

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENT OF OTHER INCOME AND (EXPENSES) (UNAUDITED)

	Year Ended	
	December 31, 2006	
	Amount	Percent
Other Income and (Expenses)		
Other Income	\$ 63,361	0.1 %
Interest Income	165,017	0.3
Bad Debt Expense	15,372	-
Interest Expense	(4,460,259)	(9.0)
Profit Sharing Expense	(18,936)	-
Rental Income	33,945	0.1
Penalties	(16,379)	-
Gain on Disposal of Property and Equipment	56,200	0.1
Total Other Income and (Expenses)	\$ (4,161,679)	(8.4) %

EQUIPMENT ACQUISITION RESOURCES, INC.

December 31, 2007

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REPORT INCLUDING SUPPLEMENTAL INFORMATION*

**EQUIPMENT ACQUISITION RESOURCES, INC.
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Stockholders and Officers
Equipment Acquisition Resources, Inc.
Palatine, Illinois

We have audited the accompanying balance sheets of Equipment Acquisition Resources, Inc. as of December 31, 2007 and 2006, and the related statements of income, stockholders' equity and cash flows for the year ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Because we were not engaged to audit the statements of income, stockholders' equity and cash flows, and the accompanying supplemental information for the year ended December 31, 2006, we did not extend our auditing procedures to enable us to express an opinion on the results of operations and cash flows for the year ended December 31, 2006. Accordingly, we express no opinion on them.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position, results of operations and cash flows of Equipment Acquisition Resources, Inc. as of December 31, 2007 and the financial position of Equipment Acquisition Resources, Inc. as of December 31, 2006, in conformity with U.S. generally accepted accounting principles.

VonLehman & Company Inc.

Cincinnati, Ohio
July 30, 2008

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EQUIPMENT ACQUISITION RESOURCES, INC.
BALANCE SHEETS

ASSETS

	December 31,	
	<u>2007</u>	<u>2006</u>
Current Assets		
Cash	\$ 15,957,268	\$ 4,213,016
Accounts Receivable, Net	1,086,031	5,670,427
Inventory	31,922,906	27,645,015
Notes Receivable	-	1,989
Prepaid Expenses	2,013	2,013
Deposits on Equipment Held Under Capital Leases	298,211	210,104
	<u>49,266,429</u>	<u>37,742,564</u>
Property and Equipment		
Leasehold Improvements	207,131	160,499
Furniture and Fixtures	66,510	63,351
Equipment Held Under Capital Leases	71,399,441	50,854,021
Machinery and Equipment	318,052	309,107
Vehicles	136,907	108,605
	<u>72,128,041</u>	<u>51,495,583</u>
Less Accumulated Depreciation	<u>15,214,786</u>	<u>8,979,770</u>
	<u>56,913,255</u>	<u>42,515,813</u>
Other Assets		
Engineering Technology (Net of Accumulated Amortization)	-	908,267
Deposits on Equipment Held Under Capital Leases	3,099,866	1,886,103
Other Deposits	110,264	200,280
Notes Receivable	500,000	504,302
	<u>3,710,130</u>	<u>3,498,952</u>
Total Assets	<u>\$ 109,889,814</u>	<u>\$ 83,757,329</u>

See accompanying notes.

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	2007	2006
Current Liabilities		
Capital Lease Obligations	\$ 14,297,441	\$ 12,254,155
Accounts Payable	922,448	1,007,325
Customer Deposits	2,803,957	222,551
Accrued Expenses	231,553	196,181
State Income Taxes Payable	285,000	-
Total Current Liabilities	18,540,399	13,680,212
Long-Term Liabilities (Less Current Portion)		
Note Payable - Stockholder	-	75,376
Capital Lease Obligations	33,793,852	20,609,250
Total Long-Term Liabilities	33,793,852	20,684,626
Total Liabilities	52,334,251	34,364,838
Stockholders' Equity		
Common Stock, Voting - No Par Value; 100 Shares Authorized, Issued and Outstanding	100	100
Additional Paid-In Capital	8,416,715	8,416,715
Retained Earnings	49,138,748	40,975,676
Total Stockholders' Equity	57,555,563	49,392,491
Total Liabilities and Stockholders' Equity	\$ 109,889,814	\$ 83,757,329

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF INCOME

	Years Ended December 31,			
	2007		2006	
	Amount	Percent	(Unaudited) Amount	Percent
Sales	\$ 53,278,150	100.0 %	\$ 49,749,677	100.0 %
Cost of Sales	<u>26,323,576</u>	<u>49.4</u>	<u>26,223,934</u>	<u>52.7</u>
Gross Profit	26,954,574	50.6	23,525,743	47.3
General and Administrative Expenses	<u>4,609,770</u>	<u>8.7</u>	<u>3,805,469</u>	<u>7.6</u>
Income from Operations	22,344,804	41.9	19,720,274	39.7
Other Income and (Expenses)	<u>(4,604,727)</u>	<u>(8.6)</u>	<u>(4,161,679)</u>	<u>(8.4)</u>
Income Before Taxes	17,740,077	33.3	15,558,595	31.3
Income Tax (Provision) Benefit	<u>(395,947)</u>	<u>(0.7)</u>	<u>1,159,453</u>	<u>2.3</u>
Net Income	<u>\$ 17,344,130</u>	<u>32.6 %</u>	<u>\$ 16,718,048</u>	<u>33.6 %</u>

See accompanying notes.

**EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY**

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance - January 1, 2006 (Unaudited)	\$ 100	\$ 3,721,425	\$ 24,257,628	\$ 27,979,153
Net Income	-	-	16,718,048	16,718,048
Additional Capital Contributed	-	4,695,290	-	4,695,290
Balance - December 31, 2006 (Unaudited)	100	8,416,715	40,975,676	49,392,491
Net Income	-	-	17,344,130	17,344,130
Distributions	-	-	(9,181,058)	(9,181,058)
Balance - December 31, 2007	<u>\$ 100</u>	<u>\$ 8,416,715</u>	<u>\$ 49,138,748</u>	<u>\$ 57,555,563</u>

See accompanying notes.

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2007	2006 (Unaudited)
Cash Flows From Operating Activities		
Net Income	\$ 17,344,130	\$ 16,718,048
Reconciliation of Net Income with		
Cash Flows from Operations		
Depreciation	8,693,256	7,074,435
Amortization	-	28,733
Gain on Disposal of Property and Equipment	-	(56,200)
Deferred Income Taxes	-	(3,012,000)
Changes In		
Accounts Receivable	4,584,396	1,546,132
Inventory	3,153,609	3,793,589
Prepaid Expenses	-	146,078
Deposits on Equipment Held Under Capital Leases	(1,301,870)	(953,119)
Other Deposits	90,016	(191,890)
Accounts Payable	(84,877)	180,515
Customer Deposits	2,581,406	37,687
Accrued Expenses	35,372	71,585
Accrued Income Taxes	-	(2,867,743)
State Income Taxes Payable	285,000	-
Cash Provided by Operating Activities	<u>35,380,438</u>	<u>22,515,850</u>
Cash Flows From Investing Activities		
Acquisition of Property and Equipment	(1,980,988)	(747,000)
Disposal of Engineering Technology	908,267	(937,000)
Proceeds from Disposal of Property and Equipment	-	2,533,061
Collection of Notes Receivable	<u>6,291</u>	<u>238,986</u>
Cash (Used) Provided by Investing Activities	<u>(1,066,430)</u>	<u>1,088,047</u>
Cash Flows From Financing Activities		
Change in Line of Credit	-	(4,767,423)
Payments on Capital Lease Obligations	(13,313,322)	(21,541,249)
Payments on Note Payable - Stockholder	(75,376)	(2,451,549)
Additional Paid-In Capital	-	4,695,290
Stockholder Distributions	<u>(9,181,058)</u>	<u>-</u>
Cash Used by Financing Activities	<u>(22,569,756)</u>	<u>(24,064,931)</u>
Net Change in Cash	11,744,252	(461,034)
Beginning Cash Balance	<u>4,213,016</u>	<u>4,674,050</u>
Ending Cash Balance	<u>\$ 15,957,268</u>	<u>\$ 4,213,016</u>

See accompanying notes.

