

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-SB

GENERAL FORM FOR REGISTRATION OF SECURITIES
OF SMALL BUSINESS ISSUERS

Under Section 12(b) or (g) of the Securities Exchange Act of 1934

CACTUS VENTURES, INC.

(Name of Small Business Issuer in its charter)

Nevada

State or other jurisdiction of
incorporation or organization)

88-0378336

I.R.S. Employer
Identification No.)

251 Jeanell Dr., Suite 3, Carson City, NV 89703

(Address of Principal Executive Offices including Zip Code)

Issuer's telephone number: **702-234-4148**

Securities to be registered under Section 12(b) of the Act:

Title of each class
to be so registered

Name of each exchange on which
Each class is to be registered

Securities to be registered under Section 12(g) of the Act:

Common, Par Value \$.01

(Title of Class)

INFORMATION REQUIRED IN REGISTRATION STATEMENT

This Form 10-SB contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose any statements contained in this Form 10-SB that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as “may,” “will,” “expect,” “believe,” “anticipate,” “estimate” or “continue” or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within the Company’s control. These factors include but are not limited to economic conditions generally and in the industries in which the Company may participate; competition within the Company’s chosen industry, including competition from much larger competitors; technological advances and failure by the Company to successfully develop business relationships.

PART I

Item 1. Description of Business.

We were formed as a Nevada corporation on October 6, 1997 originally under the name Zurich U.S.A., Inc. On July 10, 2006, we changed our name to Cactus Ventures, Inc. and began pursuing our business of marketing sunglasses. The Company encountered numerous problems various vendors and ceased its operations. The Company has now focused its efforts on seeking a business opportunity. The Company will attempt to locate and negotiate with a business entity for the merger of that target company into the Company. In certain instances, a target company may wish to become a subsidiary of the Company or may wish to contribute assets to the Company rather than merge. No assurances can be given that the Company will be successful in locating or negotiating with any target company. The Company will provide a method for a foreign or domestic private company to become a reporting (“public”) company whose securities are qualified for trading in the United States secondary market.

PERCEIVED BENEFITS

There are certain perceived benefits to being a reporting company with a class of publicly-traded securities. These are commonly thought to include the following:

- * the ability to use registered securities to make acquisitions of assets or businesses;
- * increased visibility in the financial community;
- * the facilitation of borrowing from financial institutions;
- * improved trading efficiency;
- * shareholder liquidity;
- * greater ease in subsequently raising capital;
- * compensation of key employees through stock options;
- * enhanced corporate image;
- * a presence in the United States capital market

POTENTIAL TARGET COMPANIES

A business entity, if any, which may be interested in a business combination with the Company may include the following:

- * a company for which a primary purpose of becoming public is the use of its securities for the acquisition of assets or businesses;
- * a company which is unable to find an underwriter of its securities or is unable to find an underwriter of securities on terms acceptable to it;
- * a company which wishes to become public with less dilution of its common stock than would occur upon an underwriting;
- * a company which believes that it will be able to obtain investment capital on more favorable terms after it has become public;
- * a foreign company which may wish an initial entry into the United States securities market;
- * a special situation company, such as a company seeking a public market to satisfy redemption requirements under a qualified Employee Stock Option Plan;
- * a company seeking one or more of the other perceived benefits of becoming a public company.

A business combination with a target company will normally involve the transfer to the target company of the majority of the issued and outstanding common stock of the Company, and the substitution by the target company of its own management and board of directors. No assurances can be given that the Company will be able to enter into a business combination, as to the terms of a business combination, or as to the nature of the target company. The Company is voluntarily filing this Registration Statement with the Securities and Exchange Commission and is under no obligation to do so under the Securities Exchange Act of 1934.

RISK FACTORS

The Company's business is subject to numerous risk factors, including the following.

NO OPERATING HISTORY OR REVENUE AND MINIMAL ASSETS.

The Company has had very limited operating history and minimal revenues or earnings from operations. The Company has no significant assets or financial resources. The Company will, in all likelihood, sustain operating expenses without corresponding revenues, at least until the consummation of a business combination. This may result in the Company incurring a net operating loss which will increase continuously until the Company can consummate a business combination with a target company. There is no assurance that the Company can identify such a target company and consummate such a business combination.

SPECULATIVE NATURE OF THE COMPANY'S PROPOSED OPERATIONS.

The success of the Company's proposed plan of operation will depend to a great extent on the operations, financial condition and management of the identified target company. While management will prefer business combinations with entities having established operating histories, there can be no assurance that the Company will be successful in locating candidates meeting such criteria. In the event the Company completes a business combination, of which there can be no assurance, the success of the Company's operations will be dependent upon management of the target company and numerous other factors beyond the Company's control.

SCARCITY OF AND COMPETITION FOR BUSINESS OPPORTUNITIES AND COMBINATIONS.

The Company is and will continue to be an insignificant participant in the business of seeking mergers with and acquisitions of business entities. A large number of established and well-financed entities, including venture capital firms, are active in mergers and acquisitions of companies which maybe merger or acquisition target candidates for the Company. Nearly all such entities have significantly greater financial resources, technical expertise and managerial capabilities than the Company and, consequently, the Company will be at a competitive disadvantage in identifying possible business opportunities and successfully completing a business combination. Moreover, the Company will also compete with numerous other small public companies in seeking merger or acquisition candidates.

NO AGREEMENT FOR BUSINESS COMBINATION OR OTHER TRANSACTION--NO STANDARDS FOR BUSINESS COMBINATION.

The Company has no current arrangement, agreement or understanding with respect to engaging in a merger with or acquisition of a specific business entity. There can be no assurance that the Company will be successful in identifying and evaluating suitable business opportunities or in concluding a business combination. Management has not identified any particular industry or specific business within an industry for evaluation by the Company. There is no assurance that the Company will be able to negotiate a business combination on terms favorable to the Company. The Company has not established a specific length of operating history or a specified level of earnings, assets, net worth or other criteria which it will require a target company to have achieved, or without which the Company would not consider a business combination with such business entity. Accordingly, the Company may enter into a business combination with a business entity having no significant operating history, losses, limited or no potential for immediate earnings, limited assets, negative net worth or other negative characteristics.

CONTINUED MANAGEMENT CONTROL, LIMITED TIME AVAILABILITY.

While seeking a business combination, management anticipates devoting only a limited amount of time per month to the business of the Company. The Company's sole officer has not entered into a written employment agreement with the Company and he is not expected to do so in the foreseeable future. The Company has not obtained key man life insurance on its officer and director. Notwithstanding the combined limited experience and time commitment of management, loss of the services of this individual would adversely affect development of the Company's business and its likelihood of continuing operations.

CONFLICTS OF INTEREST--GENERAL.

The Company's officer and director participates in other business ventures which may compete directly with the Company. Additional conflicts of interest and non-arms length transactions may also arise in the future. Management has adopted a policy that the Company will not seek a merger with, or acquisition of, any entity in which any member of management serves as an officer, director or partner, or in which they or their family members own or hold any ownership interest. See "ITEM 5. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS--Conflicts of Interest."

REPORTING REQUIREMENTS MAY DELAY OR PRECLUDE ACQUISITION.

Section 13 of the Securities Exchange Act of 1934 (the "Exchange Act") requires companies subject thereto to provide certain information about significant acquisitions including certified financial statements for the company acquired covering one or two years, depending on the relative size of the acquisition. The time and additional costs that may be incurred by some target companies to prepare such financial statements may significantly delay or essentially preclude consummation of an otherwise desirable acquisition by the Company. Acquisition prospects that do not have or are unable to obtain the required audited statements may not be appropriate for acquisition so long as the reporting requirements of the Exchange Act are applicable.

LACK OF MARKET RESEARCH OR MARKETING ORGANIZATION.

The Company has neither conducted, nor have others made available to it, market research indicating that demand exists for the transactions contemplated by the Company. Even in the event demand exists for a merger or acquisition of the type contemplated by the Company, there is no assurance the Company will be successful in completing any such business combination.

LACK OF DIVERSIFICATION.

The Company's proposed operations, even if successful, will in all likelihood result in the Company engaging in a business combination with only one business entity. Consequently, the Company's activities will be limited to those engaged in by the business entity which the Company merges with or acquires. The Company's inability to diversify its activities into a number of areas may subject the Company to economic fluctuations within a particular business or industry and therefore increase the risks associated with the Company's operations.

REGULATION UNDER INVESTMENT COMPANY ACT.

Although the Company will be subject to regulation under the Exchange Act, management believes the Company will not be subject to regulation under the Investment Company Act of 1940, insofar as the Company will not be engaged in the business of investing or trading in securities. In the event the Company engages in business combinations which result in the Company holding passive investment interests in a number of entities, the Company could be subject to regulation under the Investment Company Act of 1940. In such event, the Company would be required to register as an investment company and could be expected to incur significant registration and compliance costs. The Company has obtained no formal determination from the Securities and Exchange Commission as to the status of the Company under the Investment Company Act of 1940 and, consequently, any violation of such Act could subject the Company to material adverse consequences.

PROBABLE CHANGE IN CONTROL AND MANAGEMENT.

A business combination involving the issuance of the Company's common stock will, in all likelihood, result in shareholders of a target company obtaining a controlling interest in the Company. Any such business combination may require shareholders of the Company to sell or transfer all or a portion of the Company's common stock held by them. The resulting change in control of the Company will likely result in removal of the present officer and director of the Company and a corresponding reduction in or elimination of his participation in the future affairs of the Company. Currently, there are no pending acquisitions, business combinations or mergers.

REDUCTION OF PERCENTAGE SHARE OWNERSHIP FOLLOWING BUSINESS COMBINATION.

The Company's primary plan of operation is based upon a business combination with a business entity which, in all likelihood, will result in the Company issuing securities to shareholders of such business entity. The issuance of previously authorized and unissued common stock of the Company would result in reduction in percentage of shares owned by the present shareholders of the Company and would most likely result in a change in control or management of the Company.

TAXATION.

Federal and state tax consequences will, in all likelihood, be major considerations in any business combination the Company may undertake. Currently, such transactions may be structured so as to result in tax-free treatment to both companies, pursuant to various federal and state tax provisions. The Company intends to structure any business combination so as to minimize the federal and state tax consequences to both the Company and the target company; however, there can be no assurance that such business combination will meet the statutory requirements of a tax-free reorganization or that the parties will obtain the intended tax-free treatment upon a transfer of stock or assets. A non-qualifying reorganization could result in the imposition of both federal and state taxes which may have an adverse effect on both parties to the transaction.

REQUIREMENT OF AUDITED FINANCIAL STATEMENTS MAY DISQUALIFY BUSINESS OPPORTUNITIES.

