

# **EXHIBIT C**

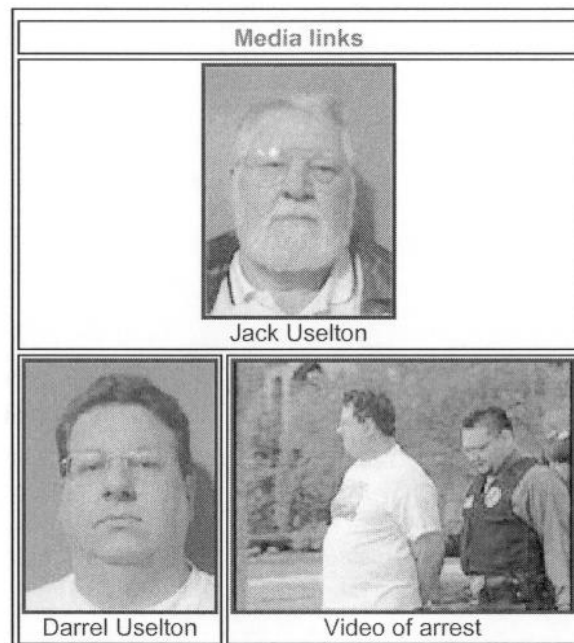
Monday, July 9, 2007

## Texas Attorney General, SEC File Market Manipulation and Stock Fraud Charges Against Two Texas Residents

### Illegal “botnets” used to cheat investors out of more than \$4.6 million

**HOUSTON** – Texas Attorney General Greg Abbott’s Special Investigations Unit charged two Texas residents with devising an illegal high-tech scheme to defraud investors out of more than \$4.6 million. Both suspects, who were indicted July 3 by a Harris County grand jury, are the subjects of an ongoing investigation by several states and the Securities and Exchange Commission (SEC). In addition to the state’s charges, the suspects face securities fraud charges, which were filed today by the SEC.

Darrel Uselton, 40, of Katy, and his uncle, Jack Uselton, 69, of Houston, face organized criminal activity and money laundering charges. According to state and federal investigators, the Useltons reaped millions in illegal profits by promoting shares from at least 13 penny stock companies. The suspects then secretly sold those stocks into an artificially active market they created with manipulative trading schemes, spam e-mail campaigns, direct mailers, and Internet-based promotional activities.



The case is being prosecuted by the Texas Attorney General’s Office (OAG) and the Office of Harris County District Attorney Chuck Rosenthal with investigative assistance from the New York Attorney General’s Office. OAG investigators have seized more than \$4.2 million from bank accounts associated with the defendants. Darrel Uselton was arrested by OAG investigators and is currently being held in Harris County Jail in lieu of \$8 million bond. An arrest warrant has been issued for Jack Uselton.

“Investors will not tolerate scam artists who use the Internet to illegally manipulate stock prices,” Attorney General Abbott said. “Together with several states and the SEC, we have uncovered an elaborate scheme to defraud unwitting investors. The Office of the Attorney General will aggressively prosecute market manipulators, spammers and con artists whose illegal schemes defraud unsuspecting citizens.”

SEC Chairman Christopher Cox added: "This latest step in the Commission's anti-spam initiative is intended to protect investors from fraud artists who would treat the investing public as their personal ATM machines. The use of bots to spread investment spam at exponentially higher rates is making this type of fraud an even more virulent threat to ordinary investors. Not only are victims getting hit with get-rich-quick spam, but by turning the victims' computers into zombies, these fraudsters are sending out still more spam to others. Given estimates that up to one quarter of all personal computers connected to the Internet are part of a botnet, and the thriving market in selling lists of compromised computers to hackers and spammers, the SEC is taking this very seriously. We remain aggressively committed to tracking down anyone attempting to use bots to prey on investors with false or misleading spam about securities."

The Commission's complaint, which it filed with the U.S. District Court in Houston, charges the Useltons with orchestrating a series of spam e-mail campaigns. The scheme, which relied on an array of computer "botnets," touted near-worthless penny stocks in millions of spam e-mails sent to potential investors. Those unsolicited electronic messages included baseless price projections and other unfounded claims. Each campaign, which featured a single company, lasted anywhere from several days to several weeks.

According to the SEC's complaint, the Useltons earned more than \$4.6 million from their fraudulent scheme between May 2005 and December 2006. The SEC's complaint indicates the Useltons and companies they controlled received unrestricted penny stock shares despite little or no investment. Those shares were allegedly provided in return for their purported financing or promotional activities.

Darrel Uselton was disciplined by the National Association of Securities Dealers (NASD) in 2004 and 2005. In a 2002 action that has since settled, the SEC permanently enjoined Jack Uselton from violating anti-fraud regulations.