or securities convertible into or exercisable for such Common Shares), each must receive For votes from holders of a majority of the shares represented and voted at the meeting. If you Abstain from voting, it will have the same effect as an Against vote. Not voting on these proposals, including broker non-votes, has no effect on the outcome.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares of stock entitled to vote is represented by votes at the meeting or by proxy. On the record date, there were 3,375,770 outstanding shares (including all restricted stock awards at such date) entitled to vote. Thus 1,687,886 must be represented by votes at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. LightPath will subsequently either include the final voting results in its quarterly report on Form 10-Q or issue a general press release after the meeting indicating whether the stockholders have approved the proposals or not.

When are stockholder proposals for the 2005 Annual Meeting due?

Stockholders interested in presenting a proposal to be considered for inclusion in next year's proxy statement and form of proxy may do so by following the procedures prescribed in Rule 14a-8 under the Securities Exchange Act of 1934 and the Company's By-laws. To be considered for inclusion, stockholder proposals must be submitted in writing to the Corporate Secretary, LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826 before May 16, 2005, which is 120 calendar days prior to the anniversary of the mailing date of this proxy statement, and must be in compliance with all applicable laws and regulations.

If a stockholder wishes to present a proposal at the 2005 Annual Meeting, but the proposal is not intended to be included in the Company's proxy statement relating to the meeting, the stockholder must give advance notice to the Company prior to the deadline for such meeting determined in accordance with the By-laws (the By-law Deadline). Under the Company's By-laws, in order for a proposal to be timely, it must be received by the Company no later than 60 days, nor earlier than 90 days, prior to the annual meeting date. If a stockholder gives notice of such a proposal after the By-law Deadline, the stockholder will not be permitted to present the proposal to the stockholders for a vote at the meeting.

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Furthermore, Rule 14a-4 of the Exchange Act also establishes a different deadline for submission of stockholder proposals that are not intended to be included in the Company's proxy statement with respect to discretionary voting (the Discretionary Vote Deadline). The Discretionary Vote Deadline for the year 2005 annual meeting is July 30, 2005 (45 calendar days prior to the anniversary of the mailing date of this proxy statement). If a stockholder gives notice of such a proposal after the Discretionary Vote Deadline, the Company's proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the Company's 2005 annual meeting. A properly submitted proposal received after the Discretionary Vote Deadline but before the By-law Deadline would be eligible to be presented.

at the annual meeting, however, the Company believes that its proxy holders would be allowed to use the discretionary authority granted by the proxy card to vote against the proposal at the meeting without including any disclosure of the proposal in the proxy statement relating to such meeting.

How do I get a copy of the exhibits filed with the Company's Form 10-K?

A copy of the Company's Annual Report for 2004, which contains the Company's Form 10-K for the fiscal year ended June 30, 2004, and consolidated financial statements, has been delivered to you with this Proxy Statement. The Company will provide to any stockholder as of the Record Date, who so specifically requests in writing, a copy of the exhibits filed with the Company's Form 10-K. Requests for such copies should be directed to Investor Relations at 2603 Challenger Tech Court, Suite 100, Orlando, Florida USA 32826. In addition, copies of all exhibits filed electronically by the Company may be reviewed and printed from the SEC's website at <http://www.sec.gov> under the EDGAR archives section.

Where can I get information regarding how to send communications to the Board of Directors and the Company's policy regarding Board member's attendance at annual meetings?

The Board of Directors provides a process for stockholders to send communications to the Board of Directors and has adopted a policy regarding Board member's attendance at annual meetings. Information regarding these matters is contained on the Company's website at <http://www.lightpath.com> under Investor Relations, FAQs, questions number 9 and 10.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

LightPath's Board of Directors is divided into three classes, denoted as Class I, Class II and Class III, serving staggered three-year terms with one class elected each year at the annual meeting. The current Board consists of:

Class I (term expiring in 2004)	Class II (term expiring in 2006)	Class III (term expiring in 2005)
Robert Ripp	James L. Adler, Jr.	Louis Leebug
Robert Bruggeworth	Kenneth Brizel	Gary Silverman
	Dr. Steven Brueck	

At the 2004 annual meeting of stockholders, two directors (the Class I directors) are to be elected to serve a three-year term or until their successors have been duly elected and qualified. Pursuant to the Company's Certificate of Incorporation and By-laws, the current Board of Directors or the stockholders may nominate persons for election to the Board of Directors. In accordance with such governing documents, the following individuals, each of whom is a current member of the Board of Directors, have been nominated to serve as Class I directors to serve a three-year term or until their successors have been duly elected and qualified:

Robert Ripp

Robert Bruggeworth

The individuals named as proxies will vote the enclosed proxy **FOR** the election of all nominees unless you direct them to withhold your votes. If any nominee becomes unable or unwilling to serve as a director before the Annual Meeting, an event which is not presently anticipated, discretionary authority may be exercised by the persons named as proxies to vote for substitute nominees proposed by the Board, or, if no substitute is selected by the Board of Directors prior to or at the Annual Meeting, for a motion to reduce the present membership of the Board to the number of nominees available.

THE BOARD OF DIRECTORS RECOMMENDS VOTING FOR

THE ELECTION OF ALL NOMINEES

Below are the names and ages of the directors, the years they became directors, their principal occupations or employment for at least the past five years and certain of their other directorships.

Nominees for Election to a Three-Year Term (Class I Directors)

Robert Ripp, 63 Director (Chairman of the Board)

Mr. Ripp has served as Chairman of LightPath since November 1999. During portions of fiscal 2002 and fiscal 2003 he also served as the Company's Interim President and Chief Executive Officer. Mr. Ripp was Chairman and CEO of AMP Incorporated from August 1998 until April 1999, when AMP was sold to TYCO International Ltd. Mr. Ripp held various executive positions at AMP from 1994 to August 1999. Mr. Ripp previously spent 29 years with IBM of Armonk, NY. He held positions in all aspects of operations within IBM culminating in the last four years as Vice President and Treasurer and he retired from IBM in 1993. Mr. Ripp graduated from Iona College and received his M.B.A. from New York University. Mr. Ripp is currently on the board of directors of Ace, Ltd., Safeguard Scientifics and PPG Industries, all of which are listed on the New York Stock Exchange. Mr. Ripp also serves on the Company's Compensation and Finance Committees.

Robert Bruggeworth, 43 Director Mr. Bruggeworth has served as a Director of LightPath since May 2001. Mr. Bruggeworth is currently President, CEO and a director of RF Micro Devices, which he joined in 1999. RF Micro Devices is listed on the Nasdaq National Market. From 1983 until 1999 he held various positions with AMP Incorporated. When he left AMP he was a Divisional Vice President, Global Computer and Consumer Electronics in Hong Kong. Mr. Bruggeworth is a graduate of Wilkes University with a Bachelor of Science in Electrical Engineering. Mr. Bruggeworth also serves on the Company's Finance Committee.

