

**EXPLANATORY STATEMENT AND STATEMENT OF NON-PREJUDICE
PREPARED PURSUANT TO SECTION 36b-19(k) OF THE CONNECTICUT
UNIFORM SECURITIES ACT AND SECTION 36b-31-19c OF THE
REGULATIONS THEREUNDER**

EXPLANATORY STATEMENT

This document is being prepared for presentation to each investor to whom certain unregistered securities were sold in violation of the Connecticut Uniform Securities Act (the "Act"). An application to register those securities after-the-fact is being filed with the Securities and Business Investments Division of the Connecticut Department of Banking. The purpose of this document is to give you appropriate disclosure information, tell you about your rights and remedies under the Act and give you the option of signing the attached Statement of Non-Prejudice.

Note: You will not waive any of your rights under the Act by signing the Statement of Non-Prejudice.

(Name of Issuer) _____

of (Address of Issuer) _____

submits that in _____ (year) it sold securities in or from Connecticut without complying with Section 36b-16 of the Connecticut Uniform Securities Act. Section 36b-16 of the Act requires any person offering or selling nonexempt securities in Connecticut to register the offering with the Connecticut Department of Banking.

The total number of securities sold without compliance with Section 36b-16 of the Act was _____

The aggregate cost of the securities sold without compliance with Section 36b-16 of the Act was _____.

Commissions or other remuneration of _____ per cent and/or totaling
\$_____ were paid to _____
in connection with the sale of the securities.

REMEDIES UNDER THE CONNECTICUT UNIFORM SECURITIES ACT

Sec. 36b-29. (Formerly Sec. 36-498). Buyer's remedies. (a) Any person who: (1) Offers or sells a security in violation of subsection (a) of section 36b-6, 36b-16 or subsection (b) of section 36b-24 or of any regulation or order under section 36b-22 which requires the affirmative approval of sales literature before it is used, or of any condition imposed under subsection (d) of section 36b-18 or subsection (g) or (h) of section 36b-19; or (2) offers or sells or materially assists any person who offers or sells a security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, who knew or in the exercise of reasonable care should have known of the untruth or omission, the buyer not knowing of the untruth or omission, and who does not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the untruth or omission, is liable to the person buying the security, who may sue either at law or in equity to recover the consideration paid for the security, together with interest at eight per cent per year from the date of payment, costs and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security, or for damages if he no longer owns the security.

(b) (1) Any person who violates subsection (a) of section 36b-5 and (2) any investment adviser who violates subsection (b) or (c) of section 36b-5, the registration requirement in subsection (c) of section 36b-6, or subsection (b) of section 36b-24, shall be liable to the recipient of investment advisory services for any consideration paid by the recipient for those services and any loss resulting from the investment advisory services provided, less any profits earned by the recipient through transactions effected as a result of the advice rendered, plus interest at the rate of eight per cent per year from the date of payment of the consideration, costs and reasonable attorney's fees.

(c) Every person who directly or indirectly controls a person liable under subsections (a) and (b) of this section, every partner, officer or director of such a person, every person occupying a similar status or performing similar functions, every employee of such a person who materially aids in the act or transaction

constituting the violation and every broker-dealer or agent who materially aids in the act or transaction constituting the violation are also liable jointly and severally with and to the same extent as such person, unless the person who is so liable sustains the burden of proof that he did not know, and in exercise of reasonable care could not have known, of the existence of the facts by reason of which the liability is alleged to exist. There shall be contribution as in cases of contract among the several persons so liable.

(d) Any tender specified in this section may be made at any time before entry of judgment.

(e) Every cause of action under sections 36b-2 to 36b-33, inclusive, survives the death of any person who might have been a plaintiff or defendant.

(f) No person may bring an action under this section more than two years after the date of the contract of sale or of the contract for investment advisory services, except that (1) with respect to actions arising out of intentional misrepresentation or fraud in the purchase or sale of any interest in any limited partnership not required to be registered under the Securities Act of 1933, no person may bring an action more than one year from the date when the misrepresentation or fraud is discovered, except that no such action may be brought more than five years from the date of such misrepresentation or fraud provided, with respect to an action pending on July 1, 1993, that asserts facts upon which a claim could be asserted under this section on and after July 1, 1993, and which claim is asserted prior to January 1, 1994, no such action may be brought for intentional misrepresentation or fraud that occurred more than five years prior to the date of the filing of the complaint in such action, and (2) with respect to actions arising out of intentional misrepresentation or fraud in the purchase or sale of securities other than securities described in subdivision (1) of this subsection, no person may bring an action more than one year from the date when the misrepresentation or fraud is discovered or in the exercise of reasonable care should have been discovered, except that no such action may be brought more than three years from the date of such misrepresentation or fraud.

(g) No person may bring an action under subsection (a) of this section: (1) If the buyer received a written offer, before suit and at a time when he owned the security, to refund the consideration paid together with interest at six per cent per year from the date of payment, less the amount of any income received on the security, and he failed to accept the offer within thirty days of its receipt, or (2) if the buyer received such an offer before bringing a cause of action and at a time when he did not own the security, unless he rejected the offer in writing within thirty days of its receipt.

(h) No person who has made or engaged in the performance of any contract in violation of any provision of sections 36b-2 to 36b-33, inclusive, or any regulation or order thereunder, or who has acquired any purported right under any such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any cause of action on the contract.

(i) Any condition, stipulation or provision binding any person acquiring any security or receiving investment advice to waive compliance with any provision of sections 36b-2 to 36b-33, inclusive, or any regulation or order thereunder is void.

(j) The rights and remedies provided by sections 36b-2 to 36b-33, inclusive, are in addition to any other rights or remedies that may exist at law or in equity.

(Name of Issuer)

(Signature of Executive Officer)

(Print Name of Signatory)

Subscribed and sworn to before me
this _____ day of _____, .

Notary Public

My Commission Expires:

STATEMENT OF NON-PREJUDICE

I, the undersigned investor to whom securities were sold without compliance with the registration provisions of the Connecticut Uniform Securities Act (the "Act"), acknowledge that:

1. I have read the preceding Explanatory Statement;
2. I am satisfied that I have not been defrauded, damaged or prejudiced by the failure to register these securities; and
3. I understand that I have not waived any of my rights under the Act by signing this Statement of Non-Prejudice.

(Signature of Investor)

(Date Signed)

(Print Name of Investor Signing)

**CERTIFICATION BY APPLICANT FOR POST-SALE REGISTRATION OF
SECURITIES**

The undersigned applicant for registration of securities pursuant to Section 36b-19(k) of the Connecticut Uniform Securities Act and Section 36b-31-19c of the Regulations thereunder certifies to the Connecticut Banking Commissioner as follows:

1. Substantially all of those persons to whom the unregistered securities were sold have signed the post-sale registration document consisting of an Explanatory Statement and Statement of Non-prejudice; and
2. Included herewith are the signed documents referenced above.

Print Name of Applicant for
Securities Registration:

Signature of Executive
Officer or Authorized
Person of Similar Rank:

Print Name of Signatory:

Date:
