

Guardian 8 Holdings (GRDH-OTCQB)

GRDH: Raise price target to \$0.90 on greater than expected progress.

Current Recommendation	Outperform
Prior Recommendation	Neutral
Date of Last Change	09/12/2013
Current Price (12/19/13)	\$0.63
Six- Month Target Price	\$0.90

OUTLOOK

Guardian 8 Holdings is the developer and manufacturer of the G8 Pro V2, a non-lethal security device designed for use in the professional security industry. The innovative product has created a new category which management has dubbed Enhanced Non-Lethals (ENL), namely multi-function professional security defense devices positioned between Conducted Electrical Weapons and single-function devices. An initial tranche of 1,800 units for an open order for 10,000 units is in production. We reiterate our Outperform rating and raise the price target to \$0.90.

SUMMARY DATA

52-Week High	\$0.75
52-Week Low	\$0.11
One-Year Return (%)	173.91
Beta	0.16
Average Daily Volume (shrs.)	36,344

Shares Outstanding (million)	38.5
Market Capitalization (\$ mil.)	\$24.3
Short Interest Ratio (days)	N/A
Institutional Ownership (%)	N/A
Insider Ownership (%)	21.0

Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00

5-Yr. Historical Growth Rates	
Sales (%)	N/A
Earnings Per Share (%)	N/A
Dividend (%)	N/A

P/E using TTM EPS	N/M
P/E using 2013 Estimate	N/M
P/E using 2014 Estimate	N/M

Zacks Rank	3
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Risk Level	Above Average
Type of Stock	Small-Growth
Industry	Protection-Safety
Zacks Rank in Industry	4 of 12

ZACKS ESTIMATES

Revenue

(in thousands of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2011	0 A	0 A	0 A	0 A	0 A
2012	0 A	0 A	0 A	0 A	0 A
2013	0 A	3 A	22 A	502 E	528 E
2014	837 E	976 E	1,116 E	1,395 E	4,324 E

Earnings per Share

(EPS is operating earnings before non recurring items)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2011	-\$0.00 A	-\$0.00 A	-\$0.01 A	-\$0.00 A	-\$0.02 A
2012	-\$0.02 A	-\$0.02 A	-\$0.01 A	-\$0.02 A	-\$0.06 A
2013	-\$0.02 A	-\$0.02 A	-\$0.03 A	-\$0.02 E	-\$0.08 E
2014	-\$0.01 E	-\$0.01 E	-\$0.01 E	-\$0.01 E	-\$0.04 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**
 Quarterly EPS may not equal annual EPS total due to rounding.

KEY POINTS

- Guardian 8 Holdings has developed and is producing the **G8 Pro V2**, a new non-lethal security device that is designed for use by the professional security industry.
- The introduction of the G-8 Pro V2 has **created a new non-lethal security device category**, which management has named **Enhanced Non-Lethal (ENL)**, which is positioned as a multi-function professional security defense device between single-function Conducted Electrical Weapons used by law enforcement and corrections officers and single-function defensive devices (pepper spray, whistles, etc.), primarily designed for the consumer market.
- For the last two years, management has been cultivating interest in the product through exhibitions at trade shows and with direct contact with the security departments of major corporations.
- Production of an open order for 10,000 units has begun with an initial tranche of 1,800 units.
- The unique attributes of the G-8 Pro V2 are **protected by several patents** filed in the U.S.
- Guardian 8 continues to build awareness and promote adoption of the G8 Pro V2. Most recently, Guardian 8 participated at the ASIS conference in Chicago and the LD Micro Investor conference in Los Angeles.
- **2014 is expected to be a breakout year** as Guardian 8 generates significant revenues from its first product.
- Management plans to design and manufacture a personal defense model targeting the consumer market. Retail availability is expected in 2015.
- Guardian 8 has been successful in obtaining capital through equity offerings and the exercise of warrants.
- Management aspires to up-list GRDH from OTCQB to NASDAQ.
- We reiterate our Outperform rating and raise our price target to \$0.90.