Class II Directors Continuing in Office Until the 2006 Annual Meeting

James L. Adler, Jr., 76 Director Mr. Adler has served as a Director of LightPath since October 1997. He serves as one of seven Senior Counsel to the law firm of Squire, Sanders & Dempsey L.L.P., in which he was a partner from October 1989 until December 2002. Mr. Adler is a corporate, securities, aviation and international lawyer. He also serves as a member of the Advisory Committee of Panthoen Chemical Inc., a manufacturer of industrial specialty chemicals. In 1998-1999, he served as President of the Arizona Business Leadership Association and currently serves as a director. He is a member of the Arizona District Export Council and a Trustee of the Phoenix Committee on Foreign Relations. In March 1999, Mr. Adler was appointed by the government of Japan to a five-year term as Honorary Consul General of Japan at Phoenix. He has previously served as Chairman of the International Law Section of the Arizona State Bar Association and, by gubernatorial appointments, as a Member of the Investment Committee of the Arizona State Retirement System and a Member and Chairman of the Investment Committee of the State Compensation Fund. Mr. Adler graduated from Carleton College, magna cum laude, and from Yale Law School. He is a member of the Arizona and New York State Bars. Mr. Adler serves on the Company's Compensation Committee.

Kenneth Brizel, 46
Chief Executive Officer,
President and Director Mr. Brizel has served as a Director of LightPath, and its CEO and President since July 2002. Mr. Brizel has spent 22 years in the communications and microelectronics industries. From October 2000 until July 2002 he was Senior Vice President Strategy and Business Development for Oplink Communications. From May 1997 to October 2000, Mr. Brizel was Director of Strategic Marketing for Optoelectronics and Network Communications Integrated Circuits groups within Lucent Microelectronics. Mr. Brizel's career includes assignments at RCA/GE, Lucent/Agere, Mostek and Star Semiconductor. His responsibilities have spanned sales, engineering, marketing strategy and business development. Mr. Brizel received his Bachelor of Science and Master of Science degrees in Electrical Engineering from Rensselaer Polytechnic Institute in Troy, NY.

Dr. Steven Brueck, 60 Director Dr. Brueck has served as a Director of LightPath since July 2001. He is the Director of the Center for High Technology Materials (CHTM) and Professor of Electrical and Computer Engineering and Professor of Physics at the University of New Mexico in Albuquerque, New Mexico, which he joined in 1985. He is a graduate of Columbia University with a Bachelor of Science degree in Electrical Engineering and a graduate of the Massachusetts Institute of Technology where he received his Master of Science degree in Electrical Engineering and Doctorate of Philosophy in Electrical Engineering. Dr. Brueck is a fellow of both the OSA and the IEEE. Dr. Brueck serves on the Company's Audit Committee and is Chairman of the Company's Technical Advisory Board.

Class III Directors Continuing in Office Until the 2005 Annual Meeting

Louis Leebug, 51
Director

Mr. Leebug has served as a Director of LightPath since May 1996. Mr. Leebug is a self-employed business consultant. From 1988 until 1993 he was the Vice President, Finance of The Fetzer Institute, Inc. From 1980 to 1988 he was in financial positions with different organizations with an emphasis in investment management. Mr. Leebug was an audit manager for Price Waterhouse & Co. until 1980. Mr. Leebug received a Bachelor of Science in Accounting from Arizona State University. He is a member of Financial Foundation Officers Group and the treasurer and trustee for the John E. Fetzer Memorial Trust Fund and The Institute for Noetic Sciences. Mr. Leebug also serves on the Company's Audit and Finance Committees.

Gary Silverman, 65
Director

Mr. Silverman has served as a Director of LightPath since September 2001. Mr. Silverman is currently the managing partner of GWS Partners, established in 1995 to conduct searches for senior-level executives and board of director candidates for a broad cross section of publicly-held corporations. From 1983 to 1995 he worked for Korn/Ferry International as an executive recruiter and held the position of Managing Director. He spent fourteen years with Booz, Allen & Hamilton, and his last position was Vice President and Senior Client officer and he was responsible for generation of new business, the management of client assignments and the development of professional staff. Mr. Silverman is a graduate of the University of Illinois with both a Bachelors and a Masters of Science in Finance. Mr. Silverman also serves on the Company's Compensation Committee and Audit Committee.

Meetings of the Board of Directors and its Committees

Our Board of Directors has an Audit Committee, a Compensation Committee and a Finance Committee. The Board of Directors does not have a standing nominating committee. The entire Board of Directors held 16 meetings, including telephonic meetings, during fiscal 2004. All the Directors attended 75% or more of the meetings of the Board of Directors and all of the meetings held by committees of the Board on which they served with the exception of Mr. Bruggeworth, who attended 74% of his Board and committee meetings.

The Audit Committee, which consists of Dr. Steven Brueck, Louis Leebug (Chairman) and Gary Silverman met 4 times during fiscal 2004, which meetings included discussions with management and our independent auditors to discuss the interim and annual financial statements and the annual report of the Company, and the effectiveness of the Company's financial and accounting functions and organization. The Committee's responsibilities include, among others, direct responsibility for the engagement and termination of the Company's independent accountants, and overseeing the work of the accountants and determining the compensation for their engagement(s). The Audit Committee is comprised entirely of independent members as defined under applicable listing standards set out by the Securities Exchange Commission, the National Association of Securities Dealers (NASD) and its market, the Nasdaq Stock Market. See Appendix B herein for a copy of the Audit Committee Charter, which was amended in fiscal 2004.

The Compensation Committee, which consists of James L. Adler, Jr., Robert Ripp and Gary Silverman (Chairman), met 1 time during fiscal 2004. The Compensation Committee reviews and recommends to the Board of Directors the compensation and benefits of certain executive officers of the Company, including the Chief Executive Officer, and also administers the Amended and Restated Omnibus Plan, pursuant to which incentive awards, including stock options, are granted to directors, officers and key employees of the Company.

The Finance Committee, which consists of Robert Bruggeworth (Chairman), Louis Leebug and Robert Ripp, did not meet during fiscal 2004. The Finance Committee reviews and provides guidance to the Board of

Directors and management with respect to our significant financial policies. The full Board performed these functions in fiscal 2004 especially with regard to matters having to do with the Company's financing concluded in March 2004.

In fiscal 2002 the Board of Directors authorized the creation of a Technical Advisory Committee, which committee periodically reviews the Company's products and technologies. Dr. Steven Brueck serves as chairman of the Technical Advisory Committee, which did not meet in fiscal 2004 and met once in fiscal 2003. No other Board members serve on the Technical Advisory Committee.

All current committee members are expected to be nominated for re-election to the same committees at a Board meeting to be held following the Annual Meeting.

Nominations Process and Criteria

The Board of Directors has not considered it necessary to form a committee of the Board specifically for governance or nomination matters due to the modest scope of the Company at the current time. When a governance or nominating matter comes to the Board for consideration, the full Board will meet and be informed on the matter and the appropriate action taken by the full Board or a subset of independent directors thereof.