**EQUIPMENT ACQUISITION RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equipment Acquisition Resources, Inc. (the Company) operates as a process developer for the manufacturing of high-technology parts, refurbisher of special machinery and a manufacturer of high-technology parts. The majority of the Company's clients are in the semi-conductor industry and are located throughout the world.

A summary of the significant accounting policies applied in the accompanying financial statements follows:

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Revenue Recognition

The Company recognizes revenue on the sale of specialized machinery upon shipment to its customers. The Company recognizes its process development revenues using the completed contract method.

Accounts Receivable

Accounts receivable are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The Company provides 90 day payment terms to its larger customers. The Company begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Company's collection history, the financial stability and recent payment history of the customer and other pertinent factors. Receivables are written off as uncollectible after the Company has used reasonable collection efforts and deems them uncollectible. Based on these criteria, the Company has estimated an allowance for doubtful accounts of \$11,543 and \$56,209 at December 31, 2007 and 2006, respectively.

Inventory

Inventory consists of special machinery and parts and is stated at the lower of cost (specific identification method), or market. Work in process and finished goods include materials, labor and allocated overhead. Inventory consisted of the following:

	December 31,	
	2007	2006
Raw Materials	\$ 1,290,505	\$ 3,024,999
Finished Goods	30,632,401	23,414,511
Work-In-Process	<u>-</u>	<u>1,205,505</u>
	<u>\$ 31,922,906</u>	<u>\$ 27,645,015</u>

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Shipping and Handling Fees and Costs**

In compliance with Emerging Issues Task Force issue 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company includes in net sales all amounts billed to customers that relate to shipping and handling.

The majority of shipping and handling costs are included in Freight and Duties expense on the Statements of Income. However, as permitted by U.S. Generally Accepted Accounting Principles, the Company follows the practice of capitalizing as a component of ending inventory certain shipping and handling costs.

Property and Equipment

Property and equipment are stated at cost and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes.

Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The useful lives of property and equipment for purposes of computing depreciation are:

Leasehold Improvements	7 - 39	Years
Furniture and Fixtures	5 - 10	Years
Equipment Held Under Capital Leases		Various
Machinery and Equipment	3 - 7	Years
Vehicles	5 - 7	Years

Engineering Technology

Engineering technology represents the accumulation of research and development costs associated with a specialized semi-conductor process the Company was trying to perfect. The costs were being amortized over the semi-conductor's estimated useful life until the project was abandoned during 2007, and associated costs were written off as additional research and development costs.

Research and Development

Research and development costs are charged to operations when incurred.

Profit Sharing Plan

The Company has a defined contribution profit sharing plan that covers substantially all employees. Contributions to the plan are discretionary. By its nature, the plan is fully funded.

401(k) Plan

The Company also has a salary reduction plan, called a "401(k) Plan". At the Company's discretion, it may elect to match a percentage of the funds contributed to the plan through employee withholdings. By its nature, the plan is fully funded.

Advertising

The Company expenses advertising costs as incurred.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 2 - CASH AND CASH FLOW INFORMATION**

At various times throughout the year, the Company may have cash in certain financial institutions in excess of insured limits. As of December 31, 2007 and 2006, the Company had \$15,871,964 and \$3,802,393, respectively, in cash in financial institutions in excess of insured limits.

For purposes of the statement of cash flows, cash includes cash on hand, cash in checking accounts and a corporate investment sweep account.

Cash paid for interest and income taxes was as follows:

	December 31,	
	2007	2006
Interest	\$ <u>4,700,782</u>	\$ <u>4,460,259</u>
Income Taxes	\$ <u>110,947</u>	\$ <u>4,720,290</u>

The Company had noncash financing and investing transactions as follows:

Capital Leases Incurred for the Purchase of Property and Equipment	\$ <u>28,541,210</u>	\$ <u>18,997,500</u>
Inventory Transferred from Property and Equipment to Inventory	\$ <u>7,431,500</u>	\$ <u>7,862,043</u>

NOTE 3 - INVENTORY

Inventory at December 31, 2007 and 2006 consists of machinery and equipment, some of which has been transferred from property and equipment. Property and equipment is transferred to inventory when it is no longer being used by the Company for research and development processes, and the related capital lease has been paid in full.

NOTE 4 - NOTES RECEIVABLE**Equipment**

The Company had an unsecured note receivable from an individual. No interest was charged on the note. The final payment was made in December, 2007.

\$	-	\$	4,302
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Finance Company

The Company has two unsecured notes receivable from a finance company that has financed over \$2 million of its capital leases as of December 31, 2007. The notes charge interest at the prime rate (the prime rate was 7.25% and 8.25% as of December 31, 2007 and 2006, respectively) and mature on March 30, 2013. Interest only payments are due monthly through the maturity date.

	<u>500,000</u>	<u>500,000</u>
Subtotal	500,000	504,302

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 4 - NOTES RECEIVABLE (Continued)**

	December 31,	
	2007	2006
Subtotal Amount Brought Forward	\$ 500,000	\$ 504,302
Other		
The Company had an unsecured note receivable from an individual. The note charged interest at the prime rate plus 1% and the final payment was made in December, 2007.	-	1,989
	500,000	506,291
Less Current Portion	-	1,989
Long-Term Portion	<u>\$ 500,000</u>	<u>\$ 504,302</u>

NOTE 5 - CAPITAL LEASE OBLIGATIONS

The Company leases various pieces of equipment under capital leases, collateralized by the equipment, that charge interest ranging from 2.2% to 26.9% and expire on various dates through December, 2012. The assets and liabilities have been recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

Following is a summary of property held under capital leases:

Machinery and Equipment	\$ 71,399,441	\$ 50,854,021
Less Accumulated Depreciation	<u>14,835,741</u>	<u>8,682,325</u>
	<u>\$ 56,563,700</u>	<u>\$ 42,171,696</u>

The following is a summary of the remaining future minimum capital lease payments, the associated interest expense and the current and long-term maturities:

Years Ending December 31,		
2008	\$ 15,922,269	
2009	12,613,068	
2010	11,183,541	
2011	9,205,836	
2012	<u>4,677,696</u>	
Total Minimum Lease Payments	53,602,410	\$ 37,035,647
Less Amount Representing Interest	<u>5,511,117</u>	<u>4,172,242</u>
Present Value of Net Minimum Lease Payments	48,091,293	32,863,405
Less Current Portion	<u>14,297,441</u>	<u>12,254,155</u>
Long-Term Capital Lease Obligations	<u>\$ 33,793,852</u>	<u>\$ 20,609,250</u>

NOTE 6 - INTEREST EXPENSE

The Company incurred interest expense on all outstanding debt for the years ended December 31, 2007 and 2006 of \$4,700,782 and \$4,460,259, respectively.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 7 - PROFIT SHARING EXPENSE**

Profit sharing expense was \$17,578 and \$18,936 for the years ended December 31, 2007 and 2006, respectively.

