

I TRACK INC
Form 424B2
April 11, 2001

I-TRACK, INC.

2,500,000 UNITS

Prior to this offering of units, there has been no public market for our common stock. We are conducting an initial public offering of 2,500,000 units, with each unit consisting of one share of common stock and one warrant to purchase one share of common stock. The shares of common stock and the warrants may not be separately traded until six months after the date of purchase. Each warrant entitles the holder to purchase one share of common stock at the exercise price of \$0.50 per share, beginning anytime after the date of purchase until twelve months after the completion of this offering. We are not required to sell any specific number or dollar amount of units, but will use our best efforts to sell the maximum number of units offered. This offering of units will terminate on the earlier of the date all of the units offered are subscribed for or July 10, 2001. Please note that we may extend this date for up to an additional 90 days.

We are conducting a direct participation offering with no minimum offering and no escrow. Therefore any funds received from a purchaser will be available to us as received and need not be refunded to the purchaser.

There is no market for our common stock. After completing our registration statement, we will use our best efforts to have our common stock traded on the local over-the-counter markets.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD PURCHASE SHARES ONLY IF YOU CAN AFFORD A COMPLETE LOSS. SEE "RISK FACTORS" ON PAGE 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The information in this prospectus is not complete and may be changed. We cannot sell our units until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell our units and it is not an offer to buy our units in any state where the offer or sale is not permitted.

UNITS OFFERED BY I-TRACK	PRICE TO PUBLIC	SELLING AGENT COMMISSIONS	PRO
Per Share	\$0.10	\$0.01	
Total Offering	\$250,000	\$25,000	

Underwriting commissions and discounts: Peter Fisher is acting as the general selling agent. If broker-dealers are used to sell the shares, we will pay them up to a 10% commission.

Proceeds to i-Track: These amounts do not reflect the deduction of expenses of this offering, estimated at \$30,000.

I-TRACK, INC.
3031 COMMERCE DRIVE, BUILDING B, FORT GRATIOT, MICHIGAN 48058
(810) 469-3500

The date of this prospectus is April 11, 2001

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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PROSPECTUS SUMMARY

Unless the context otherwise requires, the terms "we," "our," and "us," refer to i-Track, Inc.

I-TRACK, INC.

We are a development stage company that was incorporated by AVL Information Systems Ltd. and its principal officers and directors. AVL Information Systems Ltd. is a Canadian public company that owns and licenses certain technology and automatic vehicle location systems. AVL Information Systems Ltd. has incurred significant operating losses over the past six fiscal years and has a working capital deficiency which casts doubt upon its ability to continue as a going concern. AVL Information Systems Ltd. and its principal officers and directors have incorporated us in an effort to start anew and to take advantage of what they perceive to be the benefits of a United States publicly traded company. They believe that a U.S. publicly traded company will provide a level of credibility in the automatic vehicle location system industry, access to additional funding in the U.S. markets, and the ability for us to enter into strategic alliances for the development, manufacturing and sale of automatic vehicle location systems.

On January 7, 2001, we entered into a non-exclusive worldwide International Distribution Agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute an automatic vehicle location system called the Spryte System(TM). The Spryte System(TM) integrates Global Positioning System technology, cellular-wireless communications and the Internet to enable companies to efficiently manage their mobile resources with location-relevant and time-sensitive information. The Spryte System(TM) is designed to enable customers to use the Internet to track the movement of their vehicles, employees, and goods and services. While there are several ways to transmit information from a vehicle to a central location, we believe that the Spryte System(TM) provides significant value to customers by reducing their costs of doing business and increasing the productivity of their mobile resources. At this time, we have not generated any revenues.

THE OFFERING

Securities offered.....2,500,000 units, with
each unit consisting of one (1) share of our
common stock and one (1) warrant to purchase
one share of our common stock at a price of
\$0.50 per share.

Description of the Warrants...The warrants are not transferable separately
from the units until six months after the
date of purchase. Each warrant entitles the
holder to purchase one share of common stock
at a price of \$0.50 per share at any time
after the date of purchase until twelve
months after the date of purchase.

Common stock outstanding
before the offering.....18,700,000 shares of common stock (as of
April 11, 2001)
after the offering.....21,200,000 shares of common stock.

Warrants outstanding

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before the offering.....none
after the offering.....2,500,000

Use of Proceeds.....Estimated at \$195,000 net of offering expenses. To be used for general corporate purposes, including working capital and capital expenditures.

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DISTRIBUTION

Peter Fisher is acting as the general selling agent in this offering of units. We may also enter into agreements with securities broker-dealers who are members of the NASD so the broker-dealers who are involved in the sale of the units will be paid a commission of up to ten percent (10%) by us. No broker-dealer has agreed to participate in this offering as of the date of this prospectus. The NASD must first approve the arrangements with any broker-dealers that will participate in the distribution of this offering. If we enter into an agreement with a broker-dealer, we will file a post-effective amendment with the SEC to disclose that fact.

RISK FACTORS

Investing in our units involves a high degree of risk. You should consider carefully the information under the caption "Risk Factors" in deciding whether to purchase our units offered under this prospectus.

SUMMARY FINANCIAL INFORMATION

The following summary financial data is derived from our audited financial statements for the year ended December 31, 2000, and the period March 8, 1999 (inception) to December 31, 1999, included elsewhere in this prospectus. We have prepared our financial statements in accordance with generally accepted accounting principles in the United States. You should read this summary financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and/or Plan of Operations," "Business," and our financial statements.

