

**NASSAU COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE
(Straight Lease)

APPLICATION OF:

615 South Street, LLC

APPLICANT NAME

Please respond to all questions in this Application for Financial Assistance (the "Application") by, as appropriate:

- filling in blanks;
- checking the applicable term(s);
- attaching additional text (with notation in Application such as "see Schedule H, Item # 1", etc.); or
- writing "N.A.", signifying "not applicable".

All attachments responsive to questions found in this Application should be clearly labeled and attached as Schedule H to the Application. If an estimate is given, enter "EST" after the figure. One signed original and 9 copies of the Application (including all attachments) must be submitted.

The following amounts are payable to the Nassau County Industrial Development Agency (the "Agency") at the time this Application is submitted to the Agency: (i) a \$1,000 non-refundable application fee (the "Application Fee"); (ii) a \$3,500 expense deposit for the Agency's Transaction Counsel fees and expenses (the "Counsel Fee Deposit"), (iii) a \$2,500 expense deposit for the cost/benefit analysis with respect to the project contemplated by this Application (the "Cost/Benefit Deposit"), and (iv) a \$500 expense deposit for the real property tax valuation analysis, if applicable, with respect to the project contemplated by this Application (the "Valuation Deposit"). The Application Fee will not be credited against any other fees or expenses which are or become payable to the Agency in connection with this Application or the project contemplated herein (the "Project"). In the event that the subject transaction does not close for any reason, the Agency may use all or any part of the Counsel Fee Deposit, the Cost/Benefit Deposit and/or the Valuation Deposit to defray the cost of Transaction Counsel fees and expenses, the cost of obtaining a cost/benefit analysis and/or the cost of obtaining a real property tax valuation with respect to the Project. In the event that the subject transaction does close, the Counsel Fee Deposit, the Cost/Benefit Deposit and the Valuation Deposit shall be credited against the applicable expenses incurred by the Agency with respect to the Project.

Every signature page comprising part of this Application must be signed by the Applicant or this Application will not be considered complete or accepted for consideration by the Agency.

The Agency's acceptance of this Application for consideration does not constitute a commitment on the part of the Agency to undertake the proposed Project, to grant any Financial Assistance with respect to the proposed Project or to enter into any negotiations with respect to the proposed Project.

Information provided herein may be subject to disclosure under the New York Freedom of Information Law (New York Public Officers Law § 84 et seq.) ("FOIL"). If the Applicant believes that a portion of the material submitted with this Application is protected from disclosure under FOIL, the Applicant should mark the applicable section(s) or page(s) as "confidential" and state the applicable exception to disclosure under FOIL.

May 5, 2011

DATE

PART I. APPLICANT

A. APPLICANT FOR FINANCIAL ASSISTANCE (If more than one applicant, copy application and complete for each applicant):

Name: 615 SOUTH STREET, LLC

Address: 615 SOUTH STREET, GARDEN CITY, NY 11530

Primary Contact: JAMES MCMAHAN

Phone: 516-515-5030 Fax: 516-515-5002

E-Mail: james.mcmahan@wacighting.com

NY State Dept. of

Labor Reg #: Federal Employer ID #:

NAICS Code #: 531120

B. BUSINESS TYPE (Check applicable status. Complete blanks as necessary):

Sole Proprietorship General Partnership Limited Partnership

Limited Liability Company Privately Held Corporation

Publicly Held Corporation Exchange listed on _____

Not-for-Profit Corporation

Income taxed as: Subchapter S Subchapter C
501(c)(3) Corporation **Partnership**

State and Year of Incorporation/Organization: NY - MARCH 1998

Qualified to do Business in New York: Yes No N/A

C. ANY ENTITY PROPOSED TO BE A USER OF THE PROJECT:

Name: WANGS ALLIANCE CORP. dba WAC LIGHTING CO.

Relationship to Applicant: COMMON OWNERSHIP (615 SOUTH ST, LLC IS A REAL ESTATE HOLDING CO.)

G. Is the Applicant related to any other entity by reason of more than 50% common ownership? If YES, indicate name of related entity and relationship:

YES ___

NO X

H. List parent corporation, sister corporations and subsidiaries, if any:

N/A

I. Is the Applicant (including any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities involved in any litigation or aware of any threatened litigation that would have a material adverse effect on the Applicant's financial condition or the financial condition of said principal(s)? If YES, attach details.

YES ___

NO X

J. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, ever been involved, as debtor, in bankruptcy, creditors rights or receivership proceedings or sought protection from creditors? If YES, attach details.