NOTE 8 - 'S' CORPORATION

The Company elected January 1, 2006 under Section 1362 of the Internal Revenue Code to be taxed as an 'S' Corporation. Under the provisions of this section, most of the tax liabilities and benefits from the corporation will pass directly to its stockholders.

The Company anticipates paying distributions sufficient to meet the stockholders' additional income tax liability resulting from the Company's taxable 'S' Corporation income passing through to them.

NOTE 9 - INCOME TAXES

Income tax (provision) benefit was composed of the following:

	December 31,	
	2007	2006
State Income Taxes	\$ (395,947)	\$ (871,214)
Federal Income Taxes	-	(981,333)
Reversal of Deferred Income Tax Liability as of December 31, 2005 Due to the Change to 'S' Corporation Status	-	3,012,000
Net Income Tax (Provision) Benefit	\$ (395,947)	\$ 1,159,453

NOTE 10 - OPERATING LEASES**Building**

The Company leases its premises from its stockholders. The lease expires in January, 2019. The Company's building lease expense was \$304,434 and \$331,682 for the years ended December 31, 2007 and 2006, respectively.

Equipment

The Company leases equipment under operating leases that expire on various dates through December, 2012. Lease expense under these operating leases was \$7,958,294 and \$1,535,340 for the years ended December 31, 2007 and 2006, respectively. The leased equipment is used for various processing orders, which lower the cost of the equipment.

Automobiles

The Company leases automobiles under operating leases that expire on various dates through January, 2010. Lease expense under these operating leases was \$99,864 and \$96,060 for the years ended December 31, 2007 and 2006, respectively.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 10 - OPERATING LEASES (Continued)**

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Building</u>	<u>Equipment</u>	<u>Automobiles</u>	<u>Total</u>
2008	\$ 300,000	\$ 10,513,748	\$ 33,177	\$ 10,846,925
2009	300,000	11,728,906	11,513	12,040,419
2010	300,000	10,064,305	599	10,364,904
2011	300,000	5,563,033	-	5,863,033
2012	300,000	1,617,983	-	1,917,983
Thereafter	<u>2,125,000</u>	<u>-</u>	<u>-</u>	<u>2,125,000</u>
	<u>\$ 3,625,000</u>	<u>\$ 39,487,975</u>	<u>\$ 45,289</u>	<u>\$ 43,158,264</u>

NOTE 11 - ADVERTISING EXPENSES

The Company incurred \$147,750 and \$110,075 in advertising expenses for the years ended December 31, 2007 and 2006, respectively.

NOTE 12 - RESEARCH AND DEVELOPMENT EXPENSES

The Company incurred \$1,986,545 and \$816,420 in research and development expense for the years ended December 31, 2007 and 2006, respectively.



INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

Stockholders and Officers
Equipment Acquisition Resources, Inc.

Our report on our audit of the balance sheets of Equipment Acquisition Resources, Inc. as of December 31, 2007 and 2006 and the related statements of income, retained earnings and cash flows for the year ended December 31, 2007 appears earlier in these financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information for the year ended December 31, 2007 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Because we were not engaged to audit the accompanying supplemental information for the year ended December 31, 2006 as listed in the table of contents, we did not extend our auditing procedures to enable us to express an opinion on the accompanying supplemental information for the year then ended. Accordingly, we express no opinion on it.

VonLehman & Company Inc.

Cincinnati, Ohio
July 30, 2008

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EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF COST OF SALES

	Years Ended December 31,			
	2007		2006	
	Amount	Percent	(Unaudited) Amount	Percent
Cost of Sales				
Purchases	\$ 7,842,992	14.7 %	\$ 15,027,037	30.3 %
Direct Labor	1,831,765	3.4	1,649,707	3.3
Payroll Overhead	128,016	0.2	111,001	0.2
Warranty Expense	1,521	-	3,572	-
Commissions	70,882	0.1	27,014	0.1
Insurance	567,333	1.1	663,900	1.3
Lease Expense	7,169,848	13.5	1,463,122	2.9
Subcontractor and Outside Services	278,204	0.5	233,393	0.5
Rent and Utilities	243,974	0.5	299,065	0.6
Depreciation	7,823,930	14.7	6,366,991	12.8
Supplies	61,377	0.1	70,450	0.1
Freight	303,950	0.6	308,596	0.6
Purchase Discounts	(216)	-	86	-
Total Cost of Sales	<u>\$ 26,323,576</u>	<u>49.4 %</u>	<u>\$ 26,223,934</u>	<u>52.7 %</u>

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF GENERAL AND ADMINISTRATIVE EXPENSES

	Years Ended December 31,			
	2007		2006	
	Amount	Percent	(Unaudited) Amount	Percent
General and Administrative Expenses				
Salaries - Officers	\$ 25,521	0.1 %	\$ 30,614	0.1 %
Salaries - Office	23,826	0.1	48,355	0.1
Payroll Overhead	23,778	0.1	20,180	-
Commissions	490,754	0.9	851,620	1.8
Delivery and Freight	49,705	0.1	44,134	0.1
Dues and Subscriptions	1,649	-	200	-
Educational Expense	20,999	-	9,043	-
Contributions	3,379	-	2,850	-
Laundry and Uniforms	22,780	-	19,376	-
Meals and Entertainment	70,637	0.1	43,906	0.1
Travel and Lodging	320,237	0.6	506,012	1.0
Management Fees	167,637	0.3	115,846	0.2
Postage	979	-	720	-
Real Estate Taxes	111,020	0.2	126,765	0.3
Sales Tax	22,854	-	5,000	-
Depreciation	869,326	1.6	707,444	1.5
Security Services	374	-	1,700	-
Advertising	147,750	0.3	110,075	0.2
Office Expense	145,966	0.3	139,898	0.3
Lease Expense	788,446	1.5	72,218	0.1
Equipment Rental	14,328	-	14,184	-
Rent and Utilities	80,773	0.2	43,403	0.1
Automobile Lease Expense	99,864	0.2	96,060	0.2
Bank Charges	104,753	0.2	106,527	0.2
Cleaning Expense	7,104	-	1,652	-
Other Taxes and Licenses	1,016	-	685	-
Outside Services	190,818	0.4	199,381	0.4
Insurance	198,394	0.4	131,270	0.3
Medical Expenses	57,944	0.1	23,660	-
Automobile Expenses	10,448	-	19,990	-
Professional Fees	444,252	0.8	206,510	0.4
Telephone and Internet	62,023	0.1	57,976	0.1
Repairs and Maintenance	30,436	0.1	48,215	0.1
Total General and Administrative Expenses	\$ 4,609,770	8.7 %	\$ 3,805,469	7.6 %

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF OTHER INCOME AND (EXPENSES)

	Years Ended December 31,			
	2007		2006	
	Amount	Percent	(Unaudited) Amount	Percent
Other Income and (Expenses)				
Other Income	\$ 17,815	- %	\$ 63,361	0.1 %
Interest Income	153,367	0.3	165,017	0.3
Bad Debt (Expense) Recoveries	(55)	-	15,372	-
Interest Expense	(4,700,782)	(8.8)	(4,460,259)	(9.0)
Profit Sharing Expense	(17,578)	(0.0)	(18,936)	-
Rental Income	-	-	33,945	0.1
Penalties	(57,494)	(0.1)	(16,379)	-
Gain on Disposal of Property and Equipment	-	-	56,200	0.1
Total Other Income and (Expenses)	\$ (4,604,727)	(8.6) %	\$ (4,161,679)	(8.4) %

EQUIPMENT ACQUISITION RESOURCES, INC.