BALANCE SHEET DATA:	DECEMBER 31, 2000	DECEMBER 31, 1999
Current Assets	\$4,479	\$471
Total Assets	\$4,479	\$471
Current Liabilities	\$20,895	\$3,500
Stockholders' Deficiency	\$(16,416)	\$(3,029)
Working Capital Deficiency	\$(16,416)	\$(3,029)

STATEMENT OF LOSS DATA:	YEAR ENDED DECEMBER 31, 2000	MARCH 8, 1999 THROUGH DECEMBER 31, 1999	MARCH 8, 1999 THROUGH DECEMBER 31, 2000
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Revenues	\$0	\$0	\$0
Net Loss	\$ (32,087)	\$ (3,029)	\$ (35,116)
Net Loss per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)

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RISK FACTORS

Investing in our units involves a high degree of risk. You should be able to bear a complete loss of your investment. You should carefully consider the following risk factors and other information in this prospectus before deciding to invest in our units. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also harm our business.

WE HAVE NO OPERATING HISTORY, WHICH MAKES IT DIFFICULT TO EVALUATE YOUR INVESTMENT IN OUR UNITS.

Your evaluation of our business will be difficult because we have no operating history. We were incorporated in March 1999 and have not licensed, developed or sold any products. We face a number of risks encountered by early-stage companies in the automatic vehicle location industry, including:

- o the uncertainty of market acceptance;
- o our need to license and/or develop reliable and robust products and services that meet the demanding needs of potential customers;
- o our need to establish our marketing, sales and support organizations, as well as our distribution channels;
- o our ability to anticipate and respond to market competition;
- o our need to manage expanding operations;
- o our dependence on wireless and digital carriers; and
- o our dependence on technology which could become incompatible or out of date.

Our business strategy may not be successful, and we may not successfully address these risks.

WE HAVE INCURRED LOSSES AND EXPECT LOSSES TO CONTINUE FOR AT LEAST THE NEXT YEAR.

To date, we have not generated any revenues to fund our business and pay our ongoing expenses. We expect to continue to incur additional losses for at least the next year. We generated a net loss of \$32,087 for the year ended December 31, 2000, and had a deficit through the development stage of \$35,116 for the period March 8, 1999 (inception) to December 31, 2000. In order to become profitable and sustain profitability, we will need to generate

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significant revenues to offset our cost of revenues, and sales and marketing, research and development, and general and administrative expenses. We may never be able to achieve or sustain our revenue or profit goals.

WE DO NOT GENERATE ANY REVENUES AND WE RELY ENTIRELY UPON OUTSIDE FINANCING.

Because of our inability to generate revenues, we rely entirely upon external sources of financing. Since our inception in March 1999, we have financed our operations through the sale of our common stock and by borrowing from affiliates of our company. We will need additional financing in an amount that we are unable to determine at this time to continue with our operations and the development of our business plan. If our plans or assumptions change or are inaccurate, we may be required to seek financing sooner than anticipated. Sources of external financing may include:

- o short-term loans from affiliates;
- o bank borrowings;
- o joint ventures; and

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- o future debt and equity offerings.

We cannot assure you that financing will be available on acceptable terms, or at all. Any additional financing may result in dilution to our shareholders, including those people who purchase our units in this offering. Our failure to obtain external financing will have a material adverse effect on our results of operations and financial condition. If we cannot obtain external financing when needed, we may be forced to cease operations and abandon our business, and you may lose your entire investment.

IF WE ARE ONLY ABLE TO SELL A MINIMUM AMOUNT OF OUR UNITS, WE WILL REQUIRE ADDITIONAL FINANCING.

If we are only able to achieve a minimum level of success in this offering, we will require additional financing. Our current business plan has identified total capital requirements over the next several years that are substantially more than the anticipated offering proceeds. If we are able to sell all of the units, we believe the net proceeds of this offering will be sufficient to fund our operations for at least the next twelve months. If we are able to sell 50% of the units, we believe the net proceeds will be sufficient to fund our operations for the next four to six months. If we are able to sell 10% of the units, we will require additional financing to maintain our operations. Although we will most likely receive related party loans, we cannot assure you that financing will be available. As a result, you may lose your entire investment.

OUR FUTURE EXISTENCE REMAINS UNCERTAIN.

We have suffered losses from operations, require additional financing, and just recently entered into a distribution agreement with AVL Information Systems Ltd. Ultimately we need to generate revenues and attain profitable operations. These factors raise substantial doubt about our ability to continue as a going concern. There is no assurance that we will be able to achieve or sustain profitable operations.

WE RELY ENTIRELY UPON OUR RELATIONSHIP WITH AVL INFORMATION SYSTEMS LTD., OUR

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CONTROLLING SHAREHOLDER, WHICH MAKES US VULNERABLE TO CHANGES IN ITS OPERATIONS.

At this time, we rely entirely upon our relationship with AVL Information Systems Ltd. AVL Information Systems Ltd. is a Canadian public company that owns and licenses certain technology and automatic vehicle location systems. Our dependence upon AVL Information Systems Ltd. has made us vulnerable to changes in the operations of AVL Information Systems Ltd. AVL Information Systems Ltd. has incurred significant operating losses over the past six fiscal years and has a working capital deficiency which casts doubt upon its ability to continue as a going concern. The financial position of AVL Information Systems Ltd. and its prior operating history may have a negative effect on our intended operations. If we are unable to develop other key relationships, we may suffer material and adverse consequences. We can give you no assurance that we will be able to maintain our relationship with AVL Information Systems Ltd., or that we will be able to develop and maintain other strategic alliances.

AVL Information Systems Ltd. is an affiliate of our company and became our controlling shareholder by accepting shares of common stock in exchange for funds advanced. Some of our officers and directors are also officers and directors of AVL Information Systems Ltd. AVL Information Systems Ltd. and a common director have provided substantially all funding for our company, and they are assisting us in discussions with third parties concerning possible strategic alliances.

On January 7, 2001, we entered into a non-exclusive worldwide International Distribution Agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute AVL Information Systems Ltd.'s automatic vehicle location system called the Spryte System(TM).

OUR SUCCESS DEPENDS UPON OUR ABILITY TO DEVELOP AND MAINTAIN OTHER STRATEGIC RELATIONSHIPS.

