

B26 (Official Form 26) (12/08)

**United States Bankruptcy Court**

District of Colorado

In re SVS Holdings, Inc.

Case No. 10-24238-HRT

Debtor

Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR] HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of 5/31/10 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
Sequoia Voting Systems, Inc.	100%	1

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.

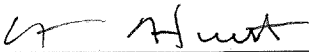
**THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR IN POSSESSION.**

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

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Date: July 5, 2010

  
\_\_\_\_\_  
Signature of Authorized Individual

Kevin Hurst  
\_\_\_\_\_  
Name of Authorized Individual

Chief Executive Officer  
\_\_\_\_\_  
Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Signature of Joint Debtor

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**Exhibit A**  
**Valuation Estimate for [Name of Entity]**

[Provide a statement of the entity's value and the value of the estate's interest in the entity, including a description of the basis for the valuation, the date of the valuation and the valuation method used. This valuation must be no more than two years old. Indicate the source of this information.]

As of May 31, 2010, the liabilities of Sequoia Voting Systems, Inc. ("Sequoia") exceeded its assets by approximately \$8 million.

On June 4, 2010, Sequoia entered an Asset Purchase Agreement ("the APA") with Dominion Voting Systems ("Dominion"). Under the APA, Dominion has purchased substantially all of the assets of Sequoia. Sequoia is now engaged in fulfilling its obligations under the APA, including the assignment of its contracts to Dominion, which will result in payments to Sequoia. Sequoia will use the proceeds of the APA to pay off its creditors and wind down the operation.

Total payments to Sequoia under the APA may vary based on the successful assignment of contracts to Dominion, whether or not Sequoia is due certain commission payments related to activities in the State of New York, and the extent to which the escrowed portion of the APA proceeds ultimately are made available to Sequoia.

The value of Sequoia is currently indeterminate. 100% of the equity of Sequoia is owned by SVS Holdings.

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**Exhibit B**  
**Financial Statements for [Insert Name of Entity]**

Sequoia Voting Systems, Inc.

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**Exhibit B-1**  
**Balance Sheet for [Name of Entity]**  
As of

[Provide a balance sheet dated as of the end of the most recent six-month period of the current fiscal year and as of the end of the preceding fiscal year. Indicate the source of this information.]

Please see attached Balance Sheets for Sequoia Voting Systems, Inc.

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**Exhibit B-2**  
**Statement of Income (Loss) for [Name of Entity]**  
Period ending

[Provide a statement of income (loss) for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Please see attached Income Statements for Sequoia Voting Systems, Inc.

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**Exhibit B-3**  
**Statement of Cash Flows for [Name of Entity]**  
For the period ending

[Provide a statement of changes in cash flows for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Statement of Cash Flows for Sequoia Voting Systems are currently unavailable. Please reference the Income Statements and Balance Sheets provided.

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**Exhibit B-4**  
**Statement of Changes in Shareholders'/Partners' Equity (Deficit) for [Name of Entity]**  
period ending

[Provide a statement of changes in shareholders'/partners equity (deficit) for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Change in Shareholders' Equity/(Deficit) is included in the Balance Sheets provided for Sequoia Voting Systems, Inc.



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**Exhibit C**  
**Description of Operations for \_\_\_\_\_ . [Insert name of Entity].**

[Describe the nature and extent of the estate's interest in the entity.

SVS Holdings owns 100% of the equity of Sequoia Voting Systems, Inc.

Describe the business conducted and intended to be conducted by the entity, focusing on the entity's dominant business segment(s). Indicate the source of this information.]

Sequoia Voting Systems, Inc. ("Sequoia") was in the business of manufacturing and selling electronic voting systems, and providing related services, to state and local jurisdictions. Sequoia's election solutions are in use in seventeen states.

On June 4, 2010, Sequoia entered an Asset Purchase Agreement ("the APA") with Dominion Voting Systems ("Dominion"). Under the APA, Dominion has purchased substantially all of the assets of Sequoia. Sequoia is now engaged in fulfilling its obligations under the APA, including the assignment of its contracts to Dominion, which will result in payments to Sequoia. Sequoia will use the proceeds of the APA to pay off its creditors and wind down the operation.

Exhibit B-1 (i)  
Balance Sheet for Sequoia Voting Systems, Inc.  
As of December 31, 2009

	Jan-2009	Feb-2009	Mar-2009	Apr-2009	May-2009	Jun-2009	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009
Cash & Cash Equivalent	3,415,395	1,548,286	2,429,158	1,368,802	1,804,531	1,215,319	546,657	109,974	1,489,332	847,980	621,429	581,101
Accounts Receivable	6,243,851	6,960,059	5,833,670	5,598,240	4,283,890	3,129,251	3,095,011	5,947,394	3,956,430	4,551,800	4,810,612	5,624,555
Inventory	5,568,924	5,597,657	5,546,888	5,451,716	5,272,800	5,196,571	5,485,182	5,564,302	5,236,842	5,207,653	4,971,853	4,518,288
Prepays	109,941	166,841	591,658	166,298	183,321	178,416	207,998	126,752	245,156	178,705	157,648	588,234
12160 -Tax Receivable	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
14001 -Deferred COGS-Current-All Types	0	0	0	0	0	0	0	0	0	0	0	-6,250,220
14200 -Deferred COGS-Current-Systems	47,273,585	46,433,248	45,592,911	44,752,575	43,939,776	43,126,978	42,314,180	41,501,381	7,507,468	7,400,650	7,293,833	7,243,035
14240 -Deferred COGS-Current-Services	1,801,600	1,766,877	1,732,155	1,697,433	1,662,711	1,627,988	1,593,266	1,558,544	527,109	513,593	500,078	511,507
Other Current Assets	50,375,184	49,500,126	48,625,067	47,750,008	46,902,487	46,054,966	45,207,446	44,359,925	9,334,577	9,214,244	9,093,911	2,804,323
<b>CURRENT ASSETS</b>	<b>65,713,294</b>	<b>63,772,968</b>	<b>63,026,441</b>	<b>60,335,064</b>	<b>58,447,029</b>	<b>55,774,524</b>	<b>54,542,294</b>	<b>56,108,347</b>	<b>20,262,336</b>	<b>20,000,382</b>	<b>19,655,453</b>	<b>14,116,499</b>
Property & Equipment	789,020	761,355	735,697	710,192	684,700	659,208	633,961	608,747	538,392	514,028	479,444	367,762
Intangible Asset Net	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000
Deferred COGS-Non-Current-All Types	0	0	0	0	0	0	0	0	0	0	0	6,250,220
Due To From Affiliate	0	60,189	60,189	60,189	60,189	60,189	60,189	60,189	60,189	60,189	60,192	120,702
<b>OTHER ASSETS</b>	<b>1,879,020</b>	<b>1,911,544</b>	<b>1,885,886</b>	<b>1,860,381</b>	<b>1,834,889</b>	<b>1,809,398</b>	<b>1,784,150</b>	<b>1,758,936</b>	<b>1,688,581</b>	<b>1,664,217</b>	<b>1,629,636</b>	<b>7,828,684</b>
<b>TOTAL ASSETS</b>	<b>67,592,314</b>	<b>65,684,513</b>	<b>64,912,327</b>	<b>62,195,445</b>	<b>60,281,918</b>	<b>57,583,922</b>	<b>56,326,444</b>	<b>57,867,282</b>	<b>21,950,918</b>	<b>21,664,599</b>	<b>21,285,088</b>	<b>21,945,184</b>
20005 -Accts Payable: Vendors	5,526,560	5,407,203	5,398,323	5,711,080	6,706,018	5,940,935	5,645,520	7,383,604	6,853,666	7,168,268	7,373,941	7,704,218
20006 -Accounts Payable Accrual	501,026	367,237	367,737	813,541	687,001	822,276	579,090	727,795	716,403	497,718	329,487	331,952
20008 -T&E Reserve	23,415	0	0	0	0	0	0	0	0	0	0	36,798
20010 -Suspense - Received Not Invoiced	-28,179	-30,644	4,920	108,842	51,057	60,801	58,712	79,293	89,586	18,329	1,709	0
20501 -Due To-From Parent-Subsidiary	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,430	1,607,433	1,280,386
20620 -Short Term Borrowings-Related Parties												550,000
21801 -Current Short Term Obligations	119,816	149,021	1,172,225	1,066,576	1,105,104	1,104,638	1,128,181	1,420,802	719,101	254,315	503,294	901,517
26001 -Federal Income Tax Payable	0	0	0	0	0	0	0	0	0	0	0	200,000
26002 -State Income Tax Payable			-305	-305	-305	-305	-305	-305	-305	-305	-305	4,370
Accounts Payable	7,750,068	7,500,246	8,550,329	9,307,164	10,156,305	9,535,775	9,018,628	11,218,618	9,985,881	9,545,754	9,815,558	11,009,241
20007 -Print Customer Pre-Paid And Deferred Revenue	0	1,745,371	1,809,410	196,207	7	0	0	183,700	183,700	0	0	0
27001 -Deferred Revenue-Current-Non-Amort	483,500	1,191,000	1,191,000	1,191,000	800,000	800,000	-571,771	-100,240	-100,240	-100,240	-100,240	-5,112,815
27200 -Deferred Revenue-Current-Systems	57,284,863	56,278,332	55,271,802	54,265,271	53,319,178	52,373,085	51,617,391	50,663,365	9,118,461	9,028,070	8,937,679	3,119,203
27220 -Deferred Revenue-Current-License	3,655,725	3,772,282	4,050,851	3,700,539	3,474,743	3,404,473	3,574,745	3,357,807	2,737,010	2,553,987	2,356,111	2,400,606
27230 -Deferred Revenue-Current-Warranty	1,900,335	1,720,358	1,577,797	1,435,737	1,316,947	1,216,955	2,104,905	1,974,667	1,848,975	1,755,932	1,640,147	1,564,036
27240 -Deferred Revenue-Current-Services	5,645,635	5,410,298	5,174,962	5,139,625	4,909,691	4,726,045	5,065,505	4,883,568	3,103,469	2,958,036	2,821,811	4,941,230
Deferred Revenue Current	68,970,058	70,117,641	69,075,821	65,928,379	63,820,565	62,520,557	61,790,775	60,962,866	16,891,375	16,195,786	15,655,508	6,912,260
Warranty Reserve	1,019,952	1,036,255	1,052,475	1,069,194	1,085,682	1,102,510	1,119,689	1,137,896	1,155,799	1,174,163	1,192,846	1,211,528
Accrued Expenses	1,341,386	1,196,254	1,016,302	1,072,287	999,186	981,366	968,489	859,422	878,759	880,573	1,137,814	1,084,798
Plastic Credit	139,539	139,539	139,539	139,539	117,607	117,607	117,607	117,607	91,205	91,205	91,205	91,205
Accrued Taxes	-50,746	-135,405	-125,407	-157,072	8,432	18,136	-178,220	-173,975	-167,479	-173,362	-173,412	-49,125
<b>CURRENT LIABILITIES</b>	<b>79,170,257</b>	<b>79,854,530</b>	<b>79,709,058</b>	<b>77,359,490</b>	<b>76,187,779</b>	<b>74,275,952</b>	<b>72,836,968</b>	<b>74,122,434</b>	<b>28,835,540</b>	<b>27,714,119</b>	<b>27,719,519</b>	<b>20,259,907</b>
Deferred Revenue Non Current	0	0	0	0	0	0	0	0	0	0	0	8,635,683
Long Term Obligations	37,081	35,242	34,292	32,864	31,898	30,931	29,599	29,599	27,373	26,361	26,361	23,943
Deferred Tax Liability	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000	423,000
<b>LONG TERM LIABILITIES</b>	<b>460,081</b>	<b>458,242</b>	<b>457,292</b>	<b>455,864</b>	<b>454,898</b>	<b>453,931</b>	<b>452,599</b>	<b>452,599</b>	<b>450,373</b>	<b>449,361</b>	<b>449,361</b>	<b>9,082,626</b>
Common Stock	1	1	1	1	1	1	1	1	1	1	1	1
Additional Paid In Capital	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954
Push Down Capital	-7,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676
RETAINED EARNINGS PY	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298	-20,234,298
RETAINED EARNINGS CY	-509,004	-2,099,240	-2,725,005	-3,090,891	-3,831,739	-4,616,942	-4,434,105	-4,178,732	5,194,024	6,030,138	5,645,228	5,131,669
<b>EQUITY</b>	<b>-12,038,023</b>	<b>-14,628,259</b>	<b>-15,254,024</b>	<b>-15,619,909</b>	<b>-16,360,758</b>	<b>-17,145,961</b>	<b>-16,963,124</b>	<b>-16,707,751</b>	<b>-7,334,995</b>	<b>-6,498,881</b>	<b>-6,883,791</b>	<b>-7,397,350</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>67,592,314</b>	<b>65,684,513</b>	<b>64,912,327</b>	<b>62,195,445</b>	<b>60,281,918</b>	<b>57,583,922</b>	<b>56,326,444</b>	<b>57,867,282</b>	<b>21,950,918</b>	<b>21,664,599</b>	<b>21,285,088</b>	<b>21,945,184</b>

**Exhibit B-1 (ii)****Balance Sheet for Sequoia Voting Systems, Inc.**

As of May 31, 2010

	<b>Jan-2010</b>	<b>Feb-2010</b>	<b>Mar-2010</b>	<b>Apr-2010</b>	<b>May-2010</b>
Cash & Cash Equivalent	148,861	1,154,939	798,256	479,513	236,510
Accounts Receivable	7,527,839	5,543,600	1,630,443	1,725,816	2,458,788
Inventory	4,542,597	4,543,482	4,457,964	4,414,057	4,386,615
Prepays	83,620	69,273	66,993	95,895	69,436
12160 -Tax Receivable	1,300,000	1,300,000	1,300,000	1,300,000	927,998
14200 -Deferred COGS-Current-Systems	7,133,270	7,023,504	6,913,738	6,803,973	6,694,207
14230 -Deferred COGS-Current-Warranty	63,232	57,483	51,735	45,987	40,238
14240 -Deferred COGS-Current-Services	495,913	480,318	464,724	449,130	433,535
Other Current Assets	8,992,414	8,861,306	8,730,197	8,599,089	8,095,978
<b>CURRENT ASSETS</b>	<b>21,295,331</b>	<b>20,172,600</b>	<b>15,683,854</b>	<b>15,314,370</b>	<b>15,247,327</b>
Property & Equipment	334,568	302,686	284,525	266,472	249,128
Intangible Asset Net	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000
Due To From Affiliate	120,702	120,702	120,702	150,732	150,732
<b>OTHER ASSETS</b>	<b>1,545,270</b>	<b>1,513,389</b>	<b>1,495,227</b>	<b>1,507,204</b>	<b>1,489,861</b>
<b>TOTAL ASSETS</b>	<b>22,840,601</b>	<b>21,685,989</b>	<b>17,179,081</b>	<b>16,821,574</b>	<b>16,737,187</b>
20005 -Accts Payable: Vendors	7,774,713	7,493,177	4,570,457	4,808,131	4,571,385
20006 -Accounts Payable Accrual	200,000	200,000	144,603	145,313	200,000
20009 -Other Payables - Customer Credits	0	0	0	333,735	333,735
20501 -Due To-From Parent-Subsidiary	1,280,386	1,280,386	1,280,386	1,280,386	1,280,386
20620 -Short Term Borrowings-Related Parties	853,000	853,000	853,000	853,000	853,000
21801 -Current Short Term Obligations	901,637	665,111	14,548	13,613	13,737
26001 -Federal Income Tax Payable	200,000	200,000	200,000	200,000	200,000
26002 -State Income Tax Payable	4,370	4,370	4,370	4,370	4,370
Accounts Payable	11,214,105	10,696,044	7,067,364	7,638,548	7,456,614
27001 -Deferred Revenue-Current-Non-Amort	3,991,652	3,991,268	4,106,147	4,281,147	4,820,090
27200 -Deferred Revenue-Current-Systems	3,028,813	2,938,422	2,848,031	2,757,640	2,667,249
27220 -Deferred Revenue-Current-License	2,460,795	2,206,944	2,133,237	1,968,829	1,844,981
27230 -Deferred Revenue-Current-Warranty	1,704,783	1,551,028	1,389,690	1,228,352	1,079,014
27240 -Deferred Revenue-Current-Services	4,801,233	4,560,952	4,324,009	4,104,584	4,144,621
Deferred Revenue Current	15,987,275	15,248,614	14,801,114	14,340,553	14,555,955
Warranty Reserve	1,236,581	1,261,909	1,287,426	1,312,944	1,338,462
Accrued Expenses	1,122,449	1,142,879	1,074,414	1,002,347	998,836
Plastic Credit	91,205	91,205	91,205	91,205	91,205
Accrued Taxes	-47,473	-29,326	-48,045	-54,216	-54,104
<b>CURRENT LIABILITIES</b>	<b>29,604,142</b>	<b>28,411,324</b>	<b>24,273,479</b>	<b>24,331,382</b>	<b>24,386,968</b>
Long Term Obligations	22,783	21,612	20,431	19,239	18,036
Deferred Tax Liability	423,000	423,000	423,000	423,000	423,000
<b>LONG TERM LIABILITIES</b>	<b>445,783</b>	<b>444,612</b>	<b>443,431</b>	<b>442,239</b>	<b>441,036</b>
Common Stock	1	1	1	1	1
Additional Paid In Capital	15,927,954	15,927,954	15,927,954	15,927,954	15,927,954
Push Down Capital	-8,222,676	-8,222,676	-8,222,676	-8,222,676	-8,222,676
RETAINED EARNINGS PY	-15,102,629	-15,102,629	-15,102,629	-15,102,629	-15,102,629
RETAINED EARNINGS CY	188,026	227,402	-140,479	-554,696	-693,466
<b>EQUITY</b>	<b>-7,209,324</b>	<b>-7,169,948</b>	<b>-7,537,829</b>	<b>-7,952,046</b>	<b>-8,090,816</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>22,840,601</b>	<b>21,685,989</b>	<b>17,179,081</b>	<b>16,821,574</b>	<b>16,737,187</b>

## Exhibit B-2 (i)

Statement of Income (Loss) for Sequoia Voting Systems, Inc.

Period Ending December 31, 2009

	<u>Jan-2009</u>	<u>Feb-2009</u>	<u>Mar-2009</u>	<u>Apr-2009</u>	<u>May-2009</u>	<u>Jun-2009</u>	<u>Jul-2009</u>	<u>Aug-2009</u>	<u>Sep-2009</u>	<u>Oct-2009</u>	<u>Nov-2009</u>	<u>Dec-2009</u>	<u>YTD-2009</u>
Systems, Services and Other	2,078,720	2,158,230	2,446,471	2,477,444	2,589,048	2,040,061	2,396,529	2,106,287	882,061	1,068,862	1,401,290	1,675,526	23,320,530
Election Printing	364,080	212,979	552,826	2,559,915	542,949	108,220	25,725	2,094,618	1,851,532	3,818,740	17,765	42,771	12,192,117
<b>Total Sales</b>	<b>2,442,800</b>	<b>2,371,209</b>	<b>2,999,297</b>	<b>5,037,359</b>	<b>3,131,996</b>	<b>2,148,281</b>	<b>2,422,254</b>	<b>4,200,904</b>	<b>2,733,593</b>	<b>4,887,602</b>	<b>1,419,055</b>	<b>1,718,297</b>	<b>35,512,647</b>
Systems, Services and Other	847,475	1,356,309	1,320,024	1,670,984	1,385,795	1,311,827	1,112,994	1,099,052	1,358,742	362,999	776,692	707,394	13,310,287
Election Printing	262,566	159,236	379,940	1,768,708	361,235	85,201	15,819	1,553,745	1,401,237	2,758,865	-3,761	32,420	8,775,211
<b>Total Cost Of Goods Sold</b>	<b>1,110,041</b>	<b>1,515,546</b>	<b>1,699,964</b>	<b>3,439,691</b>	<b>1,747,030</b>	<b>1,397,028</b>	<b>1,128,813</b>	<b>2,652,797</b>	<b>2,759,979</b>	<b>3,121,865</b>	<b>772,932</b>	<b>739,813</b>	<b>22,085,499</b>
<b>Total GROSS PROFIT</b>	<b>1,332,759</b>	<b>855,663</b>	<b>1,299,333</b>	<b>1,597,668</b>	<b>1,384,966</b>	<b>751,253</b>	<b>1,293,441</b>	<b>1,548,107</b>	<b>-26,386</b>	<b>1,765,737</b>	<b>646,123</b>	<b>978,483</b>	<b>13,427,148</b>
Total Selling, General and Administrative Expense	1,984,858	2,384,624	1,861,388	1,882,893	2,051,822	1,431,423	1,053,621	1,237,542	1,084,877	1,371,148	1,019,124	1,260,987	18,624,307
Total Depreciation Expense	27,265	27,665	25,658	25,506	25,492	25,492	25,248	25,214	25,110	24,364	34,584	128,822	420,420
Total Gain/Loss On Asset Disposal	-101,942								-10,334,908			-17,141	-10,453,990
<b>TOTAL OPERATING EXPENSE</b>	<b>1,910,181</b>	<b>2,412,289</b>	<b>1,887,046</b>	<b>1,908,398</b>	<b>2,077,313</b>	<b>1,456,914</b>	<b>1,078,869</b>	<b>1,262,757</b>	<b>-9,224,921</b>	<b>1,395,513</b>	<b>1,053,708</b>	<b>1,372,669</b>	<b>8,590,737</b>
<b>Total PROFIT (LOSS) BEFORE TAX</b>	<b>-577,422</b>	<b>-1,556,626</b>	<b>-587,713</b>	<b>-310,730</b>	<b>-692,347</b>	<b>-705,661</b>	<b>214,572</b>	<b>285,350</b>	<b>9,198,535</b>	<b>370,225</b>	<b>-407,585</b>	<b>-394,186</b>	<b>4,836,412</b>
82100 -Other Income										-477,862	-23,012	-2,420	-503,294
84000 -Prior Years Inventory Adjustment												456,699	456,699
Total Other Income										-477,862	-23,012	454,279	-46,595
65740 -Interest Expense	29,204	34,455	38,715	55,838	48,934	49,984	33,220	30,001	52,375	12,024	359	-258,924	126,185
65750 -Interest Expense-Related Parties												6,527	6,527
Total Interest Expense	29,204	34,455	38,715	55,838	48,934	49,984	33,220	30,001	52,375	12,024	359	-252,396	132,713
Total Interest Income	-1,391	-845	-664	-682	-433	-472	-364	-23	-37	-86	-22	-15	-5,035
Total Royalty Income-Pes	-96,238								-226,559			-257,140	-579,937
81001 -Federal Income Tax Expense							-1,120					200,000	198,880
81006 -State Income Tax Expense	7					30,030				35		-25,355	4,717
Total Tax Expense	7					30,030	-1,120			35		174,645	203,597
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>-68,417</b>	<b>33,610</b>	<b>38,052</b>	<b>55,155</b>	<b>48,501</b>	<b>79,542</b>	<b>31,735</b>	<b>29,978</b>	<b>-174,221</b>	<b>-465,890</b>	<b>-22,675</b>	<b>119,373</b>	<b>-295,257</b>
<b>Total NET PROFIT (LOSS)</b>	<b>-509,004</b>	<b>-1,590,236</b>	<b>-625,765</b>	<b>-365,886</b>	<b>-740,848</b>	<b>-785,203</b>	<b>182,838</b>	<b>255,372</b>	<b>9,372,756</b>	<b>836,114</b>	<b>-384,910</b>	<b>-513,559</b>	<b>5,131,669</b>

**Exhibit B-2 (ii)****Statement of Income (Loss) for Sequoia Voting Systems, Inc.**

Period Ending May 31, 2010

	<u>Jan-2010</u>	<u>Feb-2010</u>	<u>Mar-2010</u>	<u>Apr-2010</u>	<u>May-2010</u>	<u>YTD-2010</u>
Systems, Services and Other	1,373,939	1,134,078	948,520	926,531	983,177	5,366,246
Election Printing	79,728	102	287,827	2,170	3,203	373,030
<b>Total Sales</b>	<b>1,453,667</b>	<b>1,134,180</b>	<b>1,236,347</b>	<b>928,701</b>	<b>986,381</b>	<b>5,739,276</b>
Systems, Services and Other	166,321	248,035	320,334	369,034	283,740	1,387,465
Election Printing	-114,255	53,410	197,785	0	0	136,940
<b>Total Cost Of Goods Sold</b>	<b>52,067</b>	<b>301,445</b>	<b>518,119</b>	<b>369,034</b>	<b>283,740</b>	<b>1,524,405</b>
<b>Total GROSS PROFIT</b>	<b>1,401,601</b>	<b>832,735</b>	<b>718,228</b>	<b>559,666</b>	<b>702,641</b>	<b>4,214,871</b>
Total Selling, General and Administrative Expense	1,167,611	987,712	1,052,326	949,883	811,109	4,968,641
Total Depreciation Expense	33,194	31,881	18,162	18,053	17,344	118,634
<b>TOTAL OPERATING EXPENSE</b>	<b>1,200,805</b>	<b>1,019,594</b>	<b>1,070,488</b>	<b>967,936</b>	<b>828,453</b>	<b>5,087,275</b>
<b>Total PROFIT (LOSS) BEFORE TAX</b>	<b>200,796</b>	<b>-186,859</b>	<b>-352,260</b>	<b>-408,270</b>	<b>-125,811</b>	<b>-872,404</b>
Total Other Income	-120		1,037	-10,044		-9,127
65740 -Interest Expense	10,149	7,167	16,321	12,008	9,337	54,982
65750 -Interest Expense-Related Parties	2,751	3,272	3,622	3,505	3,622	16,773
Total Interest Expense	12,899	10,439	19,944	15,514	12,959	71,754
Total Interest Income	-9	-26	-34	-22		-92
Total Royalty Income-Pes		-236,648	-60,000			-296,648
81001 -Federal Income Tax Expense			50,000			50,000
81006 -State Income Tax Expense			4,675	500		5,175
Total Tax Expense			54,675	500		55,175
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>12,770</b>	<b>-226,235</b>	<b>15,621</b>	<b>5,948</b>	<b>12,959</b>	<b>-178,938</b>
<b>Total NET PROFIT (LOSS)</b>	<b>188,026</b>	<b>39,377</b>	<b>-367,881</b>	<b>-414,217</b>	<b>-138,770</b>	<b>-693,466</b>