RECENT NEWS

Recent Trade Shows and Investor Conferences

For the last two years, management has been cultivating interest in the product through exhibitions at national and regional trade shows and with direct contact with the security departments of major corporations. Recently, Guardian 8 attended the 59th annual ASIS conference in Chicago (September 24th - 27th) and the 6th annual LD Micro Investor conference in Los Angeles (December 3rd - 5th).

The ASIS conference is the largest trade show of its kind for the security industry. Organized by ASIS International, the largest worldwide organization of security management professionals, the annual conference is the venue for security-related products and services. As a result, the company garnered over 200 qualified prospects from North America, Latin America, Africa, Israel and Asia. In addition, Guardian 8 offered training classes on September 27th in order to build awareness and promote adoption of the G8 Pro V2. The three-day LD Micro investor conference focuses on small and micro-cap stocks. A record 1,300 people attended the 2013 event.

Production

The first 120 units of the G8 Pro V2 were produced in July 2013. Management validated the manufacturing process by testing units of the initial production run in terms of quality, consistency and functionality. By August 6th, all the units of the initial production run have been delivered to customers for evaluation or deployment. With the initial inventory having been depleted, management decided to restock the company's inventory of the Pro V2 with an open production order for 10,000 units, of which the first batch of 1,800 units is in process. Management expects that the entire open production order will be fulfilled within six months.

Recent Orders

On October 14, 2013, Guardian 8 signed Nova Security Group as a distributor to school administrators and campus safety personnel. Nova Security Group provides “less lethal” products to the security industry and has distribution agreements with L3 Communications and Adani of Belarus for body scanners and x-ray baggage scanners, with CIEA (Costruzioni Elettroniche Industriali Automatici S.p.A.) for walk-through and hand-held metal detectors and Transit for multi-mode hand-held metal detectors. Nova Security Group will be placing an initial \$10,000 inventory stocking order.

In late October, an article in the Phoenix Business Journal revealed that a Phoenix-based provider of security guards for high-end homes and executive protection (King Asset Protection Services LLC) bought 10 Pro V2s and is planning to buy five, all of which will be deployed to the 15 security guards he employs.

Financial results for the third quarter

On November 14, 2013, Guardian 8 Holdings reported financial results for the third quarter ending September 30, 2013. Guardian 8 generated revenues of \$22,527 from the sales of newly produced units of the Pro V2 device, confirming the transition from a development stage company to an operating entity. Despite many test and evaluation trial units having been dispersed but not been yet recognized as revenue, sales were over twice our expectations of \$9,765. Also impressive was that the gross margin improved 687 basis points from the preceding sequential quarter to 74.6%. General and administrative expenses increased 27.1% sequentially to \$860,148, primarily due to the company’s growing sales and marketing effort, along with research and development costs. The net loss for the quarter was \$877,979 (or \$0.03 per diluted share) compared to a loss of \$702,495 (or \$0.02) in the preceding quarter (second quarter of 2013). During the quarter, financing activities provided \$1,765,556 (\$49,340 from the sale of common stock, \$37,500 from the conversion of warrants and \$958,933 from the issuance of notes payable.

Progress in Training

Guardian 8 initiated its training program in August 2013 with a class and the completion of the training manual. An additional class was conducted at the ASIS conference in September and another class was held in Southern California. In October classes were conducted in Waterbury, CT; Newark, NJ; Dallas/Ft. Worth and St. Louis MO. By the end of the month, the company had certified over 50 Senior Master Trainers who are capable of instructing security employees at other companies. Instructor Certification training occurred in Ft. Lauderdale, FL; Atlanta, GA; Philadelphia, PA and Washington DC/Baltimore during November and Los Angeles in December. The training course can be purchased on the company’s website at <http://guardian8.com/training> at a cost of \$179 per person.

Financial

On November 21, 2013, Guardian 8 announced the closing of a **\$1,984,500 private placement** through Finance 500 Inc., the proceeds of which are earmarked for bolstering the company’s sales effort for the Pro V2 and developing the consumer model for personal defense. Prior to this private placement, during the first nine months of 2013, Guardian 8 had received net proceeds of \$769,123 from the issuance of shares, \$37,500 from the exercise of warrants and \$958,933 from the issuance of notes payable.