Management of the Company will request that any potential business opportunity provide audited financial statements. One or more attractive business opportunities may choose to forego the possibility of a business combination with the Company rather than incur the expenses associated with preparing audited financial statements. In such case, the Company may choose to obtain certain assurances as to the target company's assets, liabilities, revenues and expenses prior to consummating a business combination, with further assurances that an audited financial statement would be provided after closing of such a transaction. Closing documents relative thereto may include representations that the audited financial statements will not materially differ from the representations included in such closing documents.

Item 2. Plan of Operation

The Company intends to merge with or acquire a business entity in exchange for the Company's securities. The Company has no particular acquisition in mind and has not entered into any negotiations regarding such an acquisition. Neither the Company's officer and director nor any affiliate has engaged in any negotiations with any representative of any company regarding the possibility of an acquisition or merger between the Company and such other company. Management anticipates seeking out a target company through solicitation. Such solicitation may include newspaper or magazine advertisements, mailings and other distributions to law firms, accounting firms, investment bankers, financial advisors and similar persons, the use of one or more World Wide Web sites and similar methods. No estimate can be made as to the number of persons who will be contacted or solicited. Management may engage in such solicitation directly or may employ one or more other entities to conduct or assist in such solicitation. Management and its affiliates pay referral fees to consultants and others who refer target businesses for mergers into public companies in which management and its affiliates have an interest. Payments are made if a business combination occurs, and may consist of cash or a portion of the stock in the Company retained by management and its affiliates, or both. The Company has no full time employees. The Company's president has agreed to allocate a portion of his time to the activities of the Company, without compensation. The president anticipates that the business plan of the Company can be implemented by his devoting no more than 10 hours per month to the business affairs of the Company and, consequently, conflicts of interest may arise with respect to the limited time commitment by such officer.

The Certificate of Incorporation of the Company provides that the Company may indemnify officers and/or directors of the Company for liabilities, which can include liabilities arising under the securities laws. Therefore, assets of the Company could be used or attached to satisfy any liabilities subject to such indemnification.

GENERAL BUSINESS PLAN.

The Company's purpose is to seek, investigate and, if such investigation warrants, acquire an interest in a business entity which desires to seek the perceived advantages of a corporation which has a class of securities registered under the Exchange Act. The Company will not restrict its search to any specific business, industry, or geographical location and the Company may participate in a business venture of virtually any kind or nature. Management anticipates that it will be able to participate in only one potential business venture because the Company has nominal assets and limited financial resources. See ITEM F/S, "FINANCIAL STATEMENTS."

This lack of diversification should be considered a substantial risk to the shareholders of the Company because it will not permit the Company to offset potential losses from one venture against gains from another. The Company may seek a business opportunity with entities which have recently commenced operations, or which wish to utilize the public marketplace in order to raise additional capital in order to expand into new products or markets, to develop a new product or service, or for other corporate purposes. The Company may acquire assets and establish wholly-owned subsidiaries in various businesses or acquire existing businesses as subsidiaries. The Company anticipates that the selection of a business opportunity in which to participate will be complex and extremely risky. Management believes (but has not conducted any research to confirm) that there are business entities seeking the perceived benefits of a publicly registered corporation. Such perceived benefits may include facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for incentive stock options or similar benefits to key employees, increasing the opportunity to use securities for acquisitions, providing liquidity for shareholders and other factors. Business opportunities may be available in many different industries and at various stages of development, all of which will make the task of comparative investigation and analysis of such business opportunities difficult and complex. The Company has, and will continue to have, no capital with which to provide the owners of business entities with any cash or other assets. However, management believes the Company will be able to offer owners of acquisition candidates the opportunity to acquire a controlling ownership interest in a public company without incurring the cost and time required to conduct an initial public offering. Management has not conducted market research and is not aware of statistical data to support the perceived benefits of a merger or acquisition transaction for the owners of a business opportunity.

The analysis of new business opportunities will be undertaken by, or under the supervision of, the officer and director of the Company, who is not a professional business analyst. In analyzing prospective business opportunities, management may consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; history of operations, if any; prospects for the future; nature of present and expected competition; the quality and experience of management services which may be available and the depth of that management; the potential for further research, development, or exploration; specific risk factors not now foreseeable but which then may be anticipated to impact the proposed activities of the Company; the potential for growth or expansion; the potential for profit; the perceived public recognition or acceptance of products, services, or trades; name identification; and other relevant factors. This discussion of the proposed criteria is not meant to be restrictive of the Company's virtually unlimited discretion to search for and enter into potential business opportunities.

The Exchange Act requires that any merger or acquisition candidate comply with certain reporting requirements, which include providing audited financial statements to be included in the reporting filings made under the Exchange Act. The Company will not acquire or merge with any company for which audited financial statements cannot be obtained at or within a reasonable period of time after closing of the proposed transaction.

The Company may enter into a business combination with a business entity that desires to establish a public trading market for its shares. A target company may attempt to avoid what it deems to be adverse consequences of undertaking its own public offering by seeking a business combination with the Company. Such consequences may include, but are not limited to, time delays of the registration process, significant expenses to be incurred in such an offering, loss of voting control to public shareholders or the inability to obtain an underwriter or to obtain an underwriter on satisfactory terms. The Company will not restrict its search for any specific kind of business entities, but may acquire a venture that is in its preliminary or development stage, which is already in operation, or in essentially any stage of its business life. It is impossible to predict at this time the status of any business in which the Company may become engaged, in that such business may need to seek additional capital, may desire to have its shares publicly traded, or may seek other perceived advantages which the Company may offer. Management of the Company, which in all likelihood will not be experienced in matters relating to the business of a target company, will rely upon its own efforts in accomplishing the business purposes of the Company.

Outside consultants or advisors may be utilized by the Company to assist in the search for qualified target companies. If the Company does retain such an outside consultant or advisor, any cash fee earned by such person will need to be assumed by the target company, as the Company has limited cash assets with which to pay such obligation.

Following a business combination the Company may benefit from the services of others in regard to accounting, legal services, underwritings and corporate public relations. If requested by a target company, management may recommend one or more underwriters, financial advisors, accountants, public relations firms or other consultants to provide such services. A potential target company may have an agreement with a consultant or advisor providing that services of the consultant or advisor be continued after any business combination. Additionally, a target company may be presented to the Company only on the condition that the services of a consultant or advisor be continued after a merger or acquisition. Such preexisting agreements of target companies for the continuation of the services of attorneys, accountants, advisors or consultants could be a factor in the selection of a target company.

ACQUISITION OF OPPORTUNITIES

In implementing a structure for a particular business acquisition, the Company may become a party to a merger, consolidation, reorganization, joint venture, or licensing agreement with another corporation or entity. It may also acquire stock or assets of an existing business. On the consummation of a transaction, it is likely that the present management and shareholders of the Company will no longer be in control of the Company. In addition, it is likely that the Company's officer and director will, as part of the terms of the acquisition transaction, resign and be replaced by one or more new officers and directors. It is anticipated that any securities issued in any such reorganization would be issued in reliance upon exemption from registration under applicable federal and state securities laws. In some circumstances, however, as a negotiated element of its transaction, the Company may agree to register all or a part of such securities immediately after the transaction is consummated or at specified times thereafter. If such registration occurs, of which there can be no assurance, it will be undertaken by the surviving entity after the Company has entered into an agreement for a business combination or has consummated a business combination and the Company is no longer considered a blank check company. The issuance of additional securities and their potential sale into any trading market which may develop in the Company's securities may depress the market value of the Company's securities in the future if such a market develops, of which there is no assurance. While the terms of a business transaction to which the Company may be a party cannot be predicted, it is expected that the parties to the business transaction will desire to avoid the creation of a taxable event and thereby structure the acquisition in a "tax-free" reorganization under Sections 351 or 368 of the Internal Revenue Code of 1986, as amended (the "Code"). With respect to any merger or acquisition negotiations with a target company, management expects to focus on the percentage of the Company which target company shareholders would acquire in exchange for their shareholdings in the target company. Depending upon, among other things, the target company's assets and liabilities, the Company's shareholders will in all likelihood hold a substantially lesser percentage ownership interest in the Company following any merger or acquisition. The percentage of ownership may be subject to significant reduction in the event the Company acquires a target company with substantial assets. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by the Company's shareholders at such time. The Company will participate in a business opportunity only after the negotiation and execution of appropriate agreements. Although the terms of such agreements cannot be predicted, generally such agreements will require certain representations and warranties of the parties thereto, will specify certain events of default, will detail the terms of closing and the conditions which must be satisfied by the parties prior to and after such closing and will include miscellaneous other terms.

The Company will not acquire or merge with any entity which cannot provide audited financial statements at or within a reasonable period of time after closing of the proposed transaction. The Company is subject to all of the reporting requirements included in the Exchange Act. Included in these requirements is the duty of the Company to file audited financial statements as part of its Form 8-K to be filed with the Securities and Exchange Commission upon consummation of a merger or acquisition, as well as the Company's audited financial statements included in its annual report on Form 10-K (or 10-KSB, as applicable). If such audited financial statements are not available at closing, or within time parameters necessary to insure the Company's compliance with the requirements of the Exchange Act, or if the audited financial statements provided do not conform to the representations made by the target company, the closing documents may provide that the proposed transaction will be voidable at the discretion of the present management of the Company.

Ms. Diane Button, the principal shareholder and sole officer and director of the Company, has orally agreed that it will advance to the Company any additional funds which the Company needs for operating capital and for costs in connection with searching for or completing an acquisition or merger. Such advances will be made without expectation of repayment unless the owners of the business which the Company acquires or merges with agree to repay all or a portion of such advances. There is no minimum or maximum amount of Ms. Button's advance to the Company. The Company will not borrow any funds to make any payments to the Company's promoters, management or their affiliates or associates. The Board of Directors has passed a resolution which contains a policy that the Company will not seek an acquisition or merger with any entity in which the Company's officer, director, and shareholders or any affiliate or associate serves as an officer or director or holds any ownership interest.

COMPETITION

The Company will remain an insignificant participant among the firms which engage in the acquisition of business opportunities. There are many established venture capital and financial concerns that have significantly greater financial and personnel resources and technical expertise than the Company. In view of the Company's combined extremely limited financial resources and limited management availability, the Company will continue to be at a significant competitive disadvantage compared to the Company's competitors.

Item 3. Description of Property

The Company has no properties and at this time has no agreements to acquire any properties. The Company currently uses the home offices of Ms. Diane Button at no cost to the Company. Ms. Button has agreed to continue this arrangement until the Company completes an acquisition or merger.