December 31, 2008

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REPORT INCLUDING SUPPLEMENTAL INFORMATION*

**EQUIPMENT ACQUISITION RESOURCES, INC.
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Stockholders and Officers
Equipment Acquisition Resources, Inc.
Palatine, Illinois

We have audited the accompanying balance sheets of Equipment Acquisition Resources, Inc. as of December 31, 2008 and 2007, and the related statements of income, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position, results of operations and cash flows of Equipment Acquisition Resources, Inc. as of December 31, 2008 and 2007, in conformity with U.S. generally accepted accounting principles.

VonLehman & Company Inc.

Cincinnati, Ohio
May 15, 2009

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EQUIPMENT ACQUISITION RESOURCES, INC.
BALANCE SHEETS

ASSETS

	December 31,	
	2008	2007
Current Assets		
Cash	\$ 25,005,603	\$ 15,957,268
Accounts Receivable, Net	344,663	1,086,031
Inventory	43,425,524	31,922,906
Prepaid Expenses	2,013	2,013
Deposits on Leased Equipment	123,736	298,211
	<u>68,901,539</u>	<u>49,266,429</u>
Total Current Assets		
Property and Equipment		
Leasehold Improvements	220,262	207,131
Furniture and Fixtures	104,220	66,510
Equipment Held Under Capital Leases	112,070,993	71,399,441
Machinery and Equipment	318,052	318,052
Vehicles	136,907	136,907
	<u>112,850,434</u>	<u>72,128,041</u>
Less Accumulated Depreciation	23,601,024	15,214,786
	<u>89,249,410</u>	<u>56,913,255</u>
Total Property and Equipment		
Other Assets		
Deposits on Leased Equipment	5,597,764	3,099,866
Other Deposits	102,431	110,264
Notes Receivable	10,850,000	500,000
	<u>16,550,195</u>	<u>3,710,130</u>
Total Other Assets		
	<u>174,701,144</u>	<u>109,889,814</u>
Total Assets	<u>\$ 174,701,144</u>	<u>\$ 109,889,814</u>

See accompanying notes.

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	2008	2007
Current Liabilities		
Notes Payable	\$ 4,005,583	\$ 546,393
Capital Lease Obligations	22,497,818	13,751,048
Accounts Payable	948,951	922,448
Customer Deposits	-	2,803,957
Accrued Expenses	69,967	231,553
State Income Taxes Payable	203,043	285,000
Total Current Liabilities	27,725,362	18,540,399
Long-Term Liabilities (Less Current Portion)		
Notes Payable	13,793,739	2,526,699
Capital Lease Obligations	54,851,502	31,267,153
Fair Market Value of Interest Rate Swap	292,544	-
Total Long-Term Liabilities	68,937,785	33,793,852
Total Liabilities	96,663,147	52,334,251
Stockholders' Equity		
Common Stock, Voting - No Par Value; 100 Shares Authorized, Issued and Outstanding	100	100
Additional Paid-In Capital	8,416,715	8,416,715
Retained Earnings	69,913,726	49,138,748
Accumulated Other Comprehensive Loss	(292,544)	-
Total Stockholders' Equity	78,037,997	57,555,563
Total Liabilities and Stockholders' Equity	\$ 174,701,144	\$ 109,889,814

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF INCOME

	Years Ended December 31,			
	2008		2007	
	Amount	Percent	Amount	Percent
Sales	\$ 87,796,787	100.0 %	\$ 53,277,438	100.0 %
Cost of Sales	<u>40,091,668</u>	<u>45.7</u>	<u>26,323,576</u>	<u>49.4</u>
Gross Profit	47,705,119	54.3	26,953,862	50.6
General and Administrative Expenses	<u>5,920,407</u>	<u>6.7</u>	<u>4,609,770</u>	<u>8.7</u>
Income from Operations	41,784,712	47.6	22,344,092	41.9
Other Income and (Expenses)	<u>(6,792,800)</u>	<u>(7.7)</u>	<u>(4,604,015)</u>	<u>(8.6)</u>
Income Before Taxes	34,991,912	39.9	17,740,077	33.3
State Income Tax Expense	<u>(25,336)</u>	<u>-</u>	<u>(395,947)</u>	<u>(0.7)</u>
Net Income	<u>\$ 34,966,576</u>	<u>39.9 %</u>	<u>\$ 17,344,130</u>	<u>32.6 %</u>

See accompanying notes.

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
Balance - January 1, 2007	\$ 100	\$ 8,416,715	\$ 40,975,676	\$ -	\$ 49,392,491
Net Income	-	-	17,344,130	-	17,344,130
Stockholder Distributions	<u>-</u>	<u>-</u>	<u>(9,181,058)</u>	<u>-</u>	<u>(9,181,058)</u>
Balance - December 31, 2007	100	8,416,715	49,138,748	-	<u>57,555,563</u>
Comprehensive Income					
Net Income	-	-	34,966,576	-	34,966,576
Change in Fair Market Value of Interest Rate Swap	-	-	-	(292,544)	<u>(292,544)</u>
Total Comprehensive Income					<u>34,674,032</u>
Stockholder Distributions	<u>-</u>	<u>-</u>	<u>(14,191,598)</u>	<u>-</u>	<u>(14,191,598)</u>
Balance - December 31, 2008	<u>\$ 100</u>	<u>\$ 8,416,715</u>	<u>\$ 69,913,726</u>	<u>\$ (292,544)</u>	<u>\$ 78,037,997</u>

See accompanying notes.