We are in the development stage of our business and we believe that our success will depend on our ability to develop and maintain strategic relationships with key access control and security system vendors, automation distribution partners, and customers. We believe these relationships are important in order to license and develop

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automatic vehicle location systems, and create our sales, marketing and distribution capabilities. We have no such relationships at this time, nor do we have any agreements with third parties. Our only agreement at this time is with AVL Information Systems Ltd. If we are unable to develop these key relationships and enter into other commercial agreements, we will suffer material and adverse consequences. Our dependence on strategic relationships will make us vulnerable to changes in the operations of those partners.

IF THE SPRYTE SYSTEM(TM) DOES NOT DELIVER THE FEATURES AND FUNCTIONALITY POTENTIAL CUSTOMERS DEMAND, WE WILL BE UNABLE TO ATTRACT OR RETAIN CUSTOMERS.

Our success depends upon our ability to determine the features and functionality our anticipated customers demand and to license and implement systems that meet their needs in an efficient manner. We cannot assure you that we can successfully determine customer requirements or that our future services will adequately satisfy customer demands. The automatic vehicle location industry and its associated products are in its infancy, and we are not certain that our target customers will widely adopt the Spryte System(TM). If our target

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customers do not widely adopt and purchase the Spryte System(TM), our business, financial condition and operations will be adversely affected.

WE MAY ENCOUNTER DIFFICULTIES BY RELYING ON OUR FOREIGN SUPPLIERS AND FOREIGN MANUFACTURERS.

Under our distribution agreement, we are licensed to market and distribute certain technology, parts, components and products from AVL Information Systems Ltd., in Ontario, Canada. The relative value of the United States dollar against foreign currencies, the imposition of tariffs, import and export controls, and changes in governmental policies could significantly affect financial condition.

OUR OFFICERS AND DIRECTORS ARE ONLY DEVOTING A LIMITED TIME TO OUR BUSINESS, AND THE LOSS OF OUR OFFICERS AND DIRECTORS OR OUR FAILURE TO ATTRACT AND RETAIN ADDITIONAL PERSONNEL COULD ADVERSELY AFFECT OUR BUSINESS.

Our success depends largely upon the efforts, abilities, and decision-making of our executive officers and directors. At this time, our executive officers and directors are only devoting a limited amount of time to our business. We have no employees. We do not maintain "key-man" life insurance on any of our executives or directors, and there is no contract in place assuring their services for any length of time. There can be no assurance that the services of our executive officers and directors will remain available to us for any period of time, or that we will be able to enter into employment contracts with any additional personnel. The loss of any of our executive officers and directors could, to varying degrees, have an adverse effect on our operations and systems development. In the event that we should lose key members of our executive officers or directors, or if we unable to find suitable replacements, we may not be able to maintain our business and might have to cease operations, in which case you might lose all of your investment.

WE HAVE A NEGATIVE NET TANGIBLE BOOK VALUE.

The initial public offering price of our units does not necessarily bear any relationship to the assets, book value or net worth of our company. At December 31, 2001, we had a negative net tangible book value of \$16,416.

AVL INFORMATION SYSTEMS LTD. WILL CONTINUE TO OWN A MAJORITY OF OUR COMMON STOCK AFTER THIS OFFERING AND MAY ACT, OR PREVENT CERTAIN TYPES OF CORPORATE ACTIONS, TO THE DETRIMENT OF OTHER STOCKHOLDERS.

Even if all of the units offered are sold, AVL Information Systems Ltd. will own more than 70% of our outstanding common stock. Accordingly, AVL Information Systems Ltd. exercise significant influence over all matters requiring stockholder approval, including the election of a majority of the directors and the determination of significant corporate actions after this offering. This concentration could also have the effect of delaying or preventing a change in control that could otherwise be beneficial to our stockholders.

RISKS ASSOCIATED WITH THE AUTOMATIC VEHICLE LOCATION INDUSTRY AND GLOBAL POSITIONING SYSTEM TECHNOLOGY

THE SPRYTE SYSTEM(TM) DEPENDS ON WIRELESS NETWORKS OWNED AND CONTROLLED BY OTHERS. IF POTENTIAL CUSTOMERS DO NOT HAVE CONTINUED ACCESS TO SUFFICIENT

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CAPACITY ON RELIABLE NETWORKS, WE MAY BE UNABLE TO SELL THE SPRYTE SYSTEM(TM).

Our ability to generate revenues will depend on the ability of wireless carriers to provide sufficient network capacity, reliability and security to our anticipated customers. Even where wireless carriers provide coverage to entire metropolitan areas, there are occasional lapses in coverage due to tall buildings blocking the transmission of data. This effect could make our intended systems less reliable and useful, and we may not be able to penetrate our target market. Our financial condition could be seriously harmed if the wireless carriers were to increase the prices of their services, or to suffer operational or technical failures. If wireless carriers do not expand coverage, we may be unable to offer the Spryte System(TM) to potential customers in those areas.

THE SPRYTE SYSTEM(TM) DEPENDS ON GLOBAL POSITIONING SYSTEM TECHNOLOGY OWNED AND CONTROLLED BY OTHERS. IF WE ARE UNABLE TO ACCESS GLOBAL POSITIONING TECHNOLOGY AND SATELLITES, WE WILL BE UNABLE TO DELIVER THE SPRYTE SYSTEM(TM) AND WE WILL NOT BE ABLE TO GENERATE REVENUES.