CONFLICTS OF INTEREST

Ms. Button will be responsible for seeking, evaluating, negotiating and consummating a business combination with a target company which may result in terms providing benefits to Ms. Button. Demands may be placed on the time of Ms. Button which will detract from the amount of time he is able to devote to the Company. Ms. Button intends to devote as much time to the activities of the Company as required. However, should such a conflict arise, there is no assurance that Ms. Button would not attend to other matters prior to those of the Company. Ms. Button projects that initially up to ten hours per month of his time may be spent locating a target company which amount of time would increase when the analysis of, and negotiations and consummation with, a target company are conducted. Ms. Button 20,000,000 shares of common stock of the Company which represents 86.6% of the total issued and outstanding shares of the Company and is the president, director and controlling shareholder of the Company. At the time of a business combination, management expects that some or all of the shares of Common Stock owned by Ms. Button will be purchased by the target company or retired by the Company. The amount of Common Stock sold or continued to be owned by Ms. Button cannot be determined at this time. The terms of business combination may include such terms as Ms. Button remaining a director or officer of the Company. The terms of a business combination may provide for a payment by cash or otherwise Ms. Button for the purchase of all or part of their common stock of the Company by a target company or for services rendered incident to or following a business combination. Ms. Button would directly benefit from such employment or payment. Such benefits may influence Ms. Button's choice of a target company. The Company may agree to pay finder's fees, as appropriate and allowed, to unaffiliated persons who may bring a target company to the Company where that reference results in a business combination. No finder's fee of any kind will be paid by the Company to management or promoters of the Company or to their associates or affiliates. No loans of any type have, or will be, made by the Company to management or promoters of the Company or to any of their associates or affiliates. The Company will not enter into a business combination, or acquire any assets of any kind for its securities, in which management or promoters of the Company or any affiliates or associates have any interest, direct or indirect.

Management has adopted certain policies involving possible conflicts of interest, including prohibiting any of the following transactions involving management, promoters, shareholders or their affiliates: (i) Any lending by the Company to such persons; (ii) The issuance of any additional securities to such persons prior to a business combination; (iii) The entering into any business combination or acquisition of assets in which such persons have any interest, direct or indirect; or (iv) The payment of any finder's fees to such persons. These policies have been adopted by the Board of Directors of the Company, and any changes in these provisions require the approval of the Board of Directors. Management does not intend to propose any such action and does not anticipate that any such action will occur. There are no binding guidelines or procedures for resolving potential conflicts of interest. Failure by management to resolve conflicts of interest in favor of the Company could result in liability of management to the Company. However, any attempt by shareholders to enforce a liability of management to the Company would most likely be prohibitively expensive and time consuming.

Although the Company will be subject to regulation under the Securities Act of 1933 and the Securities Exchange Act of 1934, management believes the Company will not be subject to regulation under the Investment Company Act of 1940 insofar as the Company will not be engaged in the business of investing or trading in securities. In the event the Company engages in business combinations which result in the Company holding passive investment interests in a number of entities the Company could be subject to regulation under the Investment Company Act of 1940. In such event the Company would be required to register as an investment company and could be expected to incur significant registration and compliance costs. The Company has obtained no formal determination from the Securities and Exchange Commission as to the status of the Company under the Investment Company Act of 1940. Any violation of such Act would subject the Company to material adverse consequences.

Item 4. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of January 29, 2007, the name and the number of shares of the Registrant's Common Stock, par value, \$0.01 per share, held of record or beneficially by each person who held of record, or was known by the Registrant to own beneficially, more than 5% of the 22,309,815 issued and outstanding shares of the Registrant's Common Stock, and the name and shareholdings of each director and of all officers and directors as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common	Diane S. Button (1) 251 Jeanell Dr., Suite 3 Carson City, NV 89703	20,000,000	89.65%
Total Officers and Directors As a Group (1 Person)		20,000,000	89.65%

(1) Officer and/or director.

There are no contracts or other arrangements that could result in a change of control of the Company.

The Securities and Exchange Commission take the position that any securities issued by a blank check company cannot be resold under Rule 144 but must be registered under the Securities Act of 1933. Therefore, shares held by individuals in the capacity of management, affiliates, control persons and promoters must register such shares with the Commission before resale. As of the date of this report, the shares held by Ms. Diane Button must be registered before being resold.

Item 5. Directors, Executive Officers, Promoters and Control Persons

The following table sets forth as of January 29, 2007, the name, age, and position of each executive officer and director and the term of office of each director of the Corporation.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Director or Officer Since</u>
Diane S. Button	57	Sole officer and Director	July 2006

All officers hold their positions at the will of the Board of Directors. All directors hold their positions for one year or until their successors are elected and qualified.

Set forth below is certain biographical information regarding the Company's executive officer and director:

Diane S. Button. For the past five years, Ms. Button has been an Independent Agent under contract with AFLAC, (American Family Life Assurance of Columbus). Currently, as an independent contractor, Ms. Button is a customer service specialist for major businesses and also a sales representative for AFLAC with a product line of supplemental insurance products.

To the knowledge of management, during the past five years, no present or former directors, executive officer or person nominated to become a director or an executive officer of the Company:

(1) filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations or other minor offenses);

(3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:

(i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliate person, director or employee of any investment company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) engaging in any type of business practice; or

(iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;

(4) was the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any federal or state authority barring, suspending, or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity.

(5) was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated

(6) was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal Commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Ms. Button has not been involved in any prior blank check or public reporting companies.

Item 6. Executive Compensation

Our sole officer and director does not receive any compensation for services rendered, have not received such compensation in the past, and are not accruing any compensation pursuant to any agreement with our Company. Our officer and director is reimbursed for expenses incurred on our behalf. Our officer and director will not receive any finder's fee as a result of their efforts to implement the business plan outlined herein. However, our officer and director anticipates receiving benefits as beneficial shareholders of our common stock.

We have not adopted any retirement, pension, profit sharing, stock option or insurance programs or other similar programs for the benefit of our employees.

Compensation of Directors

None.

Employment Contracts and Termination of Employment and Change in Control Arrangement

There are no employment contracts between the Company and any of its officers or directors.

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Compensation set out above which would in any way result in payments to any such person's employment with the Company or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

The officer and director of the Company will not receive any finder's fee from the Company as a result of his efforts to implement the Company's business plan outlined herein. However, the officer and director of the Company anticipates receiving benefits as a beneficial shareholder of the Company. See "ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT."

No retirement, pension, profit sharing, or insurance programs or other similar programs have been adopted by the Company for the benefit of its employees.

Item 7. Certain Relationships and Related Transactions

Our policy is that a contract or transaction either between the Company and a director, or between a director and another company in which he is financially interested is not necessarily void or voidable if the relationship or interest is disclosed or known to the board of directors and the stockholders are entitled to vote on the issue, or if it is fair and reasonable to our company.

At various times during the previous years, the Company had found it necessary to borrow funds from its shareholders to fund the Company. These notes are due and payable on December 31, 2008 and carry an interest rate of 12%. The total outstanding as of December 31, 2006 and 2005 was \$14,500 and \$-0- respectively.

Item 8. Description of Securities

COMMON STOCK

We are authorized to issue up to 50,000,000 shares of common stock, \$0.01 par value. As of the date of this registration statement, there are 22,309,815 shares of common stock issued and outstanding. We have approximately 60 shareholders.

The holders of common stock are entitled to one vote per share on each matter submitted to a vote of stockholders. In the event of liquidation, holders of common stock are entitled to share ratably in the distribution of assets remaining after payment of liabilities, if any. Holders of common stock have no cumulative voting rights and the holders of a majority of the outstanding shares have the ability to elect all of the directors. Holders of common stock have no preemptive or other rights to subscribe for shares.

Holders of common stock are entitled to such dividends as may be declared by the board of directors out of funds legally available for dividends. The outstanding common stock is, validly issued, fully paid and non-assessable.

DIVIDENDS

Dividends, if any, will be contingent upon the Company's revenues and earnings, if any, capital requirements and financial conditions. The payment of dividends, if any, will be within the discretion of the Company's Board of Directors. The Company presently intends to retain all earnings, if any, for use in its business operations and accordingly, the Board of Directors does not anticipate declaring any dividends prior to a business combination.

RESTRICTIONS ON TRANSFERS OF SECURITIES PRIOR TO BUSINESS COMBINATION

The proposed business activities described herein classify the Company as a blank check company. See "GLOSSARY". The Securities and Exchange Commission and many states have enacted statutes, rules and regulations limiting the sale of securities of blank check companies. Management does not intend to undertake any efforts to cause a market to develop in the Company's securities until such time as the Company has successfully implemented its business plan described herein. Accordingly, the majority shareholder of the Company has executed and delivered a "lock-up" letter agreement, affirming that such shareholder shall not sell their shares of the Company's common stock except in connection with or following completion of a merger or acquisition resulting in the Company no longer being classified as a blank check company. The shareholders have deposited their stock certificates with the Company's management, who will not release the certificates except in connection with or following the completion of a merger or acquisition.

TRADING OF SECURITIES IN SECONDARY MARKET

The National Securities Market Improvement Act of 1996 limited the authority of states to impose restrictions upon sales of securities made pursuant to Sections 4(1) and 4(3) of the Securities Act of 1933, as amended (the "Securities Act") of companies which file reports under Sections 13 or 15(d) of the Securities Exchange Act. The Company files such reports. As a result, sales of the Company's common stock in the secondary trading market by the holders thereof may be made pursuant to Section 4(1) of the Securities Act (sales other than by an issuer, underwriter or broker). If, after a merger or acquisition, the Company does not meet the qualifications for listing on the Nasdaq SmallCap Market, the Company's securities may be traded in the over-the-counter ("OTC") market. The OTC market differs from national and regional stock exchanges in that it (1) is not sited in a single location but operates through communication of bids, offers and confirmations between broker-dealers and (2) securities admitted to quotation are offered by one or more broker-dealers rather than the "specialist" common to stock exchanges. The Company may apply for listing on the NASD OTC Bulletin Board or may offer its securities in what are commonly referred to as the "pink sheets" of the National Quotation Bureau, Inc. To qualify for listing on the NASD OTC Bulletin Board, an equity security must have one registered broker-dealer, known as the market maker, willing to list bid or sale quotations and to sponsor the company for listing on the Bulletin Board.

TRANSFER AGENT

Action Stock Transfer, 7069 S. Highland Dr., Suite 300, Salt Lake City, UT 84121, is the Company's transfer agent.

GLOSSARY

"Blank Check" Company. As defined in Section 7(b)(3) of the Securities Act, a "blank check" company is a development stage company that has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies and is issuing "penny stock" securities as defined in Rule 3a51-1 of the Exchange Act.

"Penny Stock" Security. As defined in Rule 3a51-1 of the Exchange Act, a "penny stock" security is any equity security other than a security (i) that is a reported security (ii) that is issued by an investment company (iii) that is a put or call issued by the Option Clearing Corporation (iv) that has a price of \$5.00 or more (except for purposes of Rule 419 of the Securities Act) (v) that is registered on a national securities exchange (vi) that is authorized for quotation on the Nasdaq Stock Market, unless other provisions of Rule 3a51-1 are not satisfied, or (vii) that is issued by an issuer with (a) net tangible assets in excess of \$2,000,000, if in continuous operation for more than three years or \$5,000,000 if in operation for less than three years or (b) average revenue of at least \$6,000,000 for the last three years.