OVERVIEW

Headquartered in Scottsdale, Guardian 8 Holdings (GRDH: OTCQB) is the developer and manufacturer of the **G8 Pro V2**, a **non-lethal security device the designed for use in the professional security industry**. Having completed the R&D phase, the company’s initial product is available through the

company's website; also, units are currently being evaluated in trial programs by potential corporate customers. For over a year, marketing efforts at national and regional trade shows have garnered significant interest in the G-8 Pro V2, especially by security departments that are charged with guarding employees and facilities of large corporations. After the commercial launch of the company's initial device for the corporate market, management plans to design and sell a personal defense model targeting the consumer market for use by private individuals.

Guardian 8 has the design and protective **patents** for the creation of a new category of non-lethal devices for the protection of security personnel and consumers. The category lies between conducted electrical weapons of TASER (for use by law enforcement and corrections officers) and single-action defense devices, such as pepper spray, whistles, etc. (designed for the retail consumer market). By integrating multiple non-lethal technologies with a communications platform, the G-8 Pro V2 offer security officers a **non-lethal layered defense solution**. The company has dubbed this new category as **Enhanced Non-Lethal (ENL)**, and the launch of the G-8 Pro V2 constitutes the **creation of this new category** defined as **multi-function professional security defense devices**.

Despite the usually lengthy sales cycle associated by corporate purchasers, **we expect large-scale adoption of Guardian 8's product by the corporate security market** due to the device's unique assortment of scaled responses and attractive price point. The estimated market is over 3 million security officers in the United States in addition to even larger international potential. The company has received interest from distributors in over 15 countries.

Having completed the R&D phase, including design refinements and beta testing, the company received the initial production run of 120 units in July. Having validated the manufacturing process in terms of quality, consistency and functionality, the units have been delivered to potential customers for evaluation, including a number of Fortune 1000 companies. Management has been cultivating interest in the product through exhibitions at security industry trade shows ranging from ISC-West in Las Vegas to the ASIS Expo in Philadelphia. Since interest in the initial units has been high, an additional 1,800 units are currently in production. The company's web store is fully functional at guardian8.com/store, which sells the G8 Pro V2 device and its accessories on a retail basis.

The company has been successful in obtaining capital through equity offerings and the exercise of warrants. Between June of 2009 and September 30, 2013, Guardian 8 has raised over \$4.0 million: \$2,074,123 through the private placement of common stock and warrants, \$61,750 from the exercise of warrants and \$1,888,433 through the issuance of notes payable. Subsequently, an additional \$1,984,500 was raised through a private placement in November 2013.

ABBREVIATED CORPORATE TIMELINE

- June 8, 2009 Guardian 6 incorporated; patents & right of device acquired
- August 2009 Name changed to Guardian 8
- November 30, 2010 Reverse merger with Global Risk Management & Investigative Solutions
- September 21, 2011 G8 device received Security's Best award from ASIS Accolades
- March 28, 2012 The company's first product, the G8 Pro V2, debuted at the ISC West 2013
- July 2013 Guardian 8 completed initial 120-unit production run; all units deployed
- August 6, 2013 Guardian 8 launch of web store at www.guardian8.com/store
- September 27, 2013 Offered training class at ASIS 2013 conference in Chicago
- October 7, 2013 1st tranche of 1,800 units (part of 10,000 unit open order) in production

Guardian 8 is now an operating company having completed the research and development phase and is generating sales from its first product: the G-8 Pro V2. The company was incorporated as Guardian 6 in

June 2009 concurrent with the acquisition of all the patentable intellectual rights to the device.¹ Later that year the company's name was changed to Guardian 8. In November 2010, a reverse merger was completed with Global Risk Management & Investigative Solutions, a company previously focused on security information. Resulting company was named Guardian 8, and management proceeded to design, develop, test and market a prototype of the G-8 Pro V2. After two years of R&D, beta-testing and manufacturing process tooling, the initial production run of 120 test units was completed in July 2013. Due to management's marketing efforts, 100 of the devices were shipped within weeks for evaluation to prospects that previously had expressed keen interest in deploying the device. The remaining 20 were retained for training purposes. Another tranche of 1,800 units is being produced.