The Spryte System(TM) relies on signals from Global Positioning System satellites built and maintained by the U.S. Department of Defense. Global Positioning System satellites and their ground support systems are subject to electronic and mechanical failures and sabotage. If one or more satellites malfunction, there could be a substantial delay before they are repaired or replaced, if at all, and the Spryte System(TM) may cease and customer satisfaction, if any, would suffer. In addition, the U.S. government could decide not to continue to operate and maintain Global Positioning System satellites over a long period of time or to charge for the use of the Global Positioning System. Furthermore, because of ever-increasing commercial applications of the Global Positioning System, other U.S. government agencies may become involved in the administration or the regulation of the use of Global Positioning System signals in the future. If the foregoing factors affect the Global Positioning System, such as by affecting the availability and pricing of Global Positioning System technology, our business will suffer.

GLOBAL POSITIONING SYSTEM TECHNOLOGY DEPENDS ON THE USE OF RADIO FREQUENCY SPECTRUM CONTROLLED BY OTHERS.

Global Positioning System technology is dependent on the use of radio frequency spectrum. An international organization known as the International Telecommunications Union controls the assignment of spectrum. If the International Telecommunications Union reallocates radio frequency spectrum, the Spryte System(TM) may become less useful or less reliable. This would, in turn, harm our business. In addition, emissions from mobile satellites and other equipment using other frequency bands may adversely affect the utility and reliability of the Spryte System(TM).

DEFECTS OR ERRORS IN THE SPRYTE SYSTEM(TM) COULD RESULT IN CANCELLATION OR DELAYS, WHICH WOULD DAMAGE OUR REPUTATION AND HARM OUR FINANCIAL CONDITION.

Automatic vehicle location systems must quickly keep pace with the rapidly changing Global Positioning System, wireless communications and Internet markets. Products and services that address these markets are likely to contain undetected errors or defects, especially when first introduced or when new versions are introduced. The Spryte System(TM) may not be free from errors or defects, which could result in the cancellation or disruption of its services. This would damage our reputation, and result in lost revenues, diverted development resources, and increased costs.

FORWARD-LOOKING STATEMENTS

Some information contained in this prospectus may contain forward-looking statements. These statements include comments relating to the

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development of our automatic vehicle location systems, the timing of product development and related costs and expenses, revenues, financing needs, the availability of financing on acceptable terms, and the market for the automatic vehicle location products and services. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "intend" and similar expressions are subject to business and economic risks and uncertainties, and our actual results of operations may differ materially from those contained in the forward-looking statements.

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DILUTION

"Dilution" represents the difference between the public offering price per share of common stock and the adjusted pro forma net tangible book value per share of common stock immediately after the completion of this offering. Dilution arises mainly from our arbitrary decision about the offering price per share of common stock. In this offering, the level of dilution will increase as a result of our low net tangible book value before this offering.

The following table illustrates the anticipated dilution of a new investor's equity in a share of common stock at different amounts of success with this offering, based on our net tangible book value at December 31, 2000:

	10% SOLD	50% SOLD
Offering price per share of common stock	\$0.10	
Net tangible book value per common share before offering	\$(0.0009)	\$
Increase per share attributable to new investors	\$(0.0004)	\$
Pro forma net tangible book value per common share after offering	\$(0.00126)	\$
Dilution per common share to new investors	\$0.10126	\$
Percentage dilution	101.26%	

The following table sets forth, as of December 31, 2000, after giving effect to the sale of 10%, 50%, and 100% of the offering, a comparison of the respective investment and equity of the current shareholders and investors purchasing shares in this offering.

	10% OF OFFERING SOLD		
	SHARES PURCHASED NUMBER	PERCENT	TOTAL CONSIDERATION AMOUNT

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Existing shareholders	18,700,000	98.7%	\$18,700
New investors	250,000	1.3%	\$25,000
Total	18,950,000	100.0%	\$43,700

50% OF OFFERING SOLD

	SHARES PURCHASED NUMBER	PERCENT	TOTAL CONSIDERATION AMOUNT
Existing shareholders	18,700,000	93.7%	\$18,700
New investors	1,250,000	6.3%	\$125,000
Total	19,950,000	100.0%	\$143,700

100% OF OFFERING SOLD

	SHARES PURCHASED NUMBER	PERCENT	TOTAL CONSIDERATION AMOUNT
Existing shareholders	18,700,000	88.2%	\$18,700
New investors	2,500,000	11.8%	\$250,000
Total	21,200,000	100.0%	\$268,700

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Prior to this offering, there has been no public market for our common stock. An active public market for our common stock may not develop or be sustained after this offering. If an active market for our common stock does not develop, the liquidity of your investment may be limited, and the price of our common stock may decline below its initial public offering price. The initial public offering price has been determined arbitrarily by us and bears no relationship to the price that will prevail in the public market.

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As of April 11, 2001, there were nine (9) record holders of our common stock, owning 18,700,000 shares, all of which are restricted and not free-trading. At this time, none of these shares can be sold under Rule 144 of the Securities Act of 1933. The holders are entitled to dividends when, and if, declared by our board of directors.

Assuming that a public market for our common stock develops, which there can be no assurance, our common stock will be subject to rules promulgated by the SEC relating to "penny stocks," which apply to non-NASDAQ companies whose stock trades at less than \$5.00 per share or whose tangible net worth is less than \$2,000,000. These rules require brokers who sell "penny stocks" to persons other than established customers and "accredited investors" to complete certain documentation, make suitability inquiries of investors, and provide investors with certain information concerning the risks of trading in the security. These rules may discourage or restrict the ability of brokers to sell our common stock and may affect the secondary market for the common stock.

DIVIDEND POLICY

We have never paid any cash dividends on our common stock and intend to retain future earnings, if any, to finance the development and expansion of our business. Our future dividend policy is subject to the discretion of our board of directors and will depend upon a number of factors, including our future earnings, capital requirements, and financial condition.

USE OF PROCEEDS

The principal purposes of this offering are to become a U.S. publicly traded company, and to implement our distribution agreement with AVL Information Systems Ltd. If we sell all of the units being offered, our net proceeds are estimated to be \$195,000 after the offering expenses estimated at \$30,000 and a 10% selling commission on all of the units payable by us. To the extent that we sell more units without using the services of a placement agent, the net proceeds will increase. There can be no assurance that we will be able sell any of the units or receive any proceeds from the offering.