Additionally, the Board of Directors believes it is not necessary to adopt criteria for the selection of Directors. The Board believes that the desirable background of a new individual member of the Board of Directors may change over time and that a thoughtful, thorough process for the selection is more important than adopting criteria for Directors. The Board is fully open to utilizing whatever methodology is efficient in identifying new, qualified Board members when needed, including using Board industry contacts or professional search firms. Due to the status of Mr. Brizel as the Company's current CEO and Mr. Ripp's status of CEO through July 2002, they are both not independent Board members and may not specifically nominate anyone for Board membership or vote on the matter of appointments to the Board. Mr. Ripp's status will revert to an independent director after he has not held an Executive Officer position for three years, or in July 2005.

Any shareholder wishing to propose that a person be nominated for or appointed to the Board of Directors may submit such a proposal to:

Corporate Secretary

LightPath Technologies, Inc.

2603 Challenger Tech Court, Suite 100

Orlando, FL 32826

Such correspondence will be timely forwarded to the Chairman of the Audit Committee for review and consideration.

Audit Committee Report

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The Audit Committee is responsible for, among other things, reviewing and discussing the Company's audited financial statements with management, discussing with the Company's independent auditors information relating to the auditors' judgments about the quality of the Company's accounting principles, recommending to the Board of Directors that the Company include the audited financial statements in its Annual Report on Form 10-K and overseeing compliance with the Securities and Exchange Commission requirements for disclosure of auditors services and activities. At the recommendation of the Audit Committee, the Board of Directors first approved a charter for the Audit Committee on November 14, 2000, which was subsequently revised and approved by the Board on May 10, 2004. A copy of the revised charter is included within this proxy statement as Appendix B.

Review Of Audited Financial Statements

The Audit Committee has reviewed the Company's financial statements for the fiscal year ended June 30, 2004, as audited by KPMG LLP, the Company's independent auditors, and has discussed these financial

statements with management. In addition, the Audit Committee has discussed with KPMG LLP the matters required to be discussed by Statements of Auditing Standards 61 and 90, as may be modified or supplemented. Furthermore, the Audit Committee has received the written disclosures and the letter from KPMG LLP required by the Independence Standards Board Standard No. 1, as may be modified or supplemented, and has discussed with KPMG LLP its independence.

Generally, the members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are not experts in the fields of accounting or auditing, or in determining auditor independence. However, the Board of Directors has determined that at least one member of the Audit Committee, Mr. Leebug, is an audit committee financial expert (as defined in Item 401(h) of Regulation S-K). Mr. Leebug's business experience that qualifies him to be determined an audit committee financial expert is described above. Members of the Audit Committee rely, without independent verification, on the information provided to them and on the representations made by management. Accordingly, the Audit Committee's oversight does not currently provide an independent basis to determine that management has maintained procedures designed to assure compliance with accounting standards and applicable laws and regulations.

Recommendation

Based upon the foregoing review and discussion, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal year ended June 30, 2004, be filed with the Company's annual report on Form 10-K.

Audit And Non-Audit Fees

The following table presents fees paid or to be paid for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements during the year ended June 30, 2004, and fees billed for other services rendered by KPMG LLP.

Audit and quarterly review fees, excluding audit related fees (see below)	\$ 141,000
Financial information systems design and implementation fees	\$ 0
All other fees:	
Audit related (1)	20,285
Other non-audit services (2)	21,350
Total all other fees	\$ 182,635

- (1) Audit related fees consisted principally of a 401(k) audit fee and a review of a registration statement and issuance of an accountants consent.
- (2) Other non-audit fees consisted of tax compliance services.

The Audit Committee has considered whether the services provided by KPMG LLP as disclosed under the foregoing sections captioned Financial Information Systems Design and Implementation Fees and All Other Fees is compatible with the independence of KPMG LLP as the Company's principal accountant.

Audit Committee:

Louis Leeburg, Chairman

Dr. Steven Brueck

Gary Silverman

Executive Officers Who Do Not Serve as Directors

Monty Allen, 51
Chief Financial Officer,
Secretary and Treasurer

Mr. Allen has been Chief Financial Officer, Secretary and Treasurer since August 2003. Mr. Allen has served as a CFO for both public and private companies and was engaged as an independent consultant to entities in venture creation, computer hardware and public education from August 2001 to August 2003. He served from August 1999 to August 2001 as Senior Vice President, Chief Financial Officer, Secretary and Treasurer of GlobeNet Capital Corporation, a privately-held developer of trading system software for financial markets. From 1995 to August 1999 he was the Vice President, Chief Financial Officer, Treasurer and Secretary of Autonomous Technologies Corporation, a publicly held developer of laser refractive surgical equipment. Early in his career, he was in the practice of public accounting with KPMG and Deloitte & Touche. Mr. Allen is a certified public accountant and earned a M.B.A. from Harvard Business School and a Bachelor of Science in Accounting from Florida State University.

Bruce Bernacki, 51
Chief Technology Officer

Bruce Bernacki has been Chief Technology Officer since August 2003. Dr. Bernacki previously held the position of Vice President of Research and Development with us from September 2002 to August 2003. He joined LightPath's Geltech research and development group in July 2000 from a position with Siroc Technologies, where he was the manager of a optical storage products from November 1999 to July 2000. From 1997 until November 1999, he was with Iomega Corporation as the manager of the optical recording group. Dr. Bernacki has worked in the optics industry for 19 years holding positions in both commercial and research institutions. His experience also includes research and development positions with Oak Ridge National Laboratory and the U.S. Air Force. Dr. Bernacki is the inventor or co-inventor of five U.S. Patents and holds a Ph.D. and Master of Science in Optical Sciences, as well as a Bachelor of Science in Electrical Engineering, all from the University of Arizona.

James Magos, 53 Senior Vice
President Sales

Mr. Magos has been our Senior Vice President of Sales since August 2003. From January 1999 to August 2003, Mr. Magos was Vice President and Chief Operating Officer for Cardinal Components Inc., a crystal manufacturer. Earlier, he served as Vice President of Sales & Marketing for IQ Systems, Inc. and in other sales and marketing roles for Star Semiconductor, Logic Device Corporation, and Harris Semiconductors (Intersil). Mr. Magos earned his B.S. in Business Management from Long Island University and attended management training at the University of Pennsylvania's Wharton Business School.

Edward Patton, 48
Vice President Marketing

Mr. Patton has been our Vice President of Marketing since January 2003. He joined LightPath's Geltech sales and marketing group in 1998. Mr. Patton has held a variety of senior positions in the photonics industry with firms that have marketed products including optics, detectors, thin-film filters, and laser diodes into such markets as medical, industrial, defense and communications. Mr. Patton has served as Vice President Sales and Marketing at both EG&G Optoelectronics and Graseby Electro-Optics and served as President and General Manager of Graseby Infrared. Mr. Patton earned his Bachelor of Science from Northeastern University.