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2008	2007
Cash Flows From Operating Activities		
Net Income	\$ 34,966,576	\$ 17,344,130
Reconciliation of Net Income with		
Cash Flows from Operations		
Depreciation	13,622,433	8,693,256
Changes In		
Accounts Receivable	741,368	4,584,396
Inventory	(4,816,052)	3,153,609
Deposits on Equipment Held Under Capital Leases	(2,323,423)	(1,301,870)
Other Deposits	7,833	90,016
Accounts Payable	26,503	(84,877)
Customer Deposits	(2,803,957)	2,581,406
Accrued Expenses	(161,586)	35,372
State Income Taxes Payable	(81,957)	285,000
	<u>39,177,738</u>	<u>35,380,438</u>
Cash Flows From Investing Activities		
Acquisition of Property and Equipment	(48,530)	(1,980,988)
Disposal of Engineering Technology	-	908,267
Change in Notes Receivable	(10,350,000)	6,291
	<u>(10,398,530)</u>	<u>(1,066,430)</u>
Cash Flows From Financing Activities		
Proceeds from Notes Payable	16,360,353	-
Payments on Notes Payable	(1,634,123)	-
Payments on Capital Lease Obligations	(20,265,505)	(13,313,322)
Payments on Note Payable - Stockholder	-	(75,376)
Stockholder Distributions	(14,191,598)	(9,181,058)
	<u>(19,730,873)</u>	<u>(22,569,756)</u>
Net Change in Cash	9,048,335	11,744,252
Beginning Cash Balance	<u>15,957,268</u>	<u>4,213,016</u>
Ending Cash Balance	<u>\$ 25,005,603</u>	<u>\$ 15,957,268</u>

See accompanying notes.

**EQUIPMENT ACQUISITION RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equipment Acquisition Resources, Inc. (the Company) operates as a process developer for the manufacturing of high-technology parts, a refurbisher of special machinery and a manufacturer of high-technology parts. EARbid is a separate division of the Company that serves as an online auction site for the purchase of equipment. EARbid is not a separate legal entity. The majority of the Company's clients are in the semi-conductor industry and are located throughout the world.

A summary of the significant accounting policies applied in the accompanying financial statements follows:

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Revenue Recognition

The Company recognizes revenue on the sale of specialized machinery and equipment upon shipment to its customers. The Company recognizes its process development revenues using the completed contract method.

Accounts Receivable

Accounts receivable are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. For specialized machinery and equipment sales, the Company typically allows 30 day payment terms. For process development services, the Company typically allows 90 day payment terms. The Company begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Company's collection history, the financial stability and recent payment history of the customer and other pertinent factors. Receivables are written off as uncollectible after the Company has used reasonable collection efforts and deems them uncollectible. Based on these criteria, the Company has estimated an allowance for doubtful accounts of \$3,298 and \$11,543 at December 31, 2008 and 2007, respectively.

Inventory

Inventory consists of special machinery, equipment and parts and is stated at the lower of cost (specific identification method), or market. Work in process and finished goods include materials, labor and allocated overhead.

Shipping and Handling Fees and Costs

In compliance with Emerging Issues Task Force Issue 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company includes all amounts billed to customers that relate to shipping and handling in net sales. Shipping and handling costs are included in freight expense on the Statements of Cost of Sales.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Property and Equipment**

Property and equipment are stated at cost and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes.

Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The useful lives of property and equipment for purposes of computing depreciation are:

Leasehold Improvements	7 - 39	Years
Furniture and Fixtures	5 - 10	Years
Equipment Held Under Capital Leases		Various
Machinery and Equipment	3 - 7	Years
Vehicles	5 - 7	Years

Research and Development

Research and development costs are charged to operations when incurred.

Profit Sharing Plan

The Company has a defined contribution profit sharing plan that covers substantially all employees. Contributions to the plan are discretionary. By its nature, the plan is fully funded.

401(k) Plan

The Company also has a salary reduction plan, called a "401(k) Plan". At the Company's discretion, it may elect to match a percentage of the funds contributed to the plan through employee withholdings. By its nature, the plan is fully funded.

Advertising

The Company expenses advertising costs as incurred.

Accounting for Contingencies

The Company has elected to defer the application of FIN 48, Accounting for Uncertain Income Tax Positions, in accordance with FSP FIN 48-3. The Company will continue to follow FAS 5, Accounting for Contingencies, until it adopts FIN 48.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 2 - CASH AND CASH FLOW INFORMATION**

At various times throughout the year, the Company may have cash in certain financial institutions in excess of insured limits. As of December 31, 2008 and 2007, the Company had \$21,057,987 and \$15,871,964, respectively, in cash in financial institutions in excess of insured limits.

The cash in excess of insured limits reflects the increase in Federal Deposit Insurance Corporation (FDIC) insurance (increased from \$100,000 to \$250,000) on interest bearing accounts, and 100% account balance insurance on non-interest bearing accounts, which is in effect until December 31, 2009.

For purposes of the statements of cash flows, cash includes cash on hand, cash in checking and savings accounts and a corporate investment sweep account.

Cash paid for interest and income taxes was as follows:

	December 31,	
	2008	2007
Interest	\$ <u>7,395,957</u>	\$ <u>4,700,782</u>
Income Taxes	\$ <u>107,293</u>	\$ <u>110,947</u>

The Company had noncash financing and investing transactions as follows:

Capital Leases Incurred for the Purchase of Property and Equipment	\$ <u>52,596,624</u>	\$ <u>28,541,210</u>
Inventory Transferred from Property and Equipment to Inventory	\$ <u>6,686,566</u>	\$ <u>7,431,500</u>

NOTE 3 - INVENTORY

Inventory at December 31, 2008 and 2007 consists of specialized machinery, equipment and parts, some of which have been transferred from property and equipment. Property and equipment is transferred to inventory when it is no longer being used by the Company for research and development processes, and the related capital lease has been paid in full.

Inventory consisted of the following:

Raw Materials	\$ 9,919,708	\$ 1,290,505
In Transit	167,702	-
Finished Goods	33,284,667	30,632,401
Work-In-Process	<u>53,447</u>	<u>-</u>
	\$ <u>43,425,524</u>	\$ <u>31,922,906</u>

NOTE 4 - NOTES RECEIVABLE**Stockholders**

The Company has an unsecured note receivable from its stockholders. The note accrues interest at 3.5%, and is payable upon demand. Interest in the amount of \$350,000 had been accrued as of December 31, 2008, and is reflected in the balance of the note.

\$ 10,350,000 \$ -

EQUIPMENT ACQUISITION RESOURCES, INC.

NOTE 4 - NOTES RECEIVABLE (Continued)

	December 31,	
	2008	2007
Stockholders Amount Brought Forward	\$10,350,000	\$ -
Finance Company		
The Company has two unsecured notes receivable from a finance company that holds over \$12 million of its operating leases as of December 31, 2008. The notes charge interest at 6% and mature on March 30, 2013. Interest only payments are due monthly through the maturity date.	<u>500,000</u>	<u>500,000</u>
Long-Term Portion	<u>\$10,850,000</u>	<u>\$ 500,000</u>

NOTE 5 - LONG-TERM DEBT

The Company has seven notes payable to a bank that charge interest rates ranging from 5.5% to 8.25%, and are due on various dates through June, 2013. The loans are collateralized by certain equipment.

\$ 8,583,416 \$3,073,092

The Company has a note payable to a bank that is payable in monthly installments of \$68,333 plus interest at 6.75%. However, because of an interest rate swap, the effective rate is fixed at 2.34% (see Cash and Cash Flow Information and Hedging Activities notes). The note is collateralized by certain equipment, and matures in December, 2012. The note is subject to certain financial covenants. The Company is in disagreement with the financial institution concerning a loan covenant (See Subsequent Events note).