"Securities Act." The Securities Act of 1933, as amended.

"Small Business Issuer." As defined in Rule 12b-2 of the Exchange Act, a "Small Business Issuer" is an entity (i) which has revenues of less than \$25,000,000 (ii) whose public float (the outstanding securities not held by affiliates) has a value of less than \$25,000,000 (iii) which is a United States or Canadian issuer (iv) which is not an Investment Company and (v) if a majority-owned subsidiary, whose parent corporation is also a small business issuer.

PART II

Item 1. Market Price of and Dividends on the Registrant's Common Equity and Other Shareholder Matters

MARKET PRICE

There is no trading market for the Company's Common Stock at present and there has been no trading market to date. There is no assurance that a trading market will ever develop or, if such a market does develop, that it will continue. The Securities and Exchange Commission has adopted Rule 15g-9 which establishes the definition of a "penny stock," for purposes relevant to the Company, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (i) that a broker or dealer approve a person's account for transactions in penny stocks and (ii) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person's account for transactions in penny stocks, the broker or dealer must (i) obtain financial information and investment experience and objectives of the person; and (ii) make a reasonable determination that the transactions in penny stocks are suitable for that person and that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks. The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the Commission relating to the penny stock market, which, in highlight form, (i) sets forth the basis on which the broker or dealer made the suitability determination and (ii) that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading, and about commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. In order to qualify for listing on the Nasdaq SmallCap Market, a company must have at least (i) net tangible assets of \$4,000,000 or market capitalization of \$50,000,000 or net income for two of the last three years of \$750,000; (ii) public float of 1,000,000 shares with a market value of \$5,000,000; (iii) a bid price of \$4.00; (iv) three market makers; (v) 300 shareholders and (vi) an operating history of one year or, if less than one year, \$50,000,000 in market capitalization. For continued listing on the Nasdaq Small Cap Market, a company must have at least (i) net tangible assets of \$2,000,000 or market capitalization of \$35,000,000 or net income for two of the last three years of \$500,000; (ii) a public float of 500,000 shares with a market value of \$1,000,000; (iii) a bid price of \$1.00; (iv) two market makers; and (v) 300 shareholders.

If, after a merger or acquisition, the Company does not meet the qualifications for listing on the Nasdaq SmallCap Market, the Company's securities may be traded in the over-the-counter ("OTC") market. The OTC market differs from national and regional stock exchanges in that it (1) is not sited in a single location but operates through communication of bids, offers and confirmations between broker-dealers and (2) securities admitted to quotation are offered by one or more broker-dealers rather than the "specialist" common to stock exchanges. The Company may apply for listing on the NASD OTC Bulletin Board or may offer its securities in what are commonly referred to as the "pink sheets" of the National Quotation Bureau, Inc. To qualify for listing on the NASD OTC Bulletin Board, an equity security must have one registered broker-dealer, known as the market maker, willing to list bid or sale quotations and to sponsor the company for listing on the Bulletin Board. If the Company is unable initially to satisfy the requirements for quotation on the Nasdaq SmallCap Market or becomes unable to satisfy the requirements for continued quotation thereon, and trading, if any, is conducted in the OTC market, a shareholder may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, the Company's securities.

HOLDERS

There are approximately sixty (60) holders of the Company's Common Stock. The issued and outstanding shares of the Company's Common Stock were issued in accordance with the exemptions from registration afforded by Sections 3(b) and 4(2) of the Securities Act of 1933 and Rules 506 and 701 promulgated thereunder.

DIVIDENDS

The Company has not paid any dividends to date, and has no plans to do so in the immediate future.

Item 2. Legal Proceedings

There is no litigation pending or threatened by or against the Company.

Item 3. Changes in and Disagreements with Accountants

The Company has not changed accountants since its formation and there are no disagreements with the findings of its accountants.

Item 4. Recent Sales of Unregistered Securities

During the past three years, the Company has sold securities that were not registered as follows:

On July 1, 2006, the Company issued 20,000,000 shares of common stock to Diane S. Button for \$2,000 cash. The shares were issued pursuant to an exemption from registration under Section 4(2) of the Securities Act and no commissions were paid relating to the sale of stock.

Item 5. Indemnification of Directors and Officers

Our Company's charter provides that, to the fullest extent that limitations on the liability of directors and officers are permitted by the Nevada Revised Statutes, no director or officer of the company shall have any liability to the company or its stockholders for monetary damages. The Nevada Revised Statutes provide that a corporation's charter may include a provision which restricts or limits the liability of its directors or officers to the corporation or its stockholders for money damages except: (1) to the extent that it is provided that the person actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received, or (2) to the extent that a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding in the proceeding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. The Company's charter and bylaws provide that the company shall indemnify and advance expenses to its currently acting and its former directors to the fullest extent permitted by the Nevada Revised Business Corporations Act and that the company shall indemnify and advance expenses to its officers to the same extent as its directors and to such further extent as is consistent with law.

The charter and bylaws provide that we will indemnify our directors and officers and may indemnify our employees or agents to the fullest extent permitted by law against liabilities and expenses incurred in connection with litigation in which they may be involved because of their offices with Hardwood Doors. However, nothing in our charter or bylaws of the Company protects or indemnifies a director, officer, employee or agent against any liability to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. To the extent that a director has been successful in defense of any proceeding, the Nevada Revised Statutes provide that he shall be indemnified against reasonable expenses incurred in connection therewith.

INSOFAR AS INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, MAY BE PERMITTED TO DIRECTORS, OFFICERS OR PERSONS CONTROLLING THE COMPANY PURSUANT TO THE FOREGOING PROVISIONS, IT IS THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION THAT SUCH INDEMNIFICATION IS AGAINST PUBLIC POLICY AS EXPRESSED IN THE ACT AND IS THEREFORE UNENFORCEABLE.

Reports to Security Holders

Prior to the filing of this registration statement on Form 10-SB, the Company was not subject to the reporting requirements of Section 12(a) or 15(d) of the Exchange Act. Upon effectiveness of this registration statement, the Company will file annual and quarterly reports with the Securities and Exchange Commission ("SEC"). The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company is an electronic filer and the SEC maintains an Internet site that contains reports and other information regarding the Company that may be viewed at <http://www.sec.gov>.

PART F/S

To the Board of Directors and Shareholders

Cactus Ventures, Inc.
San Diego, California

Report of Independent Registered Public Accounting Firm

I have audited the balance sheet of Cactus Ventures, Inc. as of December 31, 2006 and 2005 and the related statements of operations, stockholders' equity and cash flows for the years ended December 31, 2006 and 2005.

These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cactus Ventures, Inc as of December 31, 2006 and 2005, the results of operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

/s/ Hawkins Accounting
Los Angeles, CA

January 8, 2007

CACTUS VENTURES, INCORPORATED
BALANCE SHEET
December 31, 2006 and 2005

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Current assets		
Cash in bank	\$ 466	\$ 0
Deposits on hand	0	0
Inventory	<u>0</u>	<u>0</u>
Total current assets	466	0
Equipment and parts	0	0
(Less) Accumulated depreciation	<u>0</u>	<u>0</u>
	0	0
Total assets	<u>\$ 466</u>	<u>\$ 0</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable	\$ 3,500	\$ 0
Accrued interest	870	0
State corporate tax payable	<u>0</u>	<u>0</u>
Total current liabilities	4,370	0
Notes payable related parties	12,500	0
Total liabilities	<u>16,870</u>	<u>0</u>
Shareholders' deficit		
Common stock, 50,000,000 shares authorized, 22,309,815 outstanding	25,098	23,098
Paid in capital	152,337	152,337
Retained deficit	<u>(193,839)</u>	<u>(175,435)</u>
Total shareholders' equity	<u>(16,404)</u>	<u>0</u>
Total liabilities and shareholders' equity	<u>\$ 466</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

CACTUS VENTURES, INCORPORATED
STATEMENT OF OPERATIONS
For the years ending December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Sales	\$ 0	\$ 0
Cost of Goods	<u>0</u>	<u>0</u>
Gross profit	0	0
Expenses		
Bank charges	34	0
Professional fees	<u>17,500</u>	0
Total expenses	<u>17,534</u>	<u>0</u>
Net loss from operations	<u>(17,534)</u>	<u>0</u>
Other income (expense)		
Loss on sale	0	
Interest expense	(870)	0
State corporate tax expense	<u>0</u>	<u>0</u>
	<u>(870)</u>	<u>0</u>
Net income (loss)	<u>\$ (18,404)</u>	<u>\$ 0</u>
Loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average of		
shares outstanding	<u>11,850,000</u>	<u>2,309,815</u>

The accompanying notes are an integral part of these financial statements

CACTUS VENTURES, INCORPORATED
STATEMENT OF SHAREHOLDERS' DEFICIT
December 31, 2006 and 2005

	<u>Common stock</u>		Paid In Capital	Retained Deficit	Total
	<u>Shares</u>	<u>Amount</u>			
December 31, 2005	2,309,815	\$ 23,098	\$ 152,337	\$ (175,435)	\$ 0
Net loss for the period				0	0
December 31, 2005	<u>2,309,815</u>	<u>\$ 23,098</u>	<u>\$ 152,337</u>	<u>\$ (175,435)</u>	<u>\$ 0</u>
December 31, 2005	2,309,815	\$ 23,098	\$ 152,337	\$ (175,435)	\$ 0
Sale of stock	20,000,000	2,000			
Net loss for period				(18,404)	(18,404)
December 31, 2006	<u>22,309,815</u>	<u>\$ 25,098</u>	<u>\$ 152,337</u>	<u>\$ (193,839)</u>	<u>\$ (18,404)</u>

The accompanying notes are an integral part of these financial statements

CACTUS VENTURES, INCORPORATED
STATEMENT OF CASH FLOWS-INDIRECT METHOD
For the years ending December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM		
OPERATING ACTIVITIES		
Net income (loss)	\$ (18,404)	\$ 0
Adjustment to reconcile net to net cash provided by operating activities		
Increase in accounts payable	3,500	0
Increase in accrued interest	870	0
Increase in state franchise tax	0	0
Loss on transfer of assets	0	0
Increase of deposits on hand	<u>0</u>	<u>0</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(14,034)	0
INVESTING ACTIVITIES		
Assets transferred	<u>0</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES	0	0
FINANCING ACTIVITIES		
Sale of common stock	2,000	0
Related party notes	<u>12,500</u>	<u>0</u>
NET CASH REALIZED FROM FINANCING ACTIVITIES	<u>14,500</u>	<u>0</u>
INCREASE IN CASH AND CASH EQUIVALENTS	466	0
Cash and cash equivalents at the beginning of the year	<u>0</u>	<u>0</u>
CASH AND CASH EQUIVALENTS AT YEAR END	<u>\$ 466</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

CACTUS VENTURES, INC
Notes to Financial Statements
December 31, 2006 and 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the business – The Company was incorporated under the laws of the State of Nevada on October 6, 1997. The Company for the past several years has had no activity.