Robert Reichert, 54
Vice President of Operations

Mr. Reichert has been our Vice President of Operations since March 2004. From April 2001 to October 2003, he was the COO of Covega, a high-tech, optoelectronic components manufacturer and from 1981 to April 2001 he was a manufacturing executive for Allied-Signal/ Honeywell at their Centers for Microelectronic Technology and Solid State Electronics. Mr. Reichert has earned the Six Sigma Quality System Black Belt designation with training and experience in related disciplines such as lean manufacturing, total quality, integrated supply chain management, and other plant floor productivity initiatives. Mr. Reichert earned his B.S. in Business Management from the University of Maryland.

SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of August 23, 2004, the number and percentage of outstanding shares of the Company's Class A Common Stock, owned by:

(i) each director (which includes all nominees) at such date,

(ii) each of the Named Executive Officers for fiscal 2004 (as defined below in Executive Compensation),

(iii) current directors and executive officers of the Company as a group at such date, and

(iv) each person known by the Company to be the beneficial owner of more than 5% of the outstanding common stock of the Company at such date.

All percentages are based on 3,375,770 shares outstanding (or deemed outstanding) at such date as explained below. The number of shares beneficially owned by each director or executive officer is determined under rules of the Securities and Exchange Commission, and the information is not necessarily indicative of the beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares to which the individual has the sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of August 23, 2004, through the exercise of any stock option or other right to purchase, such as a warrant. Unless otherwise indicated, each person has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. In certain instances, the number of shares listed may include, in addition to shares owned directly, shares held by the spouse or children of the person, or by a trust or estate of which the person is a trustee or an executor or in which the person may have a beneficial interest. The table that follows is based upon information supplied by the executive officer, directors and principal stockholders and a Schedule 13G filed with the SEC.

Name and Address (1)	Securities				Percent Owned (%)
	Common Stock Class A				
	Restricted (2)	Unrestricted	Warrants	Total	
Robert Ripp, Director (3)	31,744 (4)	111,119	120,156 (5)	263,019	7.52
Kenneth Brizel, CEO & Director	21,875 (6)	43,375 (7)		65,250	1.93
Gary Silverman, Director	875 (8)	9,937		10,812	*
Louis Leeburg, Director	2,228 (9)	3,955 (10)		6,183	*
James L. Adler, Jr., Director	2,505 (11)	2,506		5,011	*
Robert Bruggeworth, Director	1,187 (12)	1,188		2,375	*
Dr. Steve Brueck, Director	875 (13)	875		1,750	*
Monty Allen, CFO	7,500 (14)	7,500		15,000	*
Bruce Bernacki, CTO	1,304 (15)	1,377		2,681	*

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James Magos, SVP Sales	7,500 (16)	7,500	15,000	*	
Edward Patton, VP Marketing	1,552 (17)	1,823	3,375	*	
All directors and executive officers currently holding office as a group (12 persons)	86,645	191,155	120,156	394,581	11.38
Orin Hirschman (18)		381,500	381,500	11.30	

* Less than one percent.

Notes:

- 1 Except as otherwise noted, each of the parties listed above has sole voting and investment power over the securities listed. The address for all directors, officers and other persons above is in care of LightPath Technologies, Inc., 2603 Challenger Tech Court, Suite 100, Orlando, FL 32826. The address for Mr. Hirschman, as indicated on his Form 13G filed February 26, 2004 is 6006 Berkeley Avenue, Baltimore, Maryland 21209.
- 2 Restricted Stock outstanding at August 23, 2004 is issued under the Company's Amended & Restated Omnibus Incentive Plan. Restricted Stock, as presented in this Proxy Statement, is subject to time-based vesting conditions wherein the grantee does not have free and unfettered ownership, without a substantial

risk of forfeiture, unless and until the vesting conditions have been met. Therefore any shares shown in the Restricted column in the table above, are still subject to such vesting conditions. Shares for which all of the vesting conditions have been met and the certificate issued to the individual are shown in the Unrestricted column in the table above. There are no stock options outstanding to any of the Named Executive Officers or other executive officers. See table below for information with regard to the Restricted Stock holdings of the Named Executive Officers.

- 3** Does not include 7,812 shares of Common Stock Class A and warrants to purchase 15,000 shares of Common Stock Class A which are owned by trusts for Mr. Ripp's adult children and for which he disclaims beneficial ownership. Warrants owned by the trusts for his children are fully exercisable at a price of \$48 per share.
- 4** Includes no restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 5** Of Mr. Ripp's warrants, 20,156 are exercisable at \$48 per share and 100,000 are exercisable at \$3.20 per share.
- 6** Includes no restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 7** These shares are held jointly by Mr. Brizel with his spouse and he claims beneficial ownership thereof.
- 8** Includes no restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 9** Includes 1,222 restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 10** Includes 1,727 unrestricted shares owned by an IRA account of which Mr. Leeburg has beneficial ownership. Does not include 6,307 shares owned by Mr. Leeburg's brother for which Mr. Leeburg disclaims beneficial ownership.
- 11** Includes 1,594 restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 12** Includes 1,062 restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 13** Includes no restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.
- 14** Includes no restricted shares for which the restrictions fully lapse within 60 days of August 23, 2004.

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The accompanying notes are an intergral part of these interim consolidated
financial statements

-1-

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended April 30		Nine Months Ended April 30		Cumulative Period From August 2, 2007 (date of inception) to April 30 2009
	2009	2008	2009	2008	2009
Net sales	\$ 587	\$ 1,546	\$ 5,679	\$ 1,546	\$ 12,695
Cost of sales	538	218	1,451	218	2,097
Gross margin	49	1,328	4,228	1,328	10,598
Operating expenses	365,559	157,669	501,349	215,151	545,436
Operating loss	(365,510)	(156,341)	(497,121)	(213,823)	(534,838)
Interest income	-	620	-	620	1,253
Interest expense	(6,547)	(2,380)	(22,246)	(10,617)	(39,207)
Other expense, net	(6,547)	(1,760)	(22,246)	(9,997)	(37,954)
Loss before income taxes	(372,057)	(158,101)	(519,367)	(223,820)	(572,792)
Income taxes	-	-	(17,330)	-	-
Net loss	\$ (372,057)	\$ (158,101)	\$ (536,697)	\$ (223,820)	\$ (572,792)
Basic and diluted loss per common share	*	*	*	*	*
Weighted average number of common shares outstanding, basic and fully diluted	25,558,000	10,001	22,415,775	10,001	20,080,276

* less than
\$0.01

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

-2-

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(DEFICIT) (UNAUDITED)

	Common Shares	Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Deficit
Balances - August 2, 2007	-	\$ -	\$ -	\$ -	\$ -
Common stock issued	10,001	-	-	-	-
Net loss	-	-	-	(223,820)	(223,820)
Balances - April 30, 2008	10,001	\$ -	\$ -	\$ (223,820)	\$ (223,820)