Product Potential

Thus far, management has successfully executed the development of the company's initial product, from designing a unique self-defense device, through the R&D and testing phase, to the production of a commercially viable product, all the while marketing the product and building customer interest at industry trade shows across the nation. The company's prototype received the Security's Best award at the ASIS conference in Orlando in September 2011.

Despite the usually lengthy sales cycle associated by corporate purchasers, we expect large-scale adoption of Guardian 8's product by the private security market, especially by major corporations, due to the device's unique assortment of scaled responses and attractive price point. The estimated market is over 3 million personnel providing security for employees, property and assets in the United States. In addition, the potential for significant international demand is high.

The G-8 Pro V2 has been in development for two years with the first production run having been completed in July 2013. Initial market interest is very encouraging. So far, marketing efforts at several private security tradeshows, conferences and industry association meetings have generated **1,200 prospects, of which 700 are on the company's waiting list and 60 are Fortune 1000 companies**. As the initial units are deployed by early-adopters, awareness will build. The G-8 Pro V2's relatively low price point at \$279.99 per unit (somewhat less than cost of a smart phone) makes the device economically accessible to the protective services industries for broad deployment and **we expect rapid adoption of Guardian 8's ENL by the private security market**, including the security departments of major corporations, hospitals, real estate companies and insurance firms.

Guardian 8 has already received interest from **international distributors** serving South Korea and Israel as well as countries in Central and South America, Africa and Europe. Distribution agreements have been signed already with companies in South Korea and Mexico. In particular, the company announced in December 2012 that an order for \$10,000 worth of devices had been received from a South Korean distributor. Evaluation units were shipped in July 2013.

In August 2013, Guardian 8 launched its web store. Items available on the website include the G-8 Pro V2, OC pepper spray canisters, water test cartridges, holsters, batteries, battery chargers and training. The company also has web exposure on LinkedIn and YouTube (Guardian8Inc).

Management plans to expand into the retail market with a unit specially designed for the consumer, which is expected to be available in retail stores as well as the company's web store in 2015. Currently, it is being contemplated that the consumer model will be smaller than the Pro V2 and be designed with a non-lethal device, HD video camera and emergency communication platform. Also, management is investigating retail sales through other venues such as amazon.com and the Home Shopping Network.

¹ The rights, title and interest in all intellectual property rights of the device were acquired from Charles Andy Ross, Jr. for \$300,000 in cash and 14.5 million shares of common stock.

VALUATION

The appropriate valuation methodology for Guardian 8 is based on price-to-sales (P/S) due the character of Guardian's enterprise, namely a small-capitalization company, currently with negative profitability, but with an expected sales profile that should grow and expand over time as the company's initial product begins to be deployed within the private security industry. Ultimately, the growing revenue stream should manifest itself into positive earnings. The P/S valuation range for a small-cap, protection-safety company with a stable or moderately growing sales profile is usually between 3.0 and 5.5. However, during the early growth phase, when a company appears to have vast potential with the initial product that defines a new category, the top-end of the range can dramatically and significantly expand to well above 30 times sales.

Some insights into the valuation progression can be gleaned by examining the stock of TASER International (TASR: NASDAQ) during its formative years, which appears to be relevant to Guardian 8. Not only do both TASER and Guardian 8 operate in the protection-safety industry and focus on self-defense devices, but also TASER began as a single product company and evolved through the development and introduction of next generation devices. Therefore, TASER International has been analyzed as a benchmark for the valuation of Guardian 8.

In 1994, TASER introduced its first product, AIR TASER, a less-lethal self-defense device for the consumer market (at the time, TASER was prohibited from selling to the U.S. law enforcement and military markets). After a non-compete agreement expired, TASER introduced another product in late 1999 (ADVANCED TASER) which targeted the law enforcement market. The company's IPO in 2001 revealed that TASER had generated revenues of \$2.2 million in 1999 and \$3.4 million in 2000. The stock began trading at 3.0 times sales. As the company's sales grew rapidly, over the ensuing 12 months, the P/S valuation range expanded to 18.5 times. The stock then experienced a correction but after a year, rallied again to a valuation level over 40 times sales. When sales plateaued between 2007 and 2012, the valuation range reverted to a range between 3.0 and 5.5 times sales.