Cactus Ventures, Inc (the “Company”) is a shell entity that is in the market for a merger with an appropriate company.

Pervasiveness of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and cash equivalents – For financial statement presentation purposes, the Company considers all short term investments with a maturity date of three months or less to be cash equivalents.

Inventories – Inventory, which includes parts and the packaging materials for those parts, is valued at the lower of cost or market on a first in first out method.

Property and equipment – Property and equipment are recorded at cost. Maintenance and repairs are expensed as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Depreciation is provided using the straight-line method, over the useful lives of the assets.

Since the company has yet to commence operations, no depreciation has been taken. Equipment consists of moldings being developed.

Income taxes – Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the recorded book basis and the tax basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income.

CACTUS VENTURES, INC
Notes to Financial Statements
December 31, 2006 and 2005

Recent Accounting Pronouncements - The following accounting pronouncements if implemented would have no effect on the financial statements of the Company.

Income taxes

In June 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 describes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 will be effective for the Company in fiscal 2008. The Company has not yet determined the impact of this new accounting interpretation on its financial statements.

Quantifying financial statement misstatements

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 ("SAB 108"). Due to diversity in practice among registrants, SAB 108 expresses SEC staff views regarding the process by which misstatements in financial statements are evaluated for purposes of determining whether financial statement restatement is necessary. SAB 108 requires registrants to quantify misstatements using both the balance sheet and income statement approaches and to evaluate whether either approach results in quantifying an error that is material in light of relative quantitative and qualitative factors. SAB 108 is effective for fiscal years ending after November 15, 2006, and early application is encouraged. The Company does not believe SAB 108 will have a material impact on the Company's results from operations or financial position.

Fair value measurements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 provides guidance for using fair value to measure assets and liabilities. This standard also responds to investors' requests for expanded information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. The standard does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years; therefore, the Company expects to adopt SFAS No. 157 at the beginning of fiscal 2009. The Company does not believe SFAS No. 157 will have a material impact on the Company's results from operations or financial position.

Management asserts that none of the preceding pronouncements will have a material effect on the financial statements of the Company.

CACTUS VENTURES, INC
Notes to Financial Statements
December 31, 2006 and 2005

NOTE 2: COMMON STOCK

On July 1, 2006, the Company sold 2,000,000 shares of its stock to the new President. Proceeds raised in this transaction were \$2,000. Prior to that, no stock was issued subsequent to January 2001.

NOTE 3: INCOME TAXES

The benefit for income taxes from operations consisted of the following components: current tax benefit of \$61,200 from a net loss before income taxes, and a deferred tax expense of \$61,250 resulting from a valuation allowance recorded against the deferred tax asset resulting from net operating losses. Net operating loss carryforward will expire in 2014.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time, the allowance will either be increased or reduced; reduction would result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer required.

NOTE 4: NOTES PAYABLE RELATED PARTIES

Amounts were advanced to the Company by related parties to pay for the expenses for the SEC filings. Interest is at 12%. Amounts advanced to the company from the related parties were \$14,500 and \$0 for 2006 and 2005 respectively. The notes are due and payable on December 31, 2008.

PART III

Item 1. Index and Description of Exhibits.

<u>Exhibit Number</u>	<u>Title of Document</u>	<u>Location</u>
3.01	Articles of Incorporation	Attached
3.02	Amendment to Articles of Incorporation	Attached
3.03	Amendment to Articles of Incorporation	Attached
3.04	Amendment to Articles of Incorporation	Attached
3.05	Bylaws	Attached

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf, thereunto duly authorized.

CACTUS VENTURES, INC.

Date: February 1, 2007

By: /s/ Diane S. Button
Diane S. Button
President and Chief Financial Officer

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OR THE
STATE OF NEVADA

Articles of Incorporation
(Pursuant to NRS 78)
STATE OF NEVADA
Secretary of State

OCT 06 1997
No. C21959-97
/s/ Dean Heller

Dean Heller, Secretary of State

Receipt No. FY9800019881
KEN BAKER
10/06/1997
REC'D BY KR 205.00

IMPORTANT: Read instructions on reverse side before completing this form.

TYPE OR PRINT (BLACK INK ONLY)

NAME OF CORPORATION: ZURICH U.S.A., INC.
RESIDENT AGENT: (designated resident agent and his STREET ADDRESS in Nevada where process may be served)
Name of Resident Agent: Shield Corporatate Services, Inc.
Street Address: 311 S. Division Street, Carson City, NV 89703
Street No. City State Zip

SHARES: (number of shares the corporation is authorized to issue)
Number of Shares with par value _____ Par value _____ Number of shares without par value 25,000

GOVERNING BOARD: shall be styled as (check one) Directors _____ Trustees _____
The FIRST BOARD OF DIRECTORS shall consist of 2 members and the names and addresses are as follows (attach additional pages if necessary)

Bruce Holden 500 Cohasset Road, #34 Chico, CA 95926
Name Address City, State, Zip

Esther Holden 3650 Keefer Road, Chico, CA 95973
Name Address City, State, Zip

PURPOSE (optional-see reverse side): The purpose of the corporation shall be:
Sunglasses and eyewear manufacturing and sales

OTHER MATTERS: This form includes the minimal statutory requirements to incorporate under NRS 78. You may attach additional information pursuant to NRS 78.037 or any other information you deem appropriate. If any of the additional information is contradictory to this form it cannot be filed and will be returned to you for correction. Number of pages attached _____

SIGNATRUES OF INCORPORATORS: The names and addresses of each of the incorporators signing the articles: (Signatures must be notarized, attach any additional pages if there are more than two incorporators)

Bruce Holden
Name(print)
500 Cohasset Road #34, Chico, CA 95926
Address City/State/Zip
/s/ Bruce Holden
Signature
State of California County of Butte

Esther Holden
Name(print)
3650 Keefer Road, Chico, CA 95926
Address City/State/Zip
/s/ Esther Hoden
Signature
State of California County of Sacramento

This instrument was acknowledged before me on
September 29, 1997 by
Bruce Holdent
Name of Person
as incorporator

This instrument was acknowledged before me on
September 30, 1997 by
Esther Holden
Name of Person
as incorporator

of ZURICH U.S.A., INC.
(name of party on behalf of whom instrument was executed)

of ZURICH U.S.A., INC.
(name of party on behalf of whom instrument was executed)

/s/ Deborah K. Beth
Notary Public SEAL

/s/ Bradley D. Randall
Notary Public SEAL

CERTIFICATE OF ACCEPTANCE OF APPOINTMENT OF RESIDENT AGENT
SHIELD CORPORATE SERVICES, INC. hereby accept appointment as Resident Agent for the above named corporation

/s/ Tracey Padilla
Resident Agent

October 4, 1997
Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)

COUNTY OF BUTTE)

On 9/29/97 before me, Deborah K. Beth
Date NAME, TITLE OF OFFICER-E.G., JANE DOE, NOTARY PUBLIC

personally appeared, Bruce Holden
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public SEAL

/s/ Deborah K. Beth
Notary Public Signature

OPTIONAL INFORMATION

TITLE OR TYPE OF DOCUMENT ARTICLES OF INCORPORATION (ZURICH U.S.A. INC.)
DATE OF DOCUMENT 9/29/97 NUMBER OF PAGES 1
SIGNER(S) OTHER THAN NAMED ABOVE ESTHER HOLDEN

State of <u>California</u> County of <u>Sacramento</u> On <u>September 30, 1997</u> before me, <u>Bradley D. Randall, Notary Public</u> Date NAME, TITLE OF OFFICER, E.G. JANE DOE NOTARY PUBLIC personally appeared <u>Esther Holden</u> NAME(S) of SIGNER(S)	Right Thumbprint (Optional) <div style="border: 1px solid black; height: 80px; width: 100%;"></div>
<input checked="" type="checkbox"/> personally known to me -OR- £ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) , of the entity upon behalf of which the person(s) acted, executed the instrument. Notary Public SEAL Witness my hand and official seal <u>/s/ Bradley D. Randall</u>	CAPACITY CLAIMED BY SIGNER(S) <input type="checkbox"/> INDIVIDUAL(S) £ CORPORATE _____ £ OFFICER(S) _____ (TITLES) <input type="checkbox"/> PARTNER(S) _____ £ ATTORNEY IN FACT £ TRUSTEE(S) £ GUARDIAN CONSERVATOR £ OTHER _____ SIGNER IS REPRESENTING: NAME OF PERSONS OR ENTITIES _____ _____ _____
ATTENTION NOTARY: The information requested below is OPTIONAL. It could however prevent fraudulent attachment of this certificate to an unauthorized document.	
THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT	Title or Type of Document _____ Number of Pages _____ Date of Documents _____ Signer(s) Other Than Named Above _____

Dean Heller
Secretary of State

STATE OF NEVADA
OFFICE OF THE SECRETARY OF STATE
101 N. CARSON ST., STE 3
CARSON CITY, NEVADA 89701-4956

Telephone 702.687.3203
Fax 702.687.3471
Web site http://sos.state.nv.us
Filing Fees

FILED# C21959-97
DEC 27 1999
IN THE OFFICE OF
/s/ Dean Heller
DEAN HELLER SECRETARY OF STATE

Certificate of Amendment to Articles of Incorporation
For Profit Nevada Corporation
(Pursuant to NRS 78.385 and 78.390- After Issuance of Stock)

1. Name of corporation: Zurich U.S.A., Inc.

2. The articles have been amended as follows (provide article numbers, if available):
Article Fourth- Number of shares amended to 10,000,000 as .01 par value

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: 2

4. Signatures:

/s/ W. Bruce Holden
President/Secretary
(acknowledgment required)

Secretary or Asst. Secretary
(acknowledgement not required)

State of: California
County of: Butte

This instrument was acknowledged before me on
December 22, 1999, by
W. Bruce Holden (Name of Person)
as President
as designated to sign this certificate
of _____
(name on behalf of whom instrument was executed)

NOTARY PUBLIC SEAL

/s/ Miste L. Boyer
Notary Public Signature

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Certificate of Amendment
(PURSUANT TO NRS 78.385 and 78.390)

Filed in the office of	Document Number
<i>/s/ Dean Heller</i>	20060438939-54
Dean Heller	Filing Date and Time
Secretary of State	07/10/2006 7.53 AM
State of Nevada	Entity Number
	C21959-1997

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation: _____
ZURICH U.S.A, INC. _____

2. The articles have been amended as follows (provide article numbers, if available):
FIRST. The name of the corporation is: _____
_____ CACTUS VENTURES, INC. _____

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: _____*

4. Effective date of filing (optional): _____
(must not be later than 90 days after the certificate is filed)

5. Officer Signature (required): /s/ Diane S. Button 7-5-06 _____

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected
This form must be accompanied by appropriate fees. Nevada Secretary of State AM 78.385 Amend 2003
Revised on: 09/29/05

DEAN HELLER
Secretary of State
204 North Carson Street, Suite 1
Carson City Nevada 89701-4299
(775) 684 5708
Website: secretaryofstate.biz

Certificate of Amendment
(PURSUANT TO NRS 78.385 and 78.390)

Filed in the office of	Document Number
<i>/s/ Dean Heller</i>	20060476310-69
Dean Heller	Filing Date and Time
Secretary of State	07/26/2006 8:34 AM
State of Nevada	Entity Number
	C21959-1997

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation: _____
CACTUS VENTURES, INC. _____

2. The articles have been amended as follows (provide article numbers, if available):
FOURTH. That the common stock authorized that may be issued by the corporation is FITY MILLION (50,000,000) shares of stock with a nominal or par value of .01 and no other class of stock shall be authorized. Said shares with a nominal or par value may be issued by the corporation from time to time for such considerations as may be fixed from time to time by the Board of Directors.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: 90% *

4. Effective date of filing (optional): _____
(must not be later than 90 days after the certificate is filed)

5. Officer Signature (required): /s/ Diane S. Button _____

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit the proper fees may cause this filing to be rejected
This form must be accompanied by appropriate fees. Nevada Secretary of State AM 78.385 Amend 2003
Revised on: 09/29/05

BYLAWS
OF
ZURICH U.S.A., INC.