	Common Shares	Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
Balances - August 1, 2008 *	20,002,000	\$ -	\$ -	\$ (36,095)	\$ (36,095)
Conversion to equity of notes payable and accrued interest	4,600,000	460	322,540	-	323,000
Private placement during January 2009 at \$0.22/share	374,000	37	80,963	-	81,000
Shares issued for consulting services during January 2009 at \$0.25/share	82,000	8	20,492	-	20,500

Shares issued for consulting services during March 2009 at \$0.25/share	1,000,000	1,000	249,000	-	250,000
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Direct filing costs associated with registration of common shares	-	-	(40,045)	-	(40,045)
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Net loss	-	-	-	(536,697)	(536,697)
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Balances - April 30, 2009	26,058,000	\$ 1,505	\$ 632,950	\$ (572,792)	\$ 61,663
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* As adjusted to reflect recapitalization - Note 1

The accompanying notes are an intergral part of these interim consolidated financial statements

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended April 30		Cumulative Period From August 2, 2007 (date of inception) to April 30 2009
	2009	2008	
Cash flows from operating activities			
Net loss	\$ (536,697)	\$ (223,820)	\$ (572,792)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Depreciation	2,135	730	3,558
Deferred income tax valuation allowance	17,330	-	-
Changes in operating assets and liabilities that provided (used) cash			
Prepaid expenses	(9,500)	(460)	(9,500)
Accounts payable and accrued expenses	532,641	9,377	567,986
Deferred revenue	918	-	2,428
Due to officers	94,842	48	124,890
Net cash provided by (used in) operating activities	101,669	(214,125)	116,570
Cash flows from investing activities			
Trademark costs	(10,475)	(3,162)	(19,245)
Purchases of property and equipment, including website costs	(239,854)	(67,537)	(555,498)
Net cash used in investing activities	(250,329)	(70,699)	(574,743)
Cash flows from financing activities			
Net stockholder line-of-credit borrowings	18,127	-	29,027
Issuance of promissory notes payable	55,000	-	55,000

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Issuance of convertible notes payable	-	300,000	300,000
Proceeds from private placement, net of offering costs of \$ 12,500	81,000	-	81,000
Net cash provided by financing activities	154,127	300,000	465,027
Net increase in cash and cash equivalents	5,467	15,176	6,854
Cash and cash equivalents - beginning of period	1,387	-	-
Cash and cash equivalents - end of period	\$ 6,854	\$ 15,176	\$ 6,854
Supplemental disclosures of noncash financing activities:			
Issuance of 1,082,000 shares of common stock in exchange for consulting services	\$ 270,500	\$ -	\$ 270,500
Conversion of notes payable to common stock	\$ 323,000	\$ -	\$ 323,000
Direct filing costs associated with registration of common shares	\$ (40,045)	\$ -	\$ (40,045)

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

-4-

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Halberd Corporation and its wholly owned subsidiary Sellmybusinessnow.com, Inc. All intercompany balances and transactions have been eliminated in consolidation.

Organization, Nature of Business (including development stage), and Basis of Presentation

Sellmybusinessnow.com, Inc., is a development stage company that was incorporated under the laws of the state of Michigan on August 2, 2007. The Company began operating under the name "Sellmybusiness.com@" on December 3, 2007. To date, the Company's activities have been limited to raising capital, obtaining financing, constructing its website and administrative functions. Sellmybusiness.com@ intends to provide a single web portal for interested parties to find, buy and sell businesses, real estate and equipment and all the related services needed to support the transaction, including financing, incorporation, professional help and additional business resources. Sellmybusiness.com@ intends to support businesses of all sizes and types, including start-ups, well-established companies, home-based businesses, closely-held companies, multinational public corporations and franchises. Sellmybusiness.com@'s real estate listing service will assist business people to buy, sell, lease or sublease commercial land and property. Sellmybusiness.com@'s equipment listing service will provide a portal to buy, sell or lease excess inventory, capital equipment, raw materials, vehicles, aircraft, ships and rail equipment.

On January 26, 2009, Halberd Corporation, a Nevada corporation, was formed by Sellmybusinessnow.com, Inc.'s founders in conjunction with a legal reorganization of the Company. Halberd Corporation is structured to act as the parent company of Sellmybusinessnow.com, Inc. As part of this action, and effective on January 28, 2009, all of the issued and outstanding shares of Sellmybusinessnow.com, Inc. common stock were exchanged on a 2,000-to-1 basis for Halberd Corporation common stock. As a result, the accompanying consolidated financial statements reflect this reorganization and are presented on a consolidated basis and are labeled as those of the parent company. Halberd Corporation and Subsidiary are collectively referred to as the "Company".

The Company has adopted a fiscal year end of July 31.

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

Basis of Accounting

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) for interim financial information. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the nine months ended April 30, 2009 are not necessarily indicative of the results that may be expected for the year ended July 31, 2009.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Segment Reporting

The Company has determined that it does not have any separately reportable business segments at April 30, 2009.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits in banks. The Company considers all highly liquid investments purchased with original maturities of six months or less to be cash equivalents.

Revenue Recognition

The Company utilizes the guidance in Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition, to recognize revenue. Under SAB No. 104, revenue is recognized only when persuasive evidence of an agreement exists, delivery of the service has occurred, the sales price is fixed or determinable and collectability is reasonably assured. Payments received in advance of services being rendered are recorded as deferred revenue and recognized on a straight-line basis over the service period.

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

As the Company is in the development stage, it has generated limited revenues during the period ended April 30, 2009. Management believes the Company will principally derive its future revenue from customers that pay fees via credit card through the web site for a suite of services to market and search for commercial real estate and operating businesses. These services include a premium membership that provides the customer unlimited access to listings, maximized exposure for their listings, along with enhanced services to market their listings.

Management also anticipates the Company will earn revenue from other sources including advertising revenues, which will be recognized ratably over the period in which the advertisement is displayed on the web site, provided that no significant obligations remain and collection of the resulting receivable is probable. Advertising rates are dependent on the services provided and the placement of the advertisements.

Property and Equipment (including web site costs)

Costs incurred to develop the Company's web site, Sellmybusiness.com®, are capitalized or expensed, as applicable, in accordance with the Financial Accounting Standards Board's Emerging Issues Task Force Issue 00-2, Accounting for Web Site Development Costs (EITF 00-2), which addresses whether certain development costs should be capitalized or expensed. Exhibit 00-2A of EITF 00-2 breaks potential web site development costs into 34 distinct potential activities, among four stages: Planning; Web Site Application and Infrastructure Development; Graphics and Content Development; and Operating. Management analyzes the nature of costs incurred relative to these stages and either capitalizes or expenses the related costs in accordance with EITF 00-2. Because the Company's current web site development costs incurred relate principally to development and testing, the Company is generally capitalizing these costs.