We expect the valuation of Guardian 8 to be similar to the TASER analysis. Guardian 8's revenue profile is expected to exhibit dramatic growth through management's execution of its strategy to market the company's novel defense device, which targets an unaddressed need of the security guard industry. Though Guardian 8 is a public company earlier in its life cycle, we expect Guardian's stock to trade initially in a **price-to-sales valuation range between 3.0 and 11.0**. If and when the company's sales exceed \$5.0 annually, the stock valuation range is expected to expand to a higher premium multiple that is usually afforded small-cap companies that exhibit rapid sales growth and that operationally cross the breakeven point to profitability, which is also supported by the analysis of TASER's historical valuation profile.

Since Guardian 8 has the potential and is expected to generate meaningful revenues beginning in the fourth quarter of 2013, our price target is based on a price-to-sales ratio valuation using estimated revenues. At a P/S ratio of 11.0 on next year's projected sales of \$4.3 million, **our price target is \$0.90**. The target is being raised due to greater than expected progress in terms of sales reported in the third quarter and aggressive availability of Instructor Certification courses, which we expect is a precursor of future sales demand.

BALANCE SHEET & PROJECTED INCOME STATEMENT

GUARDIAN 8 HOLDINGS	12/31/2009	12/31/2010	12/31/2011	12/31/2012	9/30/2013
ASSETS					
Cash and cash equivalents	15	290,829	195,894	41,855	202,961
Accounts receivable (net)	-	-	-	-	12,035
Prepaid expenses	0	10,000	64,141	83,508	384,199
Deposits on inventory	0	0	0	0	89,478
Inventory	0	0	0	0	0
Finished Goods	0	0	0	0	63,736
Finished goods on Consignment	0	0	0	0	2,238
Total current assets	15	300,829	260,035	125,363	754,647
Property and equipment, net	0	0	0	90,297	218,847
Website, net	0	0	20,830	13,019	7,160
Patents, net	10,084	9,568	9,052	7,883	16,571
TOTAL ASSETS	10,099	310,397	289,917	236,562	997,225
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	75,669	37,410	34,840	82,037	103,300
Deferred revenue	-	-	-	-	1,050
Accrued payroll expense	0	0	0	0	224,581
Accrued interest (related party)	0	0	2,810	2,038	8,162
Insurance Payable	0	0	0	0	66,412
Notes payable (related party)	275,000	0	275,675	200,000	1,023,933
Notes payable (unrelated)	-	-	-	-	100,000
Total current liabilities	350,669	37,410	313,325	284,075	1,527,438
Stockholders' Equity					
Preferred stock	0	0	0	0	0
Common stock	21,250	26,802	27,412	30,874	35,742
Common stock owed but not issued	0	0	0	1,226	386
Paid in Capital	172,500	1,364,448	1,560,123	3,299,780	4,973,390
Deficit accumulated during development stage	(534,320)	(1,118,263)	(1,610,943)	(3,379,393)	(5,539,731)
Total shareholder's equity	(340,570)	272,987	(23,408)	(47,513)	(530,213)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	10,099	310,397	289,917	236,562	997,225
Shares outstanding	26,802,318	26,802,318	27,412,318	30,874,508	35,742,792