We expect that our cash requirements will exist principally in the following areas and, based upon the level of success we achieve in this offering, we anticipate using the proceeds to implement the distribution agreement as follows:

	Level of Success	
	10%	50%
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OPERATING EXPENSES		
Commissions & Compensation	\$ 0	\$ 3
Sales and Marketing	0	
Promotional and Advertising	0	
Travel	0	
WORKING CAPITAL	0	1
CAPITAL EXPENDITURES	0	
GENERAL AND ADMINISTRATIVE EXPENSES		
Subscriptions and Fees	0	
Office and Administration	0	
Insurance	0	
Legal	9,500	1
Accounting	10,000	1
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TOTAL -

\$ 19,500

\$ 9

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If we are only able to achieve a minimum level of success in this offering, we will require additional financing which may include:

- o short-term loans from affiliates;
- o bank borrowings;
- o joint ventures; and
- o future debt and equity offerings.

We cannot assure you that financing will be available on acceptable terms, or at all. Any additional financing may result in dilution to our shareholders, including those people who purchase our units in this offering. Our failure to obtain external financing will have a material adverse effect on our results of operations and financial condition. If we cannot obtain external financing when needed, we may be forced to cease operations and abandon our business, and you may lose your entire investment.

The amount and timing of our actual expenditures for each of these purposes will vary significantly depending on a number of factors, including our licensing agreements and related development efforts, competition, marketing and sales activities, and market acceptance. While we have prepared internal forecasts, we believe that these forecasts, as they apply to periods extending beyond the next few months, are inherently unreliable and that our actual cash requirements will differ materially from those we presently forecast. Our directors have discretion in the allocation and use of the net proceeds of this offering. Pending such uses, we intend to invest the proceeds from this offering in short term, investment-grade, and interest bearing securities.

Our current business plan has identified total capital requirements over the next several years that are substantially more than the anticipated offering proceeds. If we are able to sell all of the units, we believe the net proceeds of this offering will be sufficient to fund our operations for at least the next twelve months. If we are able to sell only 50% of the units, we believe the net proceeds will be sufficient to fund our operations for the next four to six months. If we are able to sell 10% of the units, we will require additional financing to maintain our operations. Although we will most likely receive related party loans, we cannot assure you that financing will be available. As a result, you may lose your entire investment.

SELECTED FINANCIAL DATA

Our selected financial data for the year ended December 31, 2000 shown below is derived from the audited financial statements prepared by Stark Tinter & Associates, LLC, independent auditors. Stark Tinter & Associates, LLC has also audited our financial statements for the period March 8, 1999 (inception) to December 31, 1999. The financial data derived from the statements and shown below should be read in conjunction with our financial statements and the notes included elsewhere in this prospectus and to "Management's Discussion and Analysis of Financial Condition and/or Plan of Operations" which follows.

BALANCE SHEET DATA:

DECEMBER 31, 2000

DECEMBER 31, 1999

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Current Assets	\$4,479	\$471
Total Assets	\$4,479	\$471
Current Liabilities	\$20,895	\$3,500
Stockholders' Deficiency	\$(16,416)	\$(3,029)
Working Capital Deficiency	\$(16,416)	\$(3,029)

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STATEMENT OF LOSS DATA:

	YEAR ENDED DECEMBER 31, 2000	MARCH 8, 1999 THROUGH DECEMBER 31, 1999
Revenues	\$0	\$0
Net Loss	\$(32,087)	\$(3,029)
Net Loss per Share	\$(0.00)	\$(0.00)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND/OR PLAN OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and the related notes included in this prospectus. This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ significantly from those projected in the forward-looking statements as a result of many factors, including those discussed in "Risk Factors", "Business" and elsewhere in this prospectus.

OVERVIEW

We were incorporated in the state of Nevada on March 8, 1999 by AVL Information Systems Ltd. and its principal officer and directors. AVL Information Systems Ltd. is a Canadian public company that owns and licenses certain technology and automatic vehicle location systems. On January 7, 2001, we entered into a non-exclusive worldwide International Distribution Agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute an automatic vehicle location system called the Spryte System(TM). The Spryte System(TM) integrates Global Positioning System technology, cellular-wireless communications and the Internet to enable companies to efficiently manage their mobile resources with location-relevant and time-sensitive information. While there are several ways to transmit information from a vehicle to a central location, we believe that the Spryte System(TM) provides significant value to customers by reducing their costs of doing business and increasing the productivity of their mobile resources.

We are in the development stage and have not generated any revenues. We have a cumulative net loss of \$35,116 through December 31, 2000. We have suffered losses from operations and require additional financing. Ultimately we need to generate revenues and successfully attain profitable operations. The marketing and distribution of the Spryte System(TM) may take years to complete and the amount of resulting revenues, if any, is difficult to determine. Our previous capital needs have been met by equity offerings, and we have issued common stock in exchange for services rendered and funds advanced by related parties. These factors raise substantial doubt about our ability to continue as

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a going concern. There can be no assurance that we will be able to market and distribute the Spryte System(TM). Even if we are able to market and distribute the system, there is no assurance that we will be able to generate revenues and attain profitable operations.

RESULTS FROM OPERATIONS

We have a limited operating history. We incurred a net loss of \$32,087 for the year ended December 31, 2000, and had a net loss of \$3,029 for the period ended December 31, 1999.

LIQUIDITY AND FINANCIAL CONDITION

For the year ended December 31, 2000, the statement of cash flows reflects net cash used in operating activities of \$29,992, which was offset by net cash provided by financing activities of \$34,000. At December 31, 2000, we had cash of \$4,479, and a working capital deficit of \$16,416. All of our liabilities consist of advances from related parties. Since we have no source of revenue, our working capital will be depleted by operating expenses and we will be dependent upon external sources of cash. If we are able to sell all of the units in this offering, we believe the net proceeds of this offering will be sufficient to fund our operations for at least the next twelve months.