Management periodically reviews these assets to determine whether carrying values have been impaired.

Depreciation and Amortization

Depreciation on equipment is computed using the straight-line method over the estimated useful lives of the related assets which range from three to seven years. Amortization of web site costs did not commence during the period ended April 30, 2009 since the final operating version of the site was not completed as of that date.

Trademark Costs

The Company has capitalized costs to obtain trademarks registered for its three service marks Sellmybusiness.com®, Business Vault®, and Business Watch®. Such costs principally relate to legal fees incurred. These intangible assets have been determined to have a life of 15 years and the Company will begin amortizing them when full website operations begin (scheduled for July 2009).

-7-

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Deferred income taxes relate principally to the Company's net operating loss carry forward.

Concentration Risks

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents and when they exist, trade accounts receivable. Cash and cash equivalents are deposited with high credit quality financial institutions. The Company's revenue and accounts receivable are primarily derived from credit card transactions with subscribers and are typically settled within two to three business days.

Fair Value of Financial Instruments

The Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Net Income (loss) Per Share

Net income (loss) per share is calculated under the provisions of Statement of Financial Accounting Standards (SFAS) No. 128, Earnings Per Share. "Diluted" reflects the potential dilution of all common stock equivalents except in cases where the effect would be anti-dilutive. Common stock equivalents of 4,508,000 were excluded from net loss per diluted share for all prior periods presented as this effect would have been anti-dilutive. These common stock equivalents were converted to common stock during January 2009 and as such are reflected in weighted average common shares outstanding for the periods ended April 30, 2009.

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

Recent Accounting Pronouncements

In April 2009, the Financial Accounting Standards Board (FASB) issued three related Staff Positions (FSP): (i) FSP 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions That Are Not Orderly", (ii) FSP Statement of Financial Accounting Standard (SFAS) 115-2 and SFAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments", and (iii) FSP SFAS 107-1 and Accounting Principles Board (APB) 28-1, "Interim Disclosures about Fair Value of Financial Instruments", each of which will be effective for interim and annual periods ending after June 15, 2009. FSP 157-4 provides guidance on how to determine the fair value of assets and liabilities under SFAS 157 Fair Value Measurements, in the current economic environment and reemphasizes that the objective of a fair value measurement remains the determination of an exit price. FSP SFAS 115-2 and SFAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP SFAS 107 and APB 28-1 enhance the disclosure of instruments under the scope of SFAS 157 for both interim and annual periods. We are currently evaluating the potential impact of these Staff Positions.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations," (SFAS 141(R)), which replaces SFAS 141. SFAS 141(R) establishes principles and requirements for recognition and measurement of assets, liabilities and any non-controlling interest acquired due to a business combination. Under SFAS 141(R) the entity that acquires the business (whether in a full or partial acquisition) may recognize only the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at fair value. SFAS 141(R) requires the acquirer to recognize goodwill as of the acquisition date, measured as a residual. Under SFAS 141(R), acquisition-related transaction and restructuring costs will be expensed as incurred rather than treated as part of the acquisition cost and included in the amount recorded for assets acquired. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. Accordingly, the Company will apply the provisions of SFAS 141(R) for acquisitions completed after July 31, 2009.

In April 2009, the FASB issued FSP No. 141R-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies". FSP 141R-1 amends the provisions in FASB Statement 141R for the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. FSP 141R-1 eliminates the distinction between contractual and non-contractual contingencies, including the initial recognition and measurement criteria in Statement 141R and instead carries forward most of the provisions in SFAS 141 for acquired contingencies. FSP 141R-1 is effective for contingent assets and contingent liabilities acquired in business combinations for which the acquisition date is on or after the beginning of

the first annual reporting period beginning on or after December 15, 2008.
We expect that FSP 141R-1 will not have an impact on our consolidated financial statements at this time.

-9-

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

In April 2008, the FASB issued FASB Staff Position, No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets". The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R), "Business Combinations," and other U.S. generally accepted accounting principles. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years and early adoption is prohibited. Accordingly, this FSP is effective for the Company on August 1, 2009. The Company does not believe the adoption of FSP 142-3 will have a material impact on its financial position, results of operations or cash flows.

Other recent accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to apply to the Company or to have a material impact on the Company's reported results of operations on a per share basis.

2. PROPERTY AND EQUIPMENT

Property and equipment consists of the following assets at:

	April 30, 2009	July 31, 2008
Web site costs	\$ 542,123	\$ 302,269
Phone system	8,464	8,464
Computer equipment	4,911	4,911
Total	555,498	315,644
Less accumulated depreciation	3,558	1,423
Property and equipment, net	\$ 551,940	\$ 314,221

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

3. RELATED PARTY TRANSACTIONS (including debt and leases)

The Company's majority stockholder has provided a \$75,000 revolving line of credit to the Company. Outstanding advances bear interest at 10% per annum, and any such advances are due May 1, 2010. A total of \$29,027 and \$10,900 was outstanding as of April 30, 2009 and July 31, 2008, respectively. Interest of \$2,118 and \$160 on such advances is included with accrued expenses in the accompanying balance sheet at April 30, 2009 and July 31, 2008, respectively.

The Company incurred rent expense of \$3,100 for the initial period ended July 31, 2008 under a month to month lease with an entity in which the Company's majority stockholder is an owner. Beginning October 1, 2008, the Company began leasing space from the majority stockholder for \$1,500 per month on a month to month basis. Rent expense under these agreements for the nine months ended April 30, 2009 and April 30, 2008 was \$13,500 and \$6,000, respectively.

The Company leases its domain name from an entity owned by its majority stockholder. Rent expense for the nine months ended April 30, 2009 and 2008 were \$287 and \$77, respectively. The related liabilities are included in accrued expenses at April 30, 2009 and 2008. The monthly rent for use of the domain name is 5% of revenues.

The Company accrues \$5,000 a month for services provided by its majority and a minority stockholder. Such amounts are included in the accompanying balance sheet under "Due to Officers", as well as a miscellaneous amount of \$48 due to the majority stockholder. The balance due to officers as of April 30, 2009 and July 31, 2008 are \$124,890 and \$30,048, respectively.

During the current year the Company entered into a services agreement with a shareholder for consulting services under which the Company is required to pay \$7,500 a month. Related expense for the nine months ended April 30, 2009 is \$37,500.

4. PROMISSORY NOTES PAYABLE

In April 2009, the Company issued promissory notes totaling \$55,000 to five stockholders. The notes were due two months after issuance at the principal amount plus 25% of the loan. The maturity of these notes has been extended to August 2009 at the rate of \$500 per \$10,000 in loan principal outstanding.

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

5. CONVERTIBLE DEBT

On January 1, 2008, the Company issued convertible promissory notes totaling \$300,000 to eight stockholders, who own a combined 15% of the Company's common stock. The notes bore interest at 10% per annum and were due on the earlier of the Company registering any of its securities under the Securities Act of 1933, or eighteen months after the date of the note (April through July 2009). In addition, each of the note holders could convert the entire outstanding amount of their note including accrued interest into shares of the Company's common stock at any time up to the maturity date of the respective note.