3,280,000 -

The Company has a note payable to a bank that is payable in monthly installments ranging from \$79,500 to \$107,200, plus interest at 6%. However, because of an interest rate swap, the effective rate is fixed at 2.34% (see Cash and Cash Flow Information and Hedging Activities notes). The note is collateralized by certain equipment, and matures in September, 2012. The note is subject to certain financial covenants. The Company is in disagreement with the financial institution concerning a loan covenant (See Subsequent Events note).

4,221,405 -

The Company has a note payable to a bank that charges interest at 8%, and is due in September, 2012. The loan is collateralized by certain equipment.

756,142 -

The Company has a note payable to a bank that charges interest at 6.5% and is due in August, 2013. The loan is collateralized by certain equipment.

958,359 -

17,799,322 3,073,092
Less Current Portion 4,005,583 546,393

Long-Term Portion \$13,793,739 \$2,526,699

EQUIPMENT ACQUISITION RESOURCES, INC.

NOTE 5 - LONG-TERM DEBT (Continued)

The remaining maturities on these notes are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2009	\$ 4,005,583
2010	4,263,525
2011	4,542,336
2012	4,272,880
2013	<u>714,998</u>
	<u>\$17,799,322</u>

NOTE 6 - CAPITAL LEASE OBLIGATIONS

The Company leases various pieces of equipment under capital leases, collateralized by the leased equipment, that charge interest at rates ranging from 2.2% to 26.9% and expire on various dates through October, 2013. The assets and liabilities have been recorded at the lower of the present value of the minimum lease payments or the fair value of the asset.

Following is a summary of property held under capital leases:

	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
Machinery and Equipment	\$112,070,993	\$71,399,441
Less Accumulated Depreciation	<u>23,129,719</u>	<u>14,835,741</u>
	<u>\$ 88,941,274</u>	<u>\$56,563,700</u>

The following is a summary of the remaining future minimum capital lease payments, the associated interest expense and the current and long-term maturities:

<u>Years Ending</u> <u>December 31,</u>		
2009	\$ 29,267,035	
2010	27,212,002	
2011	21,853,460	
2012	11,580,808	
2013	<u>1,421,787</u>	
Total Minimum Lease Payments	91,335,092	\$50,529,318
Less Amount Representing Interest	<u>13,985,772</u>	<u>5,511,117</u>
Present Value of Net Minimum Lease Payments	77,349,320	45,018,201
Less Current Portion	<u>22,497,818</u>	<u>13,751,048</u>
Long-Term Capital Lease Obligations	<u>\$ 54,851,502</u>	<u>\$31,267,153</u>

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 6 - CAPITAL LEASE OBLIGATIONS (Continued)**

The Company is required to place deposits with various leasing companies, primarily in satisfaction of the initial and final scheduled payments on the lease obligations. These deposits pertain to both capital and operating leases and are recorded as assets in these financial statements. The assets are relieved upon final pay-off of the associated equipment lease. Current and non-current portions are determined according to what years the associated leases are expected to be paid off in full. As of December 31, 2008 and 2007, the current portion of the deposits on leased equipment was \$123,736 and \$298,211, respectively. As of December 31, 2008 and 2007, the non-current portion of the deposits on leased equipment was \$5,597,764 and \$3,099,866, respectively.

NOTE 7 - INTEREST EXPENSE

The Company incurred interest expense on all outstanding debt for the years ended December 31, 2008 and 2007 of \$7,395,957 and \$4,700,782, respectively.

NOTE 8 - PROFIT SHARING EXPENSE

Profit sharing expense was \$22,296 and \$17,578 for the years ended December 31, 2008 and 2007, respectively.

NOTE 9 - 'S' CORPORATION

The Company has elected under Section 1362 of the Internal Revenue Code to be taxed as an 'S' Corporation. Under the provisions of this section, most of the tax liabilities and benefits from the corporation pass directly to its stockholders.

The Company anticipates paying distributions sufficient to meet the stockholders' additional income tax liability resulting from the Company's taxable 'S' Corporation income passing through to them.

NOTE 10 - OPERATING LEASES**Building**

The Company leases its main office and warehouse space from two of its stockholders. The lease expires in January, 2019. The Company's building lease expense was \$300,000 and \$304,434 for the years ended December 31, 2008 and 2007, respectively. In 2008, the Company began leasing additional warehouse space on a month-to-month basis. The additional warehouse space lease expense was \$125,448 for the year ended December 31, 2008.

Equipment

The Company leases equipment under operating leases that expire on various dates through December, 2013. Lease expense under these operating leases was \$15,900,485 and \$7,958,294 for the years ended December 31, 2008 and 2007, respectively. The leased equipment is used for various processing orders.

Automobiles

The Company leases automobiles under operating leases that expire on various dates through January, 2010. Lease expense under these operating leases was \$102,362 and \$99,864 for the years ended December 31, 2008 and 2007, respectively.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 10 - OPERATING LEASES (Continued)**

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Building</u>	<u>Equipment</u>	<u>Automobiles</u>	<u>Total</u>
2009	\$ 300,000	\$18,628,020	\$11,513	\$18,939,533
2010	300,000	16,835,573	599	17,136,172
2011	300,000	11,325,187	-	11,625,187
2012	300,000	7,852,366	-	8,152,366
2013	300,000	3,417,326	-	3,717,326
Thereafter	<u>1,825,000</u>	<u>-</u>	<u>-</u>	<u>1,825,000</u>
	<u>\$3,325,000</u>	<u>\$58,058,472</u>	<u>\$12,112</u>	<u>\$61,395,584</u>

NOTE 11 - ADVERTISING EXPENSES

The Company incurred \$157,449 and \$147,750 in advertising expenses for the years ended December 31, 2008 and 2007, respectively.

NOTE 12 - CONCENTRATION OF BUSINESS OPERATIONS

The Company had sales to four and three customers that accounted for 47% and 46% of its sales for the years ended December 31, 2008 and 2007, respectively.

NOTE 13 - HEDGING ACTIVITIES

The Company holds derivative financial instruments for the purpose of hedging the risks of certain identifiable and anticipated transactions. In general, the types of risks hedged are those relating to the changes in interest rates. In hedging the transactions, the Company, in the normal course of business, holds the following type of derivative:

<u>Type of Derivative</u>	<u>Type of Transaction Being Hedged</u>
Interest Rate Swap	Fair Value of Fixed Rate Debt

Derivatives are held only for the purpose of hedging such risks, not for speculation. Generally, the Company enters into hedging relationships such that changes in the fair values or cash flows of items and transactions being hedged are expected to be offset by corresponding changes in the values of the derivatives. At December 31, 2008, hedging relationships exist for note payable indebtedness.

The cash flow hedge of forecasted transactions resulted in an aggregate ineffective hedge balance of \$292,544 remaining at December 31, 2008, recorded as an accumulated other comprehensive loss.

EQUIPMENT ACQUISITION RESOURCES, INC.**NOTE 14 - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash, accounts receivable, notes receivable, short-term notes payable, short-term capital lease obligations, and accounts payable and accrued liabilities: The carrying amounts reported in the balance sheets approximate fair values because of the short maturities of those instruments.

Interest rate swap: Interest rate swap is carried at fair value and is based on quoted market prices.

Long-term notes payable and long-term capital lease obligations: The fair values are estimated by discounting the future cash flows using a current risk free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period, or using stated interest rates.