ARTICLE I

OFFICES

1.1 Principal Executive Office. The Board of Directors shall designate the location of the principal executive office of the Corporation at any place within or without the State of California. If the principal executive office is outside the State of California, then the Board of Directors shall designate the location of the principal business office in the State of California.

1.2 Other Offices. The Board of Directors and Board Chair from time to time may designate branch or subordinate offices as appropriate.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.1 Place of Meetings. All meetings of shareholders of the Corporation shall be held at the principal executive office of the Corporation, or at any other place, within or without the State of California, specified by the Board of Directors. The place of any meeting of shareholders shall be specified in the notice calling the meeting.

2.2 Annual Meeting. The annual meeting of shareholders shall be held at 1:00 p.m. on first Monday in February, in each year, if not a legal holiday, and if a legal holiday, on the next business day following. The first annual meeting of shareholders shall be held on October 15, 1997. In the event the annual meeting of shareholders shall not be held on this date, the Board of Directors shall cause a meeting in lieu thereof to be held as soon as convenient, and any business transacted or election held at that meeting shall be as valid as if the business were transacted or election held at the date and time specified above. At the annual meeting, directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business properly within the power of the shareholders may be transacted.

2.3 Special Meetings. A special meeting of the shareholders may be called by the Board of Directors, the Board Chair, the President, or by one or more holders of shares entitled to cast ten percent (10%) or more of the votes at that meeting.

Any authorized person or persons (other than the Board of Directors) requesting a special meeting of the shareholders shall deliver to the Board Chair, the President, a Vice President, or the Secretary of the Corporation, personally or by registered mail, overnight courier, or facsimile transmission a written request specifying the time and date of the meeting (which shall be not less than thirty-five (35) nor more than sixty (60) days after the receipt by the officer of the request) and the general nature of the business to be transacted. Within twenty (20) days following the officer's receipt of the request, the officer shall cause notice of the meeting to be given to the shareholders entitled to vote, pursuant to Section 2.4 of these Bylaws. If the notice is not given within twenty (20) days, then the person or persons requesting the meeting may give the notice. This paragraph shall in no way affect or restrict the Board of Directors' ability to call a special shareholders' meeting.

2.4 Notice of Meetings; Waivers. Written notice of a meeting at which shareholders are required or permitted to take any action shall be given to each shareholder entitled to vote not less than ten (10) (or, if sent by third-class mail if permitted by Section 2.5, not less than thirty (30)) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, date, and hour of the meeting. In the case of a special meeting, the notice shall specify the general nature of the business to be transacted and that no other business may be transacted at the meeting. In the case of the annual meeting, the notice shall specify those matters that the Board of Directors, at the time of the mailing of the notice, intends to present for action by the shareholders. The notice of any meeting at which the directors are to be elected shall include the names of the nominees intended at the time of the notice to be presented by the Board of Directors for election.

The transactions of any meeting of any shareholders, however called and noticed, and wherever held, shall be as valid as though conducted at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the meeting's minutes. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of and presence at the meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by law to be included in the notice but not so included, if such objection is expressly made at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of shareholders need be specified in any written waiver of notice, consent to the holding of the meeting, or approval of the minutes, except that any shareholder approval at a meeting, other than unanimous approval by those entitled to vote.

2.5 Manner of Notice. Notice of a shareholders' meeting shall be given either personally or by first-class mail, or, in the case of a corporation with outstanding shares held of record by more than five hundred (500) persons on the record date for the shareholders' meeting, notice may be sent by third-class mail, or other means of written communication, addressed to the shareholder at the address of the shareholder appearing on the books of the Corporation or given by the shareholder to the Corporation for the purpose of notice; or if no address appears or is given, at the place where the principal executive office of the Corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. If any notice or report referenced in Article VIII of these Bylaws addressed to the shareholder at the address appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the shareholder at this address, all future notices or reports shall be deemed to have been duly given without further mailing if the notice or report is made available for the shareholder upon written demand of the shareholder at the principal executive office of the Corporation for a period of one (1) year from the date of the giving of the notice or report to all other shareholders. An affidavit of the mailing or other authorized means of delivery of any notice to shareholders may be executed by the Corporation's Secretary, Assistant Secretary, or transfer agent and, if executed, may be filed and maintained in the minute book of the Corporation, and shall be prima facie evidence of the giving of the notice or report.

2.6 Adjourned Meetings. Any shareholders' meeting, whether or not a quorum is present, may be adjourned from time to time by a vote of the majority of the shares represented at that meeting. When a shareholders' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

2.7 Quorum. Except as otherwise provided in the Articles of Incorporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders

The shareholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

In the absence of a quorum, any meeting of shareholders may be adjourned from time to time by the vote of a majority of the shares represented either in person or by proxy, but no other business may be transacted, except as provided in the preceding paragraph.

2.8 Voting. Except as otherwise provided by law and except as otherwise may be provided in the Articles of Incorporation, each outstanding share, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote of shareholders. Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares the shareholder is voting, it will be conclusively presumed that the shareholders vote is with respect to all shares the shareholder is entitled to vote. Except as otherwise provided in the Articles of Incorporation, or as required by law, the affirmative vote of the majority of the shares represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) or any action by written consent of the shareholders ~s provided in Section 2.12 shall be the act of the shareholders.

Subject to the provisions of the next sentence, every shareholder entitled to vote at any election of directors may cumulate such shareholder's votes and give one (1) candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder directs. No shareholder shall be entitled to cumulate votes unless a shareholder has given notice at the meeting, prior to the voting, of the shareholder's intention to cumulate the shareholder's votes and has placed in nomination, prior to the voting, the names of the candidate or candidates such shareholder proposes to elect. If any one shareholder has given such a notice, all shareholders may cumulate their votes for candidates in nomination. In any election of directors, the candidates receiving the highest number of votes of the shares entitled to be voted for them, up to the number of directors to be elected by such shares, are elected.

Elections for directors need not be by ballot unless a shareholder demands election by ballot at the meeting and before the voting begins.

2.9 Proxies. Every person entitled to vote shares for the election of directors or otherwise may authorize another person or persons to act with respect to such shares by duly executing a written proxy and filing it with the Secretary of the Corporation. Unless a proxy is stated to be irrevocable, it shall continue in full force and effect unless it is revoked by the maker prior to the vote (i) by delivering a writing to the Corporation stating that the proxy is revoked; (ii) by duly executing a subsequent proxy and presenting it to the meeting; or (iii) by attendance at the meeting by the maker and voting in person. A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of the death or incapacity is received by the Corporation. Notwithstanding the above, no proxy shall be valid after the expiration of eleven (11) months from the date thereof unless expressly provided in the proxy.

Any form of proxy or written consent distributed to ten (10) or more shareholders of the Corporation at a time when the Corporation has outstanding shares held of record by one hundred (100) or more persons shall afford an opportunity on the proxy or form of written consent to specify a choice between approval and disapproval of each matter or group of related matters intended to be acted upon at the meeting for which the proxy is solicited or by the written consent, other than elections to the Board of Directors, and shall provide (subject to reasonable specified conditions) that where the person solicited specifies a choice with respect to any such matter the shares will be voted in accordance therewith. In any election of directors, any form of proxy in which the directors to be voted upon are named as candidates and which is marked by a shareholder 'withhold' or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director. This paragraph shall not apply if the Corporation has an outstanding class of securities registered under Section 12(g) of the Securities Exchange Act of 1934 or whose securities are exempt from registration by Section 12(g)(2) under that act.

2.10 Determination of Shareholders of Record. In order that the Corporation may determine the shareholders entitled to notice of any meeting, to vote, to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any other lawful action, the Board of Directors may fix, in advance a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the date of the meeting, nor more than sixty (60) days prior to any other action.

If no record date is fixed, the record date for determining shareholders entitled to notice of, or to vote at, a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent is given. The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of, or to vote at, a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting; provided, however, that the Board of Directors shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

Shareholders at the close of business on the record date are entitled to notice and to vote, or to receive the dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date, except as otherwise provided in the Articles of Incorporation, by law, or by agreement.

For the purpose of determining whether the Corporation has outstanding shares held of record by one hundred (100) or more persons, shares shall be deemed to be "held of record" by each person who is identified as the owner of the shares on the record of shareholders maintained by or on behalf of the Corporation.

2.11 Inspectors of Elections. In advance of any meeting of shareholders, the Board of Directors may appoint inspectors of election to act at the meeting and any adjournment. If inspectors of election are not so appointed; or if any persons so appointed shall fail to appear or refuse to act, the Chair of the meeting of shareholders may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one (1) or more shareholders or proxies, the holder of a majority of shares represented in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.

The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; shall receive votes, ballots, or consents; shall hear and determine all challenges and questions in any way arising in connection with the right to vote; shall count and tabulate all votes or consents; shall determine when the polls shall close and the result; and shall do all other acts as may be proper to conduct the election or vote in order to ensure fairness to all shareholders.

2.12 Shareholders' Action by Written Consent. Unless otherwise provided in the Articles of Incorporation, any action that may be taken at any annual or special meeting of shareholders, may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Directors may not be elected by written consent except by unanimous written consent of all shares entitled to vote for the election of directors, unless otherwise provided in Section 3.4 of these Bylaws. A written consent may be revoked by a properly executed writing received by the Corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the Secretary, but not thereafter.