During January 2009, all of the convertible debt was converted to equity, resulting in the issuance of 4,508,000 shares of the Company's common stock. Related accrued interest of \$23,000 on these loans was also converted to equity, resulting in the issuance of 92,000 shares of the Company's common stock. All shares in this note have been adjusted to reflect the exchange discussed in Note 1.

6. CAPITAL STOCK

The Company's initial common shares issued to its two founders and eight initial investors were issued for no consideration and are thus carried at a value of zero in the accompanying balance sheet as no services were performed or were required to be performed in order for any of the original investors to obtain their shares. Management determined the fair value of the initial shares to be zero given the start-up nature of the business which included a lack of operational history, lack of share liquidity and lack of corporate financing for operations at the time of issuance.

The Company has authorized 10,000,000 shares of preferred stock at a par value of \$0.001. No preferred shares are issued or outstanding as of January 31, 2009. Any preferences, rights, voting powers, restrictions, dividend limitations, qualifications, and terms and conditions of redemption shall be set forth and adopted by a board of directors' resolution prior to the issuance of any series of preferred stock.

During January 2009, the Company issued a private placement memorandum ("PPM") to increase the number of shareholders to a minimum of 35. The PPM resulted in the Company issuing 374,000 shares of common stock to 32 additional stockholders in exchange for cash consideration of \$93,500. The offering costs of \$12,500 were offset against the proceeds. In addition, during January 2009 seven vendors who were owed a total of \$20,500 as of December 31, 2008 were issued 82,000 shares of common stock in settlement of amounts owed to them.

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

During March 2009, the Company issued 1,000,000 shares of common stock to a consultant (and related party) for organizational services rendered. The shares were valued at \$250,000 and the related expense was recognized as an operating expense during the quarter ended April 30, 2009.

As detailed in our S-1/A registration statement filed April 14, 2009, 656,000 common shares held by 48 existing shareholders were registered for resale. No additional capital was raised as a result of this registration.

During April 2009 the Company entered into an equity line of credit agreement which allows the Company to sell up to \$25,000,000 of the Company's common stock over the course of 48 months at 93% of the market price. As of April 30, 2009 no such sales have been entered into under the agreement.

7. INCOME TAXES

The Company establishes valuation allowances in accordance with the provisions of SFAS No. 109, Accounting for Income Taxes. The Company continually reviews the realizability of deferred tax assets and recognizes these benefits only as reassessment indicates that it is more likely than not that such tax benefits will be realized.

As of April 30, 2009, the Company has a net operating loss carryforward for federal income tax purposes of approximately \$577,678, which expires through 2023, available to reduce federal taxable income, if any, of future periods.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets, liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax liabilities and assets are summarized as follows as of April 30, 2009 and July 31, 2008:

HALBERD CORPORATION AND SUBSIDIARY
(a development stage company)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

	April 30, 2009	July 31, 2008
Deferred tax assets:		
Net operating loss carry forward	\$ 577,678	\$ 48,500
Depreciation and other	5,758	2,400
Total deferred tax assets	583,436	50,900
Expected tax rate	34%	34%
Gross deferred income tax assets	\$ 198,368	\$ 17,330
Less valuation allowance	-198,368	-
Net deferred income tax asset	\$ -	\$ 17,330

At April 30, 2009, the Company did not recognize any current or deferred federal or state income tax benefit because it has sustained operating losses since inception. The Company has provided a full valuation allowance on the deferred tax asset, consisting primarily of net operating loss carryforwards, because of uncertainty regarding its realizability.

Effective January 1, 2008, the state of Michigan enacted the Michigan Business Tax Act ("MBTA"), replacing the Michigan single business tax with a business income tax and modified gross receipts tax. The enactment of the MBTA does not have a material impact on the consolidated financial statements of the Company to date.

7. OPERATING LEASE

The Company utilizes the services of a third party that houses and maintains its web site server. Such services are provided under a month to month lease for \$650 per month.

* * * * *

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q may contain "forward-looking statements". These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about the Company's market opportunities, strategies, competition and expected activities and expenditures, and at times may be identified by the use of words such as "may", "will", "could", "should", "would", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue" and variations of these words or comparable words. Forward-looking statements inherently involve risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the risks described below under "Risk Factors" in Part II, Item 1A. The Company undertakes no obligation to update any forward-looking statements for revisions or changes after the date of this Form 10-Q.

Our business

We are a development stage company that was incorporated under the laws of the State of Nevada on January 26, 2009. On January 28, 2009, we entered into a share purchase agreement with SellMyBusinessNow.com, Inc. (DBA SellMyBusiness.com), a corporation established under the laws of the State of Michigan in August 2007, pursuant to which we acquired all the shares of common stock of SellMyBusiness for 25,058,000 shares of our common stock. As a result, SellMyBusiness became our wholly-owned subsidiary.

To date, the Company's activities have been limited to raising capital, obtaining financing, constructing its website and administrative functions. As reflected in the accompanying financial statements, we had liabilities of \$525,876; and a net loss of \$572,792 for the period from inception to April 30, 2009. We had liabilities of \$525,876, and a net loss of \$536,697 for the nine months ended April 30, 2009, respectively.

Plan of Operation

We have begun limited operations, and we require outside capital to implement our business model.

1. We believe we can complete development of version 2 of the website, continue marketing efforts in the U.S., continue the Company's national public relations campaign, develop local language versions of the website in select international markets, launch targeted marketing campaigns internationally.

2. All business functions will be coordinated and managed by our CEO Mark Lundquist, President & COO John Maddox, and our consultants.

3. Within 120 days of the initiation of our marketing campaign, we believe we will begin to generate expanded revenues from our targeted approach.

Based on the development stage of the Company and its operational plan, management believes that the Company will incur operating losses in the foreseeable future. Management has developed an operational plan that has

been presented to various institutional funds and has entered into an Equity line with Dutchess Capital for securities financing. However, access to the investment fund is predicated on the market for the Company's stock and therefore the Company cannot issue assurances that our shareholders will not be diluted by investment of such capital, or to the extent of the dilution. Also, we cannot assure that securities issued in exchange for such capital will not be sold on terms more favorable than those of the shares sold in current or other offerings. The availability of such funding is subject to credit, economic, market and legal constraints. The inability to secure required capital from the fund could have a material adverse effect on our business, operation results, or financial condition. Additionally, there are no guarantees that any additional financing can be obtained.

-15-

Limited Operating History

We are a developmental business listing and services Company incorporated on January 26, 2009, and as such had minimal operating revenues to date. Further, we have limited assets and earnings to date. The success of our company is dependent upon the extent to which it will gain market share. All financial information and financial projections and other assumptions made by us are speculative and, while based on management's best estimates of projected sales levels, operational costs, consumer preferences, and the general economic and competitive health of our company in the business listing and services marketplace, there can be no assurance that we will operate profitably or remain solvent.