GUARDIAN 8 HOLDINGS

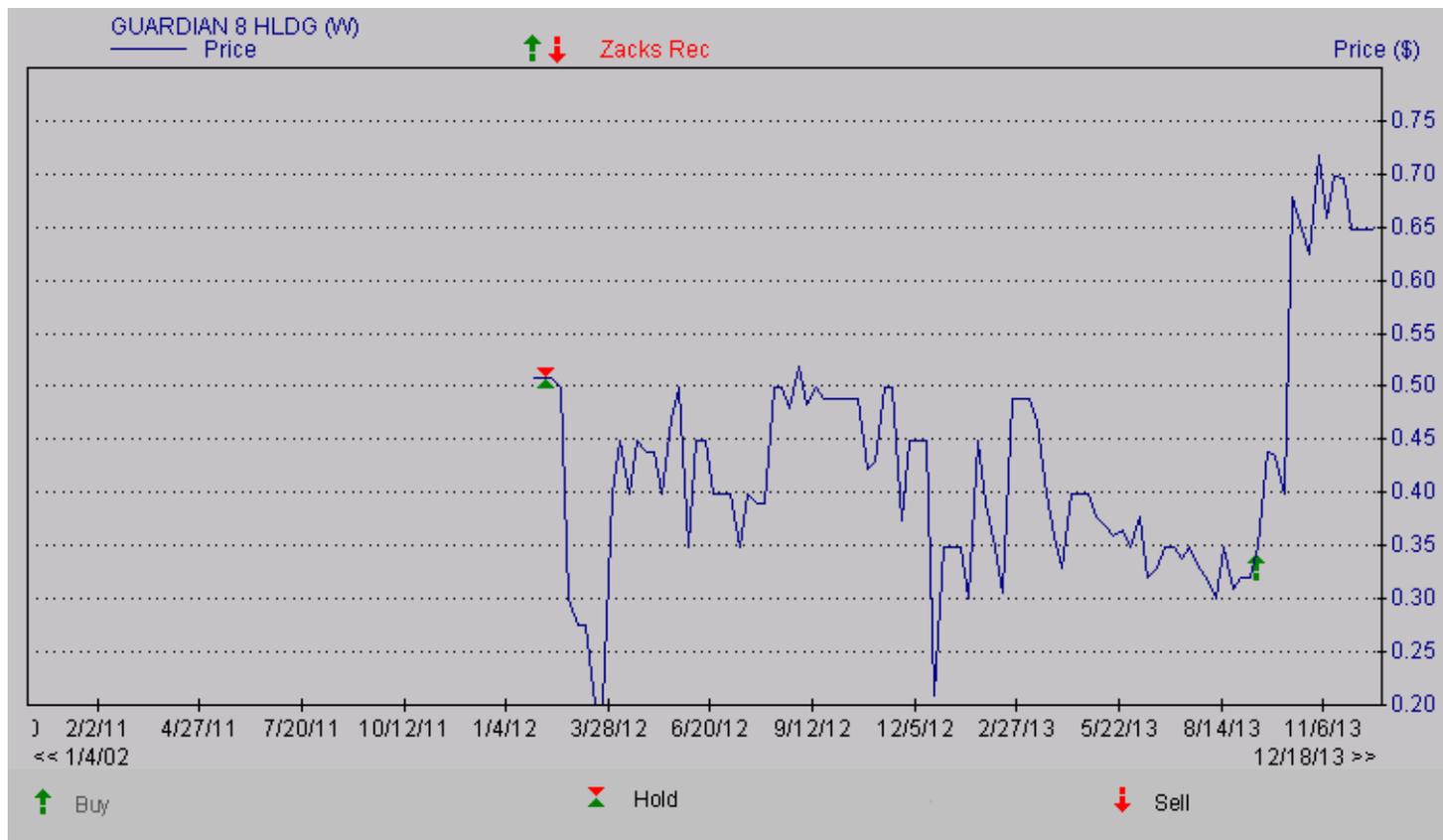
Income Statement	Year	1Q	2Q	3Q	4Q	Year
	2010	2011	2011	2011	2011	2011
	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	12/31/2011
Revenues	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0
Operating expenses	0					
Depreciation and amortization	516	129	129	129	2,733	3,120
General and administrative expenses	583,427	55,011	89,126	277,070	53,083	474,290
Total operating expenses	583,943	55,140	89,255	277,199	55,816	477,410
Loss from operations	(583,943)	(55,140)	(89,255)	(277,199)	(55,816)	(477,410)
Other income (expense):						
Interest (expense)	0	0	0	0	(15,270)	(15,270)
Loss before income tax	(583,943)	(55,140)	(89,255)	(277,199)	(71,086)	(492,680)
Provision for income tax expense	0	0	0	0	0	0
Net (loss)	(583,943)	(55,140)	(89,255)	(277,199)	(71,086)	(492,680)
Net loss per share (basic and diluted)	(\$0.02)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.02)
Wgtd. avg. shares outstanding	25,146,282	26,802,318	26,802,318	27,086,540	27,218,811	27,029,330
Income Statement	Year	1Q	2Q	3Q	4Q	Year
	2011	2012	2012	2012	2012	2012
	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	12/31/2012
Revenues	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0
Operating expenses						
Depreciation and amortization	3,120	2,249	2,461	2,875	2,312	9,897
General and administrative expenses	474,290	422,120	225,762	351,681	478,367	1,477,930
Total operating expenses	477,410	424,369	228,223	354,556	480,679	1,487,827
Loss from operations	(477,410)	(424,369)	(228,223)	(354,556)	(480,679)	(1,487,827)
Other income (expense):						
Interest (expense)	(15,270)	(53,479)	(224,750)	(630)	(1,764)	(280,623)
Loss before income tax	(492,680)	(477,848)	(452,973)	(355,186)	(482,443)	(1,768,450)
Provision for income tax expense	0	0	0	0	0	0
Net (loss)	(492,680)	(477,848)	(452,973)	(355,186)	(482,443)	(1,768,450)
Net loss per share (basic and diluted)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.01)	(\$0.02)	(\$0.06)
Wgtd. avg. shares outstanding	27,029,330	27,570,560	27,023,032	28,661,817	29,392,991	28,482,977

