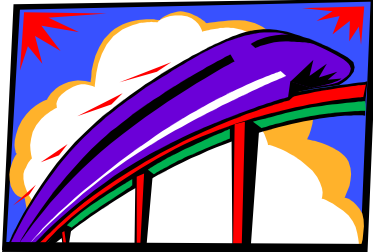


MEMO -- IRS REG SEC 6039

The FRS "3921-22 EXPRESS" – Filing made easy!



- ✓ FRS has developed the "3921-22 Express".

It is a web-based solution to automatically merge your software report onto pre-programmed IRS Forms 3921 and 3922.

- ✓ We will file the Forms for you! FRS Equity Strategies will file the Forms 3921 and 3922 at a nominal fee for any corporation. Call for a quote – 408-727-0227.

In a nutshell, the IRS now requires that incentive stock option exercises and employee stock purchase plan transfers must be reported on a Form 3921 and 3922 respectively. The Forms must contain certain data and be filed to the IRS and reported to the employee. FRS has a full data sheet to explain all the considerations for compliance.

All the software applications – Equity Edge, EASi, Express Options, eProsper and others - will have a standard report that provides the information needed for these new IRS Forms.

A Suite of FRS Software Program Tools for Equity Compensation

FRS maintains the Tools on our Secure Site so that we can update and add functionality easily. The Tools are accessible to our clients anywhere there is an internet connection. We have tools that take reports out of a stock plan administration software for:

- ✓ Tax Reports Interface for the Payroll Dept. We call our Tool the "PRI". The interface tool will automatically generate the upload needed for your ADP or other payroll system.
- ✓ On-line Grant Agreements for EASi and other software.
- ✓ The "3921-22 Express". Auto-generate data onto pre-programmed IRS forms.

FRS Equity Strategies provides the following services to both private and publicly-owned companies. We work with a wide range of organizations from start-up to Fortune 1000 companies. Our professional staff is comprised of individuals with advanced degrees and certifications in accounting, tax, law and business. We are SAS70 certified, ensuring that our processes meet the highest standards of security and confidentiality. For further details on all our services, please visit our website: www.frsequitystrategies.com.

Out-Sourcing

- We provide a full-service management and administration service customized to the needs of your organization and your current processes.
- Our services cover all aspects of employee equity plan management, addressing up to 50% more corporate responsibilities than those handled by brokers, law firms, or other third-party vendors.
- Our team is highly experienced with a variety of equity plan management software platforms including those from EASi's EMS, E*Trade's Equity Edge, eProsper's CapMx, Transcentive's Express Options and more.

Consulting

- We offer services on a project basis or an on-going basis to provide you with a variety of assistance with the management of your employee equity plans.
- ASC Topic 718 (FAS123R) fair valuation and expense allocation reporting.
- Database integration related to mergers and acquisitions.
- Software conversion and implementation for new applications and transitions between applications.
- Audits of historical data and ongoing processes for compliance.
- Other special projects as needed.

Training

- Remote web classes or onsite training services to provide your employees with the education to understand their equity plan benefits.
- Seminars and "boot-camps" on regulations, accounting, tax and compliance issues, how to avoid liability and manage risks.