The estimated fair values of the Company's financial instruments as of December 31, 2008, none of which are held for trading purposes, are as follows:

	Carrying Value	Fair Value
Financial Assets:		
Cash	\$ 25,005,603	\$ 25,005,603
Accounts Receivable	344,663	344,663
Notes Receivable	10,850,000	10,850,000
Financial Liabilities:		
Notes Payable	17,799,322	17,799,322
Capital Lease Obligations	77,349,320	77,349,320
Accounts Payable and Accrued Liabilities	1,221,961	1,221,961
Interest Rate Swap	292,544	292,544

The estimated fair values of the Company's financial instruments as of December 31, 2007, none of which are held for trading purposes, are as follows:

	Carrying Value	Fair Value
Financial Assets:		
Cash	\$ 15,957,268	\$ 15,957,268
Accounts Receivable	1,086,031	1,086,031
Notes Receivable	500,000	500,000
Financial Liabilities:		
Notes Payable	3,073,092	3,073,092
Capital Lease Obligations	45,018,201	45,018,201
Accounts Payable and Accrued Liabilities	1,439,001	1,439,001

NOTE 15 - SUBSEQUENT EVENTS

As of the report date, one of the Company's financial institution lenders has declared the Company to be in default on two notes payable for violating one of the loan covenants the notes share. The financial institution issued the default based upon not receiving interim financial statements within 45 days of the end of the first quarter, 2009. The Company's legal counsel feels the default was issued prematurely, and feels the claim is without merit.



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Stockholders and Officers
Equipment Acquisition Resources, Inc.

Our report on our audits of the balance sheets of Equipment Acquisition Resources, Inc. as of December 31, 2008 and 2007 and the related statements of income, retained earnings and cash flows for the years then ended appears earlier in these financial statements. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information for the years ended December 31, 2008 and 2007 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VonLehman & Company Inc.

Cincinnati, Ohio
May 15, 2009

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EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF COST OF SALES

	Years Ended December 31,			
	2008		2007	
	Amount	Percent	Amount	Percent
Cost of Sales				
Purchases	\$ 9,152,150	10.4 %	\$ 7,842,992	14.7 %
Direct Labor	2,026,136	2.3	1,831,765	3.4
Direct Labor Overhead Allocation	169,234	0.2	128,016	0.2
Warranty Expense	809	-	1,521	-
Commissions	-	-	70,882	0.1
Insurance	935,902	1.1	567,333	1.1
Lease Expense	14,261,464	16.2	7,169,848	13.5
Subcontractor and Outside Services	372,272	0.4	278,204	0.5
Rent and Utilities	330,201	0.4	243,974	0.5
Depreciation	12,259,909	14.0	7,823,930	14.7
Supplies	69,583	0.1	61,377	0.1
Freight	514,358	0.6	303,950	0.6
Price Adjustments	(350)	-	(216)	-
Total Cost of Sales	<u>\$ 40,091,668</u>	<u>45.7 %</u>	<u>\$ 26,323,576</u>	<u>49.4 %</u>

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF GENERAL AND ADMINISTRATIVE EXPENSES

	Years Ended December 31,			
	2008		2007	
	Amount	Percent	Amount	Percent
General and Administrative Expenses				
Salaries - Officers	\$ 27,124	0.1 %	\$ 25,521	0.1 %
Salaries - Office	32,969	0.1	23,826	0.1
Payroll Taxes and Benefits	30,822	0.1	23,778	0.1
Commissions	482,780	0.5	490,754	0.9
Delivery and Freight	48,371	0.1	49,705	0.1
Dues and Subscriptions	1,394	-	1,649	-
Educational Expense	7,574	-	20,999	-
Contributions	4,500	-	3,379	-
Laundry and Uniforms	32,637	-	22,780	-
Meals and Entertainment	108,871	0.1	70,637	0.1
Travel and Lodging	517,430	0.6	320,237	0.6
Management Fees	100,341	0.1	167,637	0.3
Postage	1,623	-	979	-
Real Estate Taxes	16,266	-	111,020	0.2
Sales Tax	7,810	-	22,854	-
Depreciation	1,362,524	1.6	869,326	1.6
Security Services	431	-	374	-
Advertising	157,449	0.2	147,750	0.3
Office Expense	220,022	0.2	160,294	0.3
Lease Expense	1,639,021	1.9	788,446	1.5
Rent and Utilities	185,906	0.2	80,773	0.2
Automobile Lease Expense	102,362	0.1	99,864	0.2
Bank Charges	235,406	0.2	104,753	0.2
Cleaning Expense	6,061	-	7,104	-
Other Taxes and Licenses	1,288	-	1,016	-
Outside Services	23,848	-	190,818	0.4
Insurance	103,989	0.1	198,394	0.4
Medical Expenses	63,354	0.1	57,944	0.1
Automobile Expenses	17,741	-	10,448	-
Professional Fees	270,406	0.3	444,252	0.8
Telephone and Internet	66,424	0.1	62,023	0.1
Repairs and Maintenance	43,663	-	30,436	0.1
Total General and Administrative Expenses	\$ 5,920,407	6.7 %	\$ 4,609,770	8.7 %

EQUIPMENT ACQUISITION RESOURCES, INC.
STATEMENTS OF OTHER INCOME AND (EXPENSES)

	Years Ended December 31,			
	2008		2007	
	Amount	Percent	Amount	Percent
Other Income and (Expenses)				
Other Income	\$ 2,587	- %	\$ 18,527	- %
Interest Income	615,022	0.7	153,367	0.3
Bad Debt Recoveries (Expense)	8,245	-	(55)	-
Interest Expense	(7,395,957)	(8.4)	(4,700,782)	(8.8)
Profit Sharing Expense	(22,296)	-	(17,578)	-
Rental Income	1,000	-	-	-
Penalties	(1,401)	-	(57,494)	(0.1)
Total Other Income and (Expenses)	\$ (6,792,800)	(7.7) %	\$ (4,604,015)	(8.6) %

SHELDON PLAYER AND DONNA MALONE

May 1, 2007

FINANCIAL STATEMENT AND ACCOUNTANTS' REPORT

**SHELDON PLAYER AND DONNA MALONE
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Mr. Sheldon Player and Ms. Donna Malone
Arlington Heights, Illinois

We have compiled the accompanying statement of assets, liabilities and net worth of Sheldon Player and Donna Malone as of May 1, 2007 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a financial statement information that is the representation of the individuals whose financial statement is presented. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

VonLehman & Company Inc.

Cincinnati, Ohio
July 16, 2007

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**SHELDON PLAYER AND DONNA MALONE
STATEMENT OF ASSETS, LIABILITIES AND NET WORTH**

	<u>May 1, 2007</u>
Assets	
Cash	\$ 351,630
Note Receivable - Equipment Acquisition Resources, Inc.	3,063,241
Investments	
Equipment Acquisition Resources, Inc.	49,584,877
Residence	300,000
Ranch and Residence	15,500,000
Commercial Property	3,430,000
Rental Property	5,630,000
Retirement Accounts	93,616
Personal Automobiles and Belongings	<u>50,500</u>
Total Assets	<u>78,003,864</u>
Liabilities	
Ranch and Residence Mortgage	2,500,000
Commercial Property Mortgage	2,000,000
Rental Property Mortgage	<u>1,800,000</u>
Total Liabilities	<u>6,300,000</u>
Net Worth Before Estimated Income Taxes	71,703,864
Estimated Income Taxes	
(On the Differences Between the Estimated	
Current Value of Assets and the Current	
Tax Bases if Gain was Realized)	<u>13,705,404</u>
Net Worth After Taxes	<u>\$ 57,998,460</u>

See accountants' report and accompanying notes.