ARTICLE III

DIRECTORS

3.1 Powers and Duties. Subject to the provisions of the Code and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the Corporation shall be managed by, and all corporate powers shall be exercised by or under, the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the Corporation to a management company or other person provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

A director shall perform the duties of a director, including duties as a member of any committee of the Board of Directors upon which the director may serve, in good faith, in a manner the director believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

3.2 Number of Directors. The number of directors of the Corporation shall be five (5) until changed by amendment of the Articles of Incorporation or by amendment of this section of the Bylaws adopted by the approval of the outstanding shares; provided that if the number of directors of the Corporation is set forth in the Articles of Incorporation, the number may only be changed by an amendment of the Articles of Incorporation. The number set forth in the Articles of Incorporation shall govern in the event of any conflict with the number set in the Bylaws. In no event shall the specified minimum number of directors be less than three (3); provided, however, that (i) before shares are issued, the number may be one (1) or more; (ii) so long as the Corporation has only one (1) shareholder, the number may be one (1) or more; and (iii) so long as the Corporation has only two (2) shareholders, the number may be two (2) or more. If the minimum number of directors shall be five (5) or more, a Bylaw or amendment of the Articles of Incorporation reducing the minimum number of directors to a number less than five (5) cannot be adopted if the votes cast against its adoption at a meeting, or the shares not consenting in the case of action by written consent, are more than sixteen and two-thirds percent (16-2/3%) of the outstanding shares entitled to vote.

3.3 Election; Term of Office. At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting; but if the annual meeting is not held, or the directors are not elected, the directors may be elected at any special meeting of shareholders held for that purpose. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified, except upon the death, resignation, or removal of the director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.4 Vacancies; Resignation; Removal. A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of (i) the death, resignation, or removal of any director in accordance with Section 304 or Section 305 of the Code; (ii) action by the Board of Directors to declare vacant the office of a director who has been convicted of a felony or declared of unsound mind by a court order; (iii) an increase in the authorized number of directors; or (iv) the failure of the shareholders (at a meeting for election of directors at which one (1) or more directors are elected) to elect the full authorized number of directors.

Any director may resign effective upon giving written notice to the Chair of the Board, the President, the Secretary, or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

No director may be removed (unless the entire Board of Directors is removed) when the votes cast against removal, or not consenting in writing to the removal, would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast (or, if the action is taken by written consent, all, shares entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected.

Except for a vacancy created by the removal of a director, vacancies on the board may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (i) the unanimous written consent of the directors then in office; (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice; or (iii) a sole remaining director. The shareholders may elect a director at any time to fill any vacancy not filled by the directors. Any election (other than to fill a vacancy created by removal) which is accomplished by written consent shall require the consent of a majority of the outstanding shares entitled to vote. A vacancy on the Board of Directors resulting from the removal of a director may be filled only by the approval of the shareholders in accordance with Section 2.8 or by the unanimous written consent of the shareholders.

If, after the filling of any vacancy by the directors, the directors then in office who have been elected by the shareholders shall constitute less than a majority of the directors then in office, any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of shareholders to be held to elect the entire Board of Directors. The term of office of any director shall terminate upon the election of a successor.

3.5 Meetings; Location. Meetings of the Board of Directors may be called by the Chair of the Board, the President, any Vice President, the Secretary, or any two (2) directors.

The Board of Directors shall hold a regular meeting immediately after the meeting of shareholders at which it is elected and at the place where that meeting is held, for the purpose of appointing officers of the Corporation and for the transaction of other business. Notice of this board meeting is dispensed with unless the location of the meeting is other than the location of the shareholders' meeting. Other regular meetings of the Board of Directors may be held 'without notice if the time and place of the meetings are fixed by the Board of Directors.

Special meetings of the Board of Directors may be held upon at least four (4) days' notice by mail or at least forty-eight (48) hours notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board of Directors. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Meetings of the Board of Directors may be held at any place within or without the state, which has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, at the principal executive office of the Corporation or as otherwise designated by the Board of Directors.

Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all members participating in the meeting can hear each other.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

3.6 Quorum: Vote of Directors. A majority of the authorized number of directors shall constitute a quorum of the Board of Directors for the transaction of business (except as provided in Section 3.5 concerning adjournment of a meeting); provided, however, that the number of directors constituting a quorum shall not be less than one-third (1/3) of the authorized number of directors, or less than two (2) directors, whichever is larger, unless there shall be only one (1) authorized director, in which case that director shall constitute the quorum.

Unless otherwise provided by law, or unless a greater number is required by the Articles of Incorporation or these Bylaws, every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for the meeting.

3.7 Action Without A Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Any action by written consent shall have the same force and effect as a unanimous vote of directors.

3.8 Fees and Compensation. Directors and members of committees may receive compensation, if any, for their services, and reimbursement of expenses, as may be determined by resolution of the Board of Directors. This section shall not preclude any officer or director from serving the Corporation in any other capacity as an officer, employee, agent, or otherwise and receiving compensation for those services and reimbursement of related expenses.

ARTICLE IV

COMMITTEES OF DIRECTORS

4.1 Appointment of Committees. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one (1) or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors.

Any committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall have all the authority of the Board of Directors, except with respect to: (i) the approval of any action for which shareholder approval or approval of the outstanding shares is required by law; (ii) the filling of vacancies on the Board of Directors or in any committee; (iii) the fixing of compensation of the directors for serving on the Board of Directors or on any committee; (iv) the amendment or repeal of these Bylaws or the adoption of new Bylaws; (v) the amendment or repeal of any resolution of the Board of Directors, which by its express terms is not so amendable or repealable; (vi) the declaration of or making of a distribution to the shareholders of the Corporation, except at a rate or in a periodic amount or within a price range determined by the Board of Directors; or (vii) the appointment of other committees of the Board of Directors or the members thereof

4.2 Committee Meetings. Unless the Board of Directors shall otherwise provide, meetings of and actions by, committees shall be governed by the provisions of Article III of these Bylaws, as modified to substitute the committee and its members for the Board of Directors and its members. The time and place of regular meetings may be set by resolution of the Board of Directors or the committee, and when notice of regular meetings has been given to each member and alternate member of the committee, no further notice of regular meetings need be given thereafter. In addition to those authorized to call a special meeting by Section 3.5, special committee meetings may be called by any two (2) members of the committee. Notice of special meetings shall be given to all committee members and alternate members. A majority of the authorized number of members of any committee shall constitute a quorum for the transaction of business.

ARTICLE V

OFFICERS

5.1 Designation of Officers; Removal and Resignation. The officers of the Corporation shall consist of a Chair of the Board or a President, or both, a Secretary, and a Chief Financial Officer, and each of them shall be appointed by the Board of Directors. The Corporation may also have such other officers as may be appointed by the Board of Directors or, if authorized by the Board of Directors, by the Board Chair with those titles and duties as may be determined by the Board of Directors or the Board Chair and as may be necessary to enable the Corporation to sign instruments and share certificates. If the Board of Directors or the Board Chair shall name one (1) or more persons as Vice President, the order of their seniority shall be in the order of their nomination, unless otherwise determined by the Board of Directors or the Board Chair. Any number of offices may be held by the same person.

All officers of the Corporation shall hold office from the date appointed to the date of the next succeeding regular meeting of the Board of Directors following the meeting of shareholders at which the Board of Directors is elected, and until their successors are elected; provided that all officers may be removed at any time at the pleasure of the Board of Directors. Upon the removal, resignation, death, or incapacity of any officer, the Board of Directors may declare the office vacant and fill the vacancy. Any officer may resign at any time upon written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. The salary and other compensation of the officers shall be fixed from time to time by resolution of the Board of Directors.

5.2 Duties of the Board Chair. The Board Chair, if one exists, shall preside at all meetings of the Board of Directors. The Board Chair shall have those powers and perform those duties as the Board of Directors shall designate from time to time. If there is no President, then the Board Chair shall be the chief executive officer of the Corporation and shall perform the duties of President.

5.3 Duties of the President. Subject to any supervisory powers given by the Board of Directors to the Board Chair, if one exists, the President shall be the general manager and chief executive officer of the Corporation and, subject to the direction of the Board of Directors, shall have general supervision, direction, and authority over the business, affairs, and officers of the Corporation, and shall perform all the duties commonly incident to that office. The President shall preside at all meetings of the shareholders and, in the absence of the Board Chair, or, if there is none, at all meetings of the Board of Directors. The President shall have such other powers and perform such other duties as the Board of Directors shall designate from time to time.

5.4 Duties of Vice President. The Vice Presidents, if any, in the order of their seniority (unless otherwise established by the Board of Directors or the Board Chair) may assume and perform the duties of the President in the absence or disability of the President or whenever the office of the President is vacant. The Vice Presidents shall have those titles, and those powers, and shall perform those duties as the Board of Directors or the Board Chair shall designate from time to time.

5.5 Duties of the Secretary. The Secretary shall keep, or cause to be kept, at the principal executive office (or any other place that the Board of Directors may order) a minute book of all meetings of the shareholders, Board of Directors, and committees appointed pursuant to Article IV. The minutes shall contain all acts and proceedings of the meetings, the time and location of meetings, whether the meetings are regular or special (and, if special, how authorized and the notice given), the names of those present at directors' or committee meetings, and the number of shares present or represented at shareholders' meetings. The Secretary shall give, or cause to be given, notice (in conformity with law and these Bylaws) of all meetings of the shareholders, and of any meetings of the Board of Directors or any committee requiring notice. The Secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of share certificates issued; and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall keep any seal of the Corporation in safe custody and shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

5.6 Duties of the Chief Financial Officer. The Chief Financial Officer shall keep, or cause to be kept, the books of account of the Corporation in a thorough and proper manner, and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform all other duties commonly incident to that office and shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Deputy Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Deputy Financial Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

ARTICLE VI

INDEMNIFICATION

6.1 Mandatory Indemnification. The Corporation shall, to the maximum extent and in the manner specified in the Code, indemnify each of its directors and officers against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was a director or officer of the Corporation. The Corporation shall have the power to advance expenses incurred in defending any proceeding prior to the disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay that amount if it shall be determined ultimately that the person is not entitled to indemnification. All rights to indemnification under this Section 6.1 shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this Article VI is in effect.

6.2 Permissive Indemnification. The Corporation shall, to the extent and in the manner specified in the Code, have the power to indemnify each of its Agents (other than those for whom indemnification is mandatory, as provided in Section 6.1) against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an Agent of the Corporation. The Corporation shall have the power to advance expenses incurred in defending any proceeding prior to the disposition of the proceeding upon receipt of an undertaking by or on behalf of the Agent to repay that amount if it shall be determined ultimately that the person is not entitled to indemnification.

6.3 Definitions. The terms “director” and “officer” of the Corporation shall mean any person who is or was a director or officer, respectively, of the Corporation, or is or was serving at the request of the Corporation as a director or officer, respectively, of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director or officer, respectively, of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation.

6.4 Successful Defense. To the extent that an Agent of the Corporation has been successful on the merits in defense of any proceeding or in defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection therewith.

6.5 Other Rights; Continuation of Right to Indemnification. The indemnification provided by this Article VI shall not be deemed exclusive of any additional rights to which an Agent may be entitled under any law (common or statutory), agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be an Agent, and shall inure to the benefit of the estate, heirs, executors, and administrators of the Agent. Nothing contained in this Section 6.5 shall affect any right to indemnification to which persons other than directors or officers may be entitled by contract or otherwise. The Board of Directors is authorized to enter into an agreement providing indemnification rights similar to or, if permitted by applicable law, greater than those provided or authorized under this Article VI.

6.6 Insurance. The Corporation may purchase and maintain insurance on behalf of any Agent against any liability asserted against the Agent or incurred by or on behalf of the Agent in any such capacity, or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against liability under the provisions of this Article VI.

6.7 No Impairment. Any repeal or modification of this Article VI or any other applicable laws, shall not in any way diminish any rights to indemnification of any Agent or the obligations of the Corporation arising hereunder.

6.8 Savings Clause. If this Article VI, or any part of it, shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation nevertheless shall indemnify or have the power to indemnify, as appropriate, each Agent of the Corporation to the full extent required by any applicable part of this Article VI that shall not have been invalidated.

ARTICLE VII

SHARES OF STOCK

7.1 Form of Certificates. Every holder of shares in the Corporation shall be entitled to have a certificate signed in the name of the Corporation by the Board Chair or the President or a Vice President and by the Chief Financial Officer or a Deputy Financial Officer or the Secretary or an Assistant Secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be an officer, transfer agent, or registrar before the certificate is issued, the issuance of the certificate by the Corporation shall have the same effect as if that person were an officer, transfer agent, or registrar at the date of issue.

If the shares of the Corporation are classified, or if any class of shares has two or more series, there shall appear on the certificate one of the following: (i) a statement of the rights, preferences, privileges, and restrictions granted to or imposed upon each class or series of shares authorized to be issued and upon the holders thereof; (ii) a summary of rights, preferences, privileges, and restrictions with reference to the provisions of the Articles of Incorporation and any Certificates of Determination establishing the same; or (iii) a statement setting forth the office or agency of the Corporation from which shareholders may obtain, upon request and without charge, a copy of the statement referred to in (i) above.

There shall also appear on the certificate the following statements (if applicable): (i) that the shares are subject to restrictions upon transfer; (ii) if the shares are assessable or are not fully paid, that they are assessable or, on partly paid shares, the total amount of the consideration to be paid and the amount previously paid; (iii) that the shares are subject to a close corporation voting agreement, or an irrevocable proxy, or restrictions upon voting rights contractually imposed by the Corporation; (iv) that the Corporation is a close corporation, whose shareholders of record cannot exceed a specified amount; (v) that the shares are redeemable; and (vi) that the shares are convertible and the period for conversion. Any statement on the face of the certificate required by this paragraph shall be conspicuous.

When the Articles of Incorporation are amended in any way affecting the statements contained in the certificates for outstanding shares, or it becomes desirable for any reason, in the discretion of the Board of Directors, to cancel any outstanding certificate for shares and issue a new certificate therefor conforming to the rights of the holder, the Board of Directors may order any holders of outstanding certificates for shares to surrender and exchange them for new certificates within a reasonable time to be fixed by the Board of Directors.

7.2 Transfer of Shares. Shares of the Corporation may be transferred in any manner permitted or provided by law. Before any transfer of shares is entered upon the books of the Corporation, or any new certificate is issued, the old certificate (properly endorsed) shall be surrendered and canceled, except when a certificate has been lost or destroyed.

7.3 Lost Certificates. The Corporation shall issue a new share certificate or a new certificate for any other security in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, provided that, prior to the issuance of the new certificate, the Corporation may require the owner of the lost, stolen, or destroyed certificate or the owners legal representative to give the Corporation a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft, or destruction of the certificate or the issuance of such new certificate.

7.4 Electronic Securities Recordation. Notwithstanding the provisions of Sections 7.1 through 7.3, and as permitted by law, the Corporation may adopt a system of issuance, recordation, and transfer of its shares by electronic or other means not involving any issuance of certificates.

ARTICLE VIII

REPORTS, RECORDS, AND INSPECTIONS

8.1 Financial Reports. The Board of Directors shall cause an annual report to be sent to the shareholders not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. That report shall be sent to the shareholders at least fifteen (15) (or, if sent by third-class mail, thirty-five (35)) days prior to the annual meeting of shareholders to be held during the next fiscal year. That report shall contain a balance sheet as of the end of that fiscal year and an income statement and statement of changes in financial position for that fiscal year. If the Corporation has less than one hundred (100) shareholders of record, the requirements of this paragraph are expressly waived.

If no annual report for the last fiscal year has been sent to shareholders, the Corporation shall, upon the written request of any shareholder made more than one hundred twenty (120) days after the close of that fiscal year, deliver or mail to the person making the request within thirty (30) days thereafter, the financial statements, if any, required by the first paragraph of this Section 8.1 for that year.

A shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of the Corporation may make a written request to the Corporation for (i) an income statement of the Corporation for the three-month, six-month, or nine-month period of the current fiscal year ended more than thirty (30) days prior to the date of the request; (ii) a balance sheet of the Corporation as of the end of the period; and (iii) if no annual report for the last fiscal year has been sent to shareholders, the statements referred to in the first paragraph of this Section 8.1 for the last fiscal year. The statements shall be delivered or mailed to the person making the request within thirty (30) days. A copy of the statements shall be kept on file in the principal executive office of the Corporation for twelve (12) months, and it shall be exhibited at all reasonable times to any shareholder demanding an examination of the statements or a copy shall be mailed to the shareholder.

The income statements and balance sheets referred to in this Section 8.1 shall be accompanied by the report of independent accountants engaged by the Corporation, if any, or by the certificate of an authorized officer of the Corporation that the financial statements were prepared without audit from the books and records of the Corporation.

8.2 Location and Inspection of Bylaws. The Corporation shall keep at its principal executive office in this state, or if its principal executive office is not in this state at its principal business office in this state, the original or a copy of its Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during normal office hours. If the principal executive office of the Corporation is outside this state and the Corporation has no principal business office in this state, upon the written request of any shareholder, the Corporation shall furnish to the shareholder a copy of the Bylaws as amended to date.

8.3 Location and Inspection of Record of Shareholders. The Corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of shares held by each.

A shareholder or shareholders holding at least five percent (5%) in the aggregate of the outstanding voting shares of the Corporation or holding at least one percent (1%) of such voting shares and having filed a Schedule I 4A with the United States Securities and Exchange Commission shall have an absolute right to do either or both of the following: (i) inspect and copy the record of shareholders' names and addresses and shareholdings during usual office hours upon five (5) business days' prior written demand upon the Corporation; or (ii) obtain from the transfer agent for the Corporation, upon written demand and upon the tender of its usual charges for such a list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand. The list shall be made available on or before the later of five (5) business days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the Corporation, for a purpose reasonably related to the holder's interest as a shareholder or holder of a voting trust certificate.

Any inspection and copying under this Section 8.3 shall be made in person or by agent or attorney of the person seeking inspection and copying.

8.4 Location and Inspection of Other Corporate Records. The Corporation shall keep correct books and records of account and shall keep minutes of the proceedings of its shareholders, Board of Directors, and committees. The minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.

The accounting books and records and minutes of proceedings of the shareholders, the Board of Directors, and committees shall be open to inspection upon the written demand on the Corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual office hours, for a purpose reasonably related to the holder's interests as a shareholder or as the holder of the voting trust certificate. The right of inspection created by this section shall extend to the records of each subsidiary of the Corporation. Inspection by a shareholder or holder of a voting trust certificate may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

8.5 Directors' Right to Inspect. Every director of the Corporation shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of the Corporation of every kind and to inspect the physical properties of the Corporation and of its subsidiary corporations. Inspection by a director may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

ARTICLE IX

GENERAL

9.1 Execution of Corporate Documents and Instruments. Except as otherwise provided by law or in these Bylaws, the Board of Directors, in its discretion, may designate and authorize any director, officer, employee, agent, or other person to execute any corporate agreement, document, or instrument, or to otherwise sign, in the name and on behalf of the Corporation. Properly authorized execution or signature shall be binding upon the Corporation. Unless so authorized or ratified by the Board of Directors, no director, officer, employee, agent, or other person shall have the power to act on behalf of the Corporation, to execute any agreement, document, or instrument in the name and on behalf of the Corporation, or to otherwise bind the Corporation unless the action, execution, or binding activity is within the agency power of the officer. No officer shall sign any instrument or document unless the Board of Directors has approved the underlying transaction.

All checks, drafts, orders for payment of money, notes, or other indebtedness issued by or payable to the Corporation, shall be signed or endorsed only by those persons that the Board of Directors shall authorize from time to time.

9.2 Voting of Shares Owned by Corporation. The Board Chair, the President, or any Vice President, or, if authorized by the Board of Directors, the Chief Financial Officer, the Secretary, any Assistant Secretary, or any other person, shall be authorized to vote, and exercise all rights incident to, the shares and any proxies of other corporations owned, held by, or standing in the name of the Corporation.

9.3 Corporate Seal. The corporate seal, if authorized by the Board of Directors, shall consist of a circular die bearing the name of the Corporation and the state and date of its incorporation. If and when authorized, a duplicate of the corporate seal may be kept and used by any officer or person that the Board of Directors may designate. Failure to affix any corporate seal will not affect the validity of any instrument of the Corporation.

9.4 Interpretation. Unless the context otherwise requires, these Bylaws shall be construed and interpreted in accordance with the provisions of the Code, as amended.

ARTICLE X

AMENDMENT

10.1 Procedure. The Bylaws of the Corporation shall be subject to amendment or repeal, and new Bylaws may be adopted, by the vote or written consent of the holders of a majority of the outstanding shares entitled to vote; provided, however, that if the number of authorized directors is specified in the Articles of Incorporation then amendment of the authorized number of directors shall require the amendment of the Articles of Incorporation. After the issuance of shares, a Bylaw specifying or changing a fixed number of directors or the maximum or minimum number of directors, or changing from a fixed to a variable board or vice versa may only be adopted by approval of the outstanding shares. Subject to the right of the shareholders to adopt, amend, or repeal the Bylaws, the Bylaws (other than a Bylaw or amendment changing the authorized number of directors) may be adopted, amended, or repealed by action of the Board of Directors.

10.2 Record. Whenever these Bylaws are amended or new Bylaws are adopted, the amendment or new Bylaw shall be inserted with the original Bylaws in the corporate records of the Corporation. The fact of any repeal of any Bylaw shall also be duly noted with the records of the Bylaws.