Results of Operations

As of the most recent quarter ended April 30, 2009, we had cash on hand of \$6,854, and our total assets were \$587,539 while our total liabilities were \$525,876. We had shareholder's equity of \$61,663.

For the nine months ended April 30, 2009, we had a net loss of \$536,697. The company has had minimal revenues since 2007 and will need to raise capital to further its operations. Based on the development stage of the Company and its operational plan, management believes that the Company will incur operating losses in the foreseeable future. Management has developed an operational plan that has been presented to various institutional funds and has entered into an Equity line with Dutchess Capital for securities financing. Management believes that it can enter into definitive agreements with the funder on terms that are acceptable. However, access to the investment fund is predicated on the market for the Company's stock and therefore the Company cannot issue assurances that our shareholders will not be diluted by investment of such capital, or to the extent of the dilution. Also, we cannot assure that securities issued in exchange for such capital will not be sold on terms more favorable than those of the shares sold in current or other offerings. The availability of such funding is subject to credit, economic, market and legal constraints. The inability to secure required capital from the fund could have a material adverse effect on our business, operation results, or financial condition. Additionally, there are no guarantees that any additional financing can be obtained.

Liquidity and Capital Resources

We anticipate based on the development stage of our Company and our operational plan we will incur operating losses in the foreseeable future. We have developed an operational plan that has been presented to potential private investment in public equity ("PIPE") funders with the result that we have secured an Equity line with Dutchess Capital for \$25 million in securities to assist in the Company's development and growth. Therefore, we believe we can satisfy our cash requirements for the future based upon our access to capital from this Securities Financing Agreement ("SFA") and our ability to generate cash from operations.

The amount of funding required from the SFA and our desire to request funding from the SFA is based on our ability to generate revenue from operations. If actual revenue exceeds projections the company's need for SFA funding is diminished. If actual revenue trails projections the Company's need for SFA funding is heightened and is dependent on the market for our stock. Therefore, there is no assurance that we will either need or be successful in completing all portions of the PIPE, secondary offering or any other financing when we have an active market for our

stock. Our investors should assume that any portions of SFA or other outside funding will cause substantial dilution to current stockholders. Further, there can be no assurances that the SFA will close and that we will have access to this capital.

The foregoing represents our best estimate of our cash needs based on current planning and business conditions. The exact allocation, purposes and timing of any monies raised in subsequent private financings may vary significantly depending upon the exact amount of funds raised and our progress with the execution of our business plan.

-16-

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we are required to disclose pursuant to these regulations. In the ordinary course of business, we enter into operating lease commitments, purchase commitments and other contractual obligations. These transactions are recognized in our financial statements in accordance with generally accepted accounting principles in the United States.

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A summary of significant accounting policies is included in Note 1 to the audited consolidated financial statements for the year ended July 31, 2008. Management believes that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our Company's operating results and financial condition.

Recently Issued Accounting Pronouncements

In April 2009, the Financial Accounting Standards Board (FASB) issued three related Staff Positions (FSP): (i) FSP 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions That Are Not Orderly", (ii) FSP Statement of Financial Accounting Standard (SFAS) 115-2 and SFAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments", and (iii) FSP SFAS 107-1 and Accounting Principles Board (APB) 28-1, "Interim Disclosures about Fair Value of Financial Instruments", each of which will be effective for interim and annual periods ending after June 15, 2009. FSP 157-4 provides guidance on how to determine the fair value of assets and liabilities under SFAS 157 Fair Value Measurements, in the current economic environment and reemphasizes that the objective of a fair value measurement remains the determination of an exit price. FSP SFAS 115-2 and SFAS 124-2 modify the requirements for recognizing other-than-temporarily impaired debt securities and revise the existing impairment model for such securities by modifying the current intent and ability indicator in determining whether a debt security is other-than-temporarily impaired. FSP SFAS 107 and APB 28-1 enhance the disclosure of instruments under the scope of SFAS 157 for both interim and annual periods. We are currently evaluating the potential impact of these Staff Positions.

In December 2007, the FASB issued SFAS No. 141(revised 2007), "Business Combinations," (SFAS 141(R)), which replaces SFAS 141. SFAS 141(R) establishes principles and requirements for recognition and measurement of assets, liabilities and any non-controlling interest acquired due to a business combination. Under SFAS 141(R) the entity that acquires the business (whether in a full or partial acquisition) may recognize only the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at the acquisition date, measured at fair value. SFAS 141(R) requires the acquirer to recognize goodwill as of the acquisition date, measured as a residual. Under SFAS 141(R), acquisition-related transaction and restructuring costs will be expensed as incurred rather than treated as part of the acquisition cost and included in the amount recorded for assets acquired. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. Accordingly, the Company will apply the provisions of SFAS 141(R) for acquisitions completed after July 31, 2009.

-17-

In April 2009, the FASB issued FSP No. 141R-1, "Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies". FSP 141R-1 amends the provisions in FASB Statement 141R for the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. FSP 141R-1 eliminates the distinction between contractual and non-contractual contingencies, including the initial recognition and measurement criteria in Statement 141R and instead carries forward most of the provisions in SFAS 141 for acquired contingencies. FSP 141R-1 is effective for contingent assets and contingent liabilities acquired in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. We expect that FSP 141R-1 will not have an impact on our consolidated financial statements at this time.

In April 2008, the FASB issued FASB Staff Position, No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets". The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R), "Business Combinations," and other U.S. generally accepted accounting principles. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years and early adoption is prohibited. Accordingly, this FSP is effective for the Company on August 1, 2009. The Company does not believe the adoption of FSP 142-3 will have a material impact on its financial position, results of operations or cash flows.

Other recent accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to apply to the Company or have a material impact on the Company's reported results of operations on a per share basis.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to certain market risks including changes in interest rates. The Company does not undertake any specific actions to limit those exposures.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-14(c) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), within 90 days of the filing date of this report. In designing and evaluating the Company's disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applied its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, the Company's chief executive officer and chief financial officer concluded

that as of April 30, 2009, the Company's disclosure controls and procedures were (1) designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's chief executive officer and chief financial officer by others within those entities, particularly during the period in which this report was being prepared and (2) effective, in that they provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

-18-

Limitations on the Effectiveness of Internal Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material errors. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations on all internal control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. The design of any system of internal control is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in circumstances, and/or the degree of compliance with the policies and procedures may deteriorate. Because of the inherent limitations in a cost effective internal control system, financial reporting misstatements due to error or fraud may occur and not be detected on a timely basis.

There have been no significant changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in the above paragraph.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Currently we are not aware of any litigation pending or threatened by or against the Company

ITEM 1A. RISK FACTORS

Not applicable for smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer and Chief Financial Officer

32.1 Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer