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PLAN OF OPERATION

At this time, we intend to establish relationships with a number of other companies to accelerate the implementation of the distribution agreement and the sale of the Spryte Systems(TM). We believe that our status as a U.S. publicly traded company will assist us in establishing strategic alliances because of our perceived level of credibility and access to capital in the U.S. markets. We intend to establish relationships with existing companies engaged in the automatic vehicle location industry, wireless carriers, manufacturers, distributors, and Internet companies. We intend to create relationships and to retain consultants and contractors with established connections in the telecommunication and application service provider industries. We foresee that the compensation would be commission based. Depending upon the market acceptance of the Spryte System(TM), we may hire employees in the foreseeable future.

We believe that establishing a network of alliances, while not a small task, can be accomplished in a shorter period of time and at less cost than building a comparable direct sales infrastructure. It is our priority to establish a channel partner network in the U.S. and Canada, and recruit international channel partners as opportunities present themselves.

We expect to generate revenues by selling the Spryte Systems(TM) at cost plus margin. Under the distribution agreement, all orders are shipped common carrier FOB destination, and we are required to pay 30% of the total order price the time of ordering, 30% upon delivery of the order, and 40% within 30 days after installation. We believe the amount of margin will vary depending on the time, expense, and size of sale. We expect to realize revenues within the next three months.

We do not expect to purchase any significant equipment during the next twelve months, nor do we expect to hire a significant number of employees during that time period. We expect to finance our objectives through the proceeds of this offering.

BUSINESS

OVERVIEW

We market and distribute the Spryte System(TM) , an automatic vehicle location system that integrates Global Positioning System technology, cellular-wireless communications and the Internet to enable companies to efficiently manage their mobile resources with location-relevant and time-sensitive information. The management of vehicles and other mobile resources is complex. We chose the Spryte System(TM) because we believe it is easy-to-use, cost-effective, and allows customers to efficiently use the Internet to track the movement of their vehicles, employees, and goods and services.

INDUSTRY BACKGROUND

GLOBAL POSITIONING SYSTEM TECHNOLOGY. Most location-aware applications today rely upon Global Positioning System technology. Global Positioning System technology is based on a system of more than 24 satellites that transmit longitude, latitude, altitude and time information to Global Positioning System receiving and processing devices anywhere in the world. Because of improvements in Global Positioning System receiver technology and reductions in the cost of Global Positioning System enabling components, there has been a proliferation of Global Positioning System devices for commercial applications. We believe the significant areas of growth include vehicle positioning and navigation, mobile computing devices, and wireless telephones and portable recreational receivers. Due to the worldwide automotive industry, we expect vehicle location and navigation to be one of the most promising areas of future deployment of Global Positioning System technology.

CELLUAR-WIRELESS COMMUNICATIONS. Rapid technology advances in wireless communications are enabling companies and individuals to efficiently manage their mobile resources with location-relevant and time-sensitive information. Wireless communications has grown due to declining usage costs, the proliferation of wireless telephones and mobile computing devices, expanding network coverage and the integration of enhanced features such as voice and text messaging. We believe that as global wireless coverage increases and broadband wireless

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transmission technologies are deployed, more users will be able to access more data over wireless networks, which will facilitate their access to information and business applications on the Internet.

INTERNET. The Internet has emerged as a global communications medium to deliver and share information and to conduct business electronically. The growth in the number of Internet users has led to the proliferation of information and services available on the Internet, including e-commerce, e-mail and other content. Businesses and individuals are using the Internet as a medium for managing business-critical functions, household items, finances, customer relationships and communication. We expect businesses and individuals to conduct an increasing amount of activity over the Internet.

THE SPRYTE SYSTEM(TM)

The Spryte System(TM) is an automatic vehicle location system owned

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by AVL Information Systems Ltd. The Spryte System(TM) is designed for the commercial carrier, and allows a fleet manager, at its base station, to simultaneously view the location, operational status and event-based indicators of each fleet vehicle on a digitized computer map display. The information is displayed in real-time. The platforms of the Spryte System(TM) include a menu of status indicators which represent the event-based nature of the system. The status or event-based indicators include a variety of vehicle conditions, such as the ignition, speed, sirens, emergency lights, excessive speed, collision, vehicle problems and duress. We believe that event-based indicators will allow a fleet manager to assemble and adapt its vehicle resources for optimum deployment as well as respond in a timely manner to delay and unforeseen situations.

The Spryte System(TM) has three software modules: the listener, mapping and server modules, which collaborate with one another to analyze and present the status of a vehicle to the fleet manager. The listener module collects data transmission from various vehicles in a fleet, interprets the information, and delivers the information to the server module. The mapping module consists of commercially available software that displays the most current maps of the fleet manager's area of activity, including roads, highways, street names and address locations. The mapping module also accommodates map edits and updates, as well as geographic analyses such as point-to-point distance and distance traveled. With the assistance of the listener and mapping modules, the server module displays, in real-time, the location of each vehicle on the map, together with the current status of the event-based indicators. The Spryte System(TM) also allows the customer to store and archive the information. This allows a fleet manager to analyze historical vehicle movement patterns to achieve more efficient results and/or to use the information to calculate performance metrics.

The Spryte System(TM) accommodates all three traditional mediums of communication from a vehicle to the base station: satellite, mobile radio and cellular. The Spryte System(TM) has the ability to switch automatically from one medium to another if the signal strength of a medium degrades. We believe the communication redundancy capability should provide added assurance for our potential customers.