GUARDIAN 8 HOLDINGS

Income Statement	Year	1Q	2Q	3Q	4Q E	Year Est.
	2012	2013	2013	2013	2013	2013 E
	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013
Revenues	0	0	3,124	22,527	502,200	527,851
Cost of sales	0	0	976	5,720	140,616	147,312
Gross profit	0	0	2,148	16,807	361,584	380,539
Operating expenses						
Depreciation and amortization	9,897	2,825	14,574	16,443	18,548	52,390
General and administrative expenses	1,477,930	568,639	676,606	860,148	946,163	3,051,556
Total operating expenses	1,487,827	571,464	691,180	876,591	964,711	3,103,946
Loss from operations	(1,487,827)	(571,464)	(689,032)	(859,784)	(603,127)	(2,723,407)
Other income (expense):						
Interest (expense)	(280,623)	(8,400)	(13,463)	(18,195)	(33,718)	(73,776)
Loss before income tax	(1,768,450)	(579,864)	(702,495)	(877,979)	(636,844)	(2,797,182)
Provision for income tax expense	0	0	0	0	0	0
Net (loss)	(1,768,450)	(579,864)	(702,495)	(877,979)	(636,844)	(2,797,182)
Net loss per share (basic and diluted)	(\$0.06)	(\$0.02)	(\$0.02)	(\$0.03)	(\$0.02)	(\$0.08)
Wgt'd. avg. shares outstanding	28,482,977	32,026,224	33,585,431	34,857,006	36,424,881	34,223,386

Income Statement	Year Est.	1Q E	2Q E	3Q E	4Q E	Year Est.
	2013	2014	2014	2014	2014	2014
	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014
Revenues	527,851	837,000	976,500	1,116,000	1,395,000	4,324,500
Cost of sales	147,312	234,360	273,420	312,480	390,600	1,210,860
Gross profit	380,539	602,640	703,080	803,520	1,004,400	3,113,640
Operating expenses						
Depreciation and amortization	52,390	20,922	23,600	26,621	30,028	101,170
General and administrative expenses	3,051,556	1,040,779	1,144,857	1,202,100	1,262,205	4,649,941
Total operating expenses	3,103,946	1,061,701	1,168,457	1,228,720	1,292,233	4,751,111
Loss from operations	(2,723,407)	(459,061)	(465,377)	(425,200)	(287,833)	(1,637,471)
Other income (expense):						
Interest (expense)	(73,776)	(33,718)	(33,718)	(33,718)	(33,718)	(134,872)
Loss before income tax	(2,797,182)	(492,779)	(499,095)	(458,918)	(321,551)	(1,772,343)
Provision for income tax expense	0	0	0	0	0	0
Net (loss)	(2,797,182)	(492,779)	(499,095)	(458,918)	(321,551)	(1,772,343)
Net loss per share (basic and diluted)	(\$0.08)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.04)
Wgt'd. avg. shares outstanding	34,223,386	39,224,881	41,186,125	43,245,431	45,407,703	42,266,035

HISTORICAL ZACKS RECOMMENDATIONS



DISCLOSURES

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