**SHELDON PLAYER AND DONNA MALONE
NOTES TO THE FINANCIAL STATEMENT**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accompanying financial statement includes the assets and liabilities of Sheldon Player and Donna Malone.

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. When estimates concern the fair market value of assets, the basis of the valuation is disclosed. Actual values may differ from estimated amounts.

Assets are stated at their estimated current values and liabilities at their estimated current amounts.

NOTE 2 - NOTE RECEIVABLE - EQUIPMENT ACQUISITION RESOURCES, INC.

Sheldon Player and Donna Malone have an unsecured note receivable with Equipment Acquisition Resources, Inc. The note charges interest at 0% and repayment terms have not been determined.

NOTE 3 - EQUIPMENT ACQUISITION RESOURCES, INC.

Sheldon Player and Donna Malone are 100% owners of Equipment Acquisition Resources, Inc., a semi-conductor processing company, as well as a manufacturer and refurbisher of equipment related to the semi-conductor industry. The following summarized financial information from the reviewed financial statements as of December 31, 2006 is computed as follows:

Assets

Current Assets	\$37,742,564
Equipment (Net)	45,040,244
Other Assets	<u>5,726,713</u>

Total Assets	\$88,509,521
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Liabilities and Stockholders' Equity

Current Liabilities	13,697,130
Long-Term Liabilities	<u>25,227,514</u>

Total Liabilities	<u>38,924,644</u>
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Stockholders' Equity at December 31, 2006	<u>\$49,584,877</u>
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Revenue and net income for Equipment Acquisition Resources, Inc. for the year ended December 31, 2006 were \$49,749,677 and \$16,718,048, respectively.

SHELDON PLAYER AND DONNA MALONE**NOTE 4 - LIFE INSURANCE**

Mr. Player has the following life insurance in effect as of May 1, 2007:

<u>Insured</u>	<u>Beneficiary</u>	<u>Policy</u>	<u>Face Value</u>
Sheldon Player	Donna Malone	Whole Life	\$ 5,000,000
Sheldon Player	Equipment Acquisition Resources, Inc.	Term Life	<u>20,000,000</u>
			<u>\$25,000,000</u>

NOTE 5 - REAL ESTATE**Ranch and Residences**

The estimated current values of the ranch and residences are Mr. Player's estimates based on recent sales of similar properties in the area. The values are as follows:

	<u>May 1, 2007</u>
Residence - 3401 N. Carriage Way Drive - Arlington Heights, Illinois	<u>\$ 300,000</u>
Ranch and Residence - Jackson Hole, Wyoming - 63 Acres	<u>\$15,500,000</u>

Commercial Property

The estimated current value of the commercial property is Mr. Player's estimate based on recent sales of similar property in the area. The value is as follows:

Commercial Property - Equipment Acquisition Resources, Inc. - 555 S. Vermont Street - Palatine, Illinois	<u>\$ 3,430,000</u>
--	---------------------

Rental Property

The rental property consists of the following estimated values based on recent sales of similar properties in the area and Mr. Player's estimates:

New Villagio Condominium - 20254 Royal Villagio Court, Building 31, Unit 102 - Estero, Florida	\$ 360,000
New Villagio Condominium - 20254 Royal Villagio Court, Building 31, Unit 103 - Estero, Florida	360,000
New Villagio Condominium - 20254 Royal Villagio Court, Building 31, Unit 201 - Estero, Florida	360,000
Trump International Hotel & Tower Condominium - 401 North Wabash Avenue, Unit 1503 - Chicago, Illinois	1,150,000
Condominium - 454 North Aberdeen, Unit 2S - Chicago, Illinois	525,000
Condominium - 454 North Aberdeen, Unit 3N - Chicago, Illinois	525,000
Condominium - 8N768 Brimfield Avenue - Elgin, Illinois	750,000
Condominium - 12936 Violino Place, Building 1100, Unit 301 - Naples, Florida	450,000
Condominium - 451 Bayfront Place, Unit 5506 - Naples, Florida	<u>1,150,000</u>
	<u>\$ 5,630,000</u>

SHELDON PLAYER AND DONNA MALONE**NOTE 6 - RETIREMENT ACCOUNTS**

Mr. Player and Ms. Malone have retirement accounts which are invested in various equity securities and mutual funds, the market values for which approximate their closing prices as of May 1, 2007.

NOTE 7 - PERSONAL AUTOMOBILES AND BELONGINGS

The estimated value of Sheldon Player and Donna Malone's personal automobiles and belongings is based upon Mr. Player's estimates.

NOTE 8 - LONG-TERM DEBT

May 1,
2007

Ranch and Residence Mortgage

Mortgage payable to a bank, collateralized by the ranch and residence in Jackson Hole, Wyoming.

\$2,500,000

Commercial Property Mortgage

Mortgage payable to a bank, collateralized by the commercial property in Illinois.

\$2,000,000

Rental Property Mortgage

Mortgage payable to a bank, collateralized by rental properties in Florida and Illinois.

\$1,800,000

NOTE 9 - CONTINGENT LIABILITIES

Mr. Player and Ms. Malone personally guarantee loans and capital leases of \$30,000,000 made to Equipment Acquisition Resources, Inc.

NOTE 10 - SALARY

Mr. Player and Ms. Malone received combined compensation of \$400,000 from Equipment Acquisition Resources, Inc. in 2006.

NOTE 11 - ESTIMATED INCOME TAXES

The estimated current amounts of liabilities at May 1, 2007 equaled their tax bases. Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provision will probably differ from the amounts of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal, realization or liquidation and the tax laws and regulations in effect at the time of disposal, realization or liquidation.

SHELDON PLAYER AND DONNA MALONE**NOTE 11 - ESTIMATED INCOME TAXES (Continued)**

The estimated current values of assets exceeded their tax bases by approximately \$54,821,616 at May 1, 2007. The excess of estimated current values of major assets over their tax bases are:

	May 1, <u>2007</u>
Equipment Acquisition Resources, Inc.	\$41,168,000
Ranch and Residence	10,500,000
Commercial Property	1,430,000
Rental Property	1,630,000
Retirement Accounts	<u>93,616</u>
	<u>\$54,821,616</u>
Estimated Income Tax at 25%	<u>\$13,705,404</u>

SHELDON PLAYER AND DONNA MALONE

June 30, 2009

FINANCIAL STATEMENT AND ACCOUNTANTS' REPORT

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Mr. Sheldon Player and Ms. Donna Malone
Chicago, Illinois

We have compiled the accompanying statement of assets, liabilities and net worth of Sheldon Player and Donna Malone as of June 30, 2009 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a financial statement information that is the representation of the individuals whose financial statement is presented. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

VonLehman & Company Inc.

Cincinnati, Ohio
August 6, 2009

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