We believe that the event-based approach will give customers an advantage over the conventional method of polling each vehicle periodically according to a routine schedule. We believe the conventional method is cost prohibitive, ineffective, and fails to report critical events. We believe the event-based communication uses airtime for data transmission more efficiently, and will accommodate four times more vehicles than the standard polling approach. Also, the event-based communication appears to have the ability to combine polling functions, if needed, with event-based monitoring to meet the demand of our potential customers.

INTERNATIONAL DISTRIBUTION AGREEMENT WITH AVL INFORMATION SYSTEMS LTD.

We do not own any proprietary or technological right to the Spryte System(TM). On January 7, 2001, we entered into a worldwide distribution agreement with AVL Information Systems Ltd. Under the agreement, we are licensed to market and distribute the Spryte System(TM) for a term of 4 years, with an automatic option to renew the term for an additional 4 years. The agreement is non-exclusive, which means that our competitors may have access to the same technology granted to us. Either party may terminate the agreement by providing 60 day written notice. At this time, we believe our relationship with AVL Information Systems Ltd. is good and do not foresee any reason to terminate the agreement.

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PROTECTION OF TECHNOLOGY

Under the distribution agreement, we are required to protect the proprietary information licensed to us. We will rely on a combination of trade secret, trademark and copyright laws, and nondisclosure and other contractual agreements.. We intend to enter into nondisclosure agreements with our employees, consultants, distributors and corporate partners and limit access to and distribution of all proprietary information. It may be possible for a third party to misappropriate or infringe on the proprietary information licensed to us. Third parties may also independently discover or invent competing technologies or reverse engineer our trade secrets, software or other technology. In addition, foreign countries may treat the protection of proprietary rights differently from, and may not protect proprietary rights to the same extent as, the laws of the U.S. Therefore, the measures we take to protect the proprietary rights licensed to us may not be adequate.

KEY ALLIANCES AND RELATIONSHIPS

At this time, our only key alliance is with AVL Information Systems Ltd. AVL Information Systems Ltd. is an affiliate of our company and became our controlling shareholder by accepting shares of common stock in exchange for funds advanced. Some of our officers and directors are also officers and directors of AVL Information Systems Ltd. AVL Information Systems Ltd. and a common director have provided substantially all of our funding, and they are assisting us in discussions with third parties concerning possible strategic alliances.

At this time, we rely entirely upon our relationship with AVL Information Systems Ltd. and our distribution agreement with AVL Information Systems Ltd. Our dependence upon AVL Information Systems Ltd. has made us vulnerable to changes in its operations. AVL Information Systems Ltd. has incurred significant operating losses over the past six fiscal years and has a working capital deficiency which casts doubt upon its ability to continue as a going concern. The financial position of AVL Information Systems Ltd. and its prior operating history may have a negative effect on our intended operations. If we are unable to develop other key relationships, we may suffer material and adverse consequences.

We intend to establish relationships with a number of other companies to facilitate the implementation of the distribution agreement and to accelerate the marketing and sale of the Spryte System(TM) We believe that establishing other strategic relationships will facilitate our business and provide access to emerging technologies and customers. We intend to establish relationships with existing companies engaged in the automatic vehicle location industry, wireless carriers, manufacturers, distributors, and Internet companies. We cannot give you any assurance that we will be able to develop or maintain other strategic alliances.

RESEARCH AND DEVELOPMENT

At this time, we do not develop automatic vehicle location systems and related technology. We have not spent any money on research and development.

MANUFACTURING

At this time, we do not manufacture the Spryte System(TM) and related technology.

SALES AND MARKETING

We will market the Spryte Systems(TM) in the U.S. and internationally to shipping and delivery companies, other fleet operators, rental car companies, railroad and transportation companies, government agencies and municipalities, and private motor vehicle owners. We anticipate using marketing activities to establish and build our name recognition. We intend to use a variety of target marketing communications techniques to achieve this, such as public relations programs, advertising, industry and consumer promotions, Internet advertising, and co-marketing and co-branding with wireless carriers. We anticipate achieving our marketing objective by establishing a network of strategic partners. We may also develop a direct sales force to call on potential customers with large fleets and work with wireless carrier partners and independent sales agents to increase our customer base.

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COMPETITION

We compete with companies that offer the ability to obtain location-relevant information about their mobile resources. We also compete with alternative means of communication between vehicles and their managers or owners, including wireless telephones, two-way radios, and pagers. We expect competition to increase.

Within each of our markets, we face competition from public and private companies as well as our potential customers' in-house design efforts. OmniTRACS is a service from Qualcomm that uses satellite communications technology to manage fleets of trucks that travel extended distances between urban areas, referred to as long-haul trucking. Other potential competitors include wireless Internet companies, such as Aether Systems, Phone.com and Research in Motion, companies working on emergency-911 solutions, such as TruePosition, companies with solutions that integrate locations, wireless communications, and call centers, such as General Motors, and companies that provide wireless, location-relevant applications such as SignalSoft and At Road Inc.

We compete primarily on the basis of price, ease of use, functionality, quality and geographic coverage. Due to our small size, it can be assumed that most if not all of our competitors have significantly greater financial, technical, marketing and other competitive resources. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than we can. In addition, our current and potential competitors may bundle their products in a manner that may discourage users from purchasing our products. Also, our competitors and potential competitors may have greater name recognition and more extensive customer bases that could be leveraged, for example, to position themselves as being more experienced, having better products, and being more knowledgeable than us. To compete, we may be forced to offer lower prices and narrow our marketing focus, resulting in reduced revenues, if any.

EMPLOYEES

We have no employees as of the date of this prospectus. We intend to implement the distribution agreement with AVL Information Systems Ltd. through the services of our officers and directors, and by retaining consultants and independent contractors. We intend to create relationships and retain consultants and contractors with established connections in the telecommunication and application service provider industries. We foresee that

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compensation would be commission based. Depending upon the market acceptance of the Spryte System(TM), we may hire employees in the foreseeable future.

FACILITIES

Our principal offices are located at 3031 Commerce Drive, Building B, Fort Gratiot , Michigan 48058. Under an oral agreement, we are occupying these offices on a "rent-free" basis from our affiliate, AVL Information Systems Ltd. We intend to enter into a written sub-lease agreement with AVL Information Systems Ltd. within the next few months. We believe that our current facilities are adequate to meet our needs at this time.

LEGAL PROCEEDINGS

There are no legal proceedings pending and, to the best of our knowledge, there are no legal proceedings contemplated or threatened.

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MANAGEMENT

OFFICERS AND DIRECTORS

Our officers and directors are as follows:

NAME	AGE	POSITION
Barbara Castanon	48	President, Vice President of Sales and Marketing, and Director since inception.
Peter W. Fisher	54	Secretary, Treasurer and Chairman of the Board of Directors since April 2000.
Bernd Luwe	53	Vice President of Operations and Chief Technology Officer since April 2000.

The term of office of each director ends at the next annual meeting of our stockholders or when such director's successor is elected and qualifies. The term of office of each officer ends at the next annual meeting of our board of directors, expected to take place immediately after the next annual meeting of stockholders, or when such officer's successor is elected and qualifies. Since our inception, we have not had an annual meeting of our stockholders.

BARBARA CASTANON, DIRECTOR, PRESIDENT, AND VICE PRESIDENT OF SALES AND MARKETING. Since 1995, Ms. Castanon has been the director of business development and program manager for international programs/advanced analysis at GRC International, Inc., an information service provider located in Vienna, Virginia. In this capacity, Ms. Castanon is responsible for business development. From 1993 to 1995, she was a private consultant in the fields of international finance and business development. From 1990 to 1993, Ms. Castanon was a manager in the international finance and marketing division at Hughes Network Systems in Germantown, Maryland. During this time, she was also a member of the board of directors for Sunwize Energy Systems, Inc., in Chicago, Illinois.

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From 1988 to 1990, Ms. Castanon was the senior marketing manager for Amoco Technologies, Solarex Corp., the solar energy research division in Rockville, Maryland. During 1985 to 1988, she was the corporate finance, risk and cash manager for Atlantic Research Corp., an information technology service provider located in Alexandria, Virginia. From 1980 to 1985, Ms. Castanon was a manager in the leasing division of Moriah Data Corp., a computer hardware and software leasing company located in Chantilly, Virginia. Ms. Castanon received a Bachelor of Science in Business, with emphasis in finance and marketing from the University of Maryland, College Park, Maryland.

PETER W. FISHER, DIRECTOR, SECRETARY AND TREASURER. Since 1992, Mr. Fisher has been the chairman and chief executive officer of AVL Information Systems Ltd., Ontario, Canada, a Canadian public company listed over-the-counter in Toronto. AVL Information Systems Ltd. develops and markets automatic vehicle location systems. From 1987 to 1992, Mr. Fisher was the president and chief executive officer of Tyrae Resources, Sarina, Ontario, a junior capital pool corporation listed on the Alberta Stock Exchange. In that capacity, Mr. Fisher assisted in the development of stolen vehicle recovery technology. From 1982 to 1987, he was the president of Par Sar Investment Limited, Sarina, Ontario, a Canadian private company which provided consulting services relating to funding and structuring of private and public companies. From 1979 to 1982, Mr. Fisher was a registered representative with Richardson Securities of Canada, and from 1974 to 1979, he was an account manager and registered representative for Midland Doherty Inc. of Canada, in Sarina, Ontario.

In 1970, Mr. Fisher received a Bachelor of Arts with a major in psychology and a minor in mathematics from Simon Fraser University, Burnaby, British Columbia. He subsequently completed several Canadian securities courses and in 1980, he became a Fellow of the Canadian Securities Institute. Mr. Fisher is also a Registered Options Principal and a Registered Commodity Principal.

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BERND LUWE, VICE PRESIDENT OF OPERATIONS AND CHIEF TECHNOLOGY OFFICER. Since June 2000, Mr. Luwe has been the operations manager for AVL Information Systems Ltd. From 1996 to 2000, Mr. Luwe was the operations manager for Vasogen Inc., Toronto, Canada, a public company listed on the American Stock Exchange and the Toronto Stock Exchange. Vasogen, Inc. is a medical device manufacturer that focuses on sterile disposables. From 1990 to 1995, he was the vice president of engineering of Surface Mount Technology Centre, Ontario, Canada, a public company that specializes in the assembly of surface mounted components for computer circuit boards. From 1981 to 1989, Mr. Luwe was the founder, president and chief executive officer of Microart Services Inc., Ontario, Canada, a company engaged in the business of printed circuit design.

From 1975 to 1980, Mr. Luwe was a senior printed circuit designer with Motorola Canada, in Toronto, Ontario. From 1973 to 1975, he was a mechanical product designer for ITT Cannon, Whitby, Ontario. From 1968 to 1973, Mr. Luwe was a mechanical designer and hybrid/printed circuit designer for Collins Radio in Rockwell, New Mexico. Mr. Luwe has attended several management courses at Centennial College, in Toronto, Ontario, but did not receive a degree.

No other directorships are held by any director in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or any company registered as an investment company, under the Investment Company Act of 1940.

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AVL Information Systems Ltd., Ms. Castanon, Mr. Fisher and Mr. Luwe may be deemed to be our "promoters" and "control persons", as that term is defined in the Securities Act of 1933.

EXECUTIVE COMPENSATION

The following table sets forth the remuneration from March 8, 1999 (inception) through April 11, 2001 of our three highest paid officers and directors:

NAME OF INDIVIDUAL OR IDENTITY OF GROUP	CAPACITIES IN WHICH REMUNERATION WAS RECEIVED	AGGREGATE REMUNERATION	NUMBER OF SECURITIES
Barbara M. Castanon	President, Vice President of	\$100 (1)	