YES ___

NO X

K. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, ever been charged with or convicted of any felony or misdemeanor (other than minor traffic offenses), or have any such related persons or principal(s) held positions or ownership interests in any firm or corporation charged or convicted of a felony or misdemeanor (other than minor traffic offenses)? If YES, attach details.

YES ___

NO X

L. Has the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, been cited for (or is there pending proceeding or investigation with respect to) a violation of federal, state or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution, taxation, or other operating practices? If YES, attach details.

YES ___

NO X

M. Is the Applicant (or any parent company, subsidiary or related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, delinquent or have any of the foregoing persons or entities been delinquent on any New York State, federal or local tax obligations within the past five (5) years? If YES, attach details.

YES ___

NO X

N. Complete the following information for principals (including, in the case of corporations, officers and members of the board of directors and, in the case of limited liability company, members and managers) of the Applicant:

<u>Name</u>	<u>Title</u>	<u>Other Business Affiliations</u>
<u>Tony Wang</u>	<u>CEO</u>	_____
<u>Shelley Wang</u>	<u>President</u>	_____
<u>Tai Wang</u>	<u>Secretary</u>	_____
_____	_____	_____

Do any of the foregoing principals hold elected or appointive public positions? If YES, attach details.

YES ___

NO X

Are any of the foregoing principals employed by any federal, state or local municipality or any agency, authority, department, board, or commission thereof or any other governmental or quasi-governmental organization?

YES ___

NO X

O. Operation at existing location(s) (Complete separate Section O for each existing location):

1a. (a) Location: 615 SOUTH ST, GARDEN CITY, NY 11530

(b) Number of Employees: Full-Time: 61 Part-Time: 2

(c) Annual Payroll, excluding benefits: \$5,430,000 (EST)

(d) Type of operation (e.g. manufacturing, wholesale, distribution) and products or services: OFFICE, WAREHOUSE, WHOLESALE, & DISTRIBUTION OF LIGHTING FIXTURES, EQUIPMENT AND PRODUCTS

(e) Size of existing facility real property

(i.e., acreage of land): +/- 7 ACRES

(f) Buildings (number and square footage of each): ONE – 70,000 S/F EST.

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

OWNED BY 615 SOUTH ST, LLC AND LEASED TO WANGS ALLIANCE CORP.

(h) If Applicant leases, state annual rent

and lease expiration date: WANGS ALLIANCE CORP 2011
RENT IS \$824,200 INCL TAXES (\$266,000) EST, LEASE EXPIRES 12/31/2011

1b. (a) Location: 625 SOUTH ST, GARDEN CITY, NY 11530

(b) Number of Employees: Full-Time: 0 Part-Time: 0

(c) Annual Payroll, excluding benefits: \$0

(d) Type of operation (e.g. manufacturing, wholesale, distribution) and products or services: WAREHOUSE, TRAINING CENTER & SHOWROOM

(e) Size of existing facility real property
(i.e., acreage of land): 2.0617 ACRES

(f) Buildings (number and square footage of each): ONE / 50,751 SQ FT

(g) Applicant's interest in the facility.

FEE TITLE (i.e. own) LEASE OTHER (describe below)

LEASEHOLD

(h) If Applicant leases, state annual rent

and lease expiration date: \$613,700 ANNUAL RENT 2011
INCL. TAXES (\$142,000) EST, LEASE EXPIRES 08/2012

2. If any of the facilities described above are located within the State of New York, is it expected that any of the described facilities will be closed or be subject to reduced activity? If YES, complete the attached Anti-Raiding Questionnaire (Schedule D).

YES NO X

P. Has the Applicant considered moving to another state or another location within New York State? If YES, explain circumstances.

YES X

NO

REFER TO PART II.

Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES X

NO

R. Does the Applicant (including any related entity or person) or any principal(s) of the Applicant or its related entities, or any other business or concern with which such entities, persons or principal(s) have been connected, have any contractual or other relationship with the Agency or the County of Nassau? If YES, attach details.

YES

NO X

S. Attach a brief history of the Applicant and its business/operations.



WAC Lighting is Responsible Lighting.

Celebrating our 25th anniversary in 2009, WAC Lighting has developed a stellar reputation for high quality decorative and task lighting lines backed by an extraordinary level of service, an unprecedented shipping record, and an extension of our Product Warranty to Five Years.

To reflect our Green energy saving strategies, social progress and community involvement, WAC Lighting has recently changed our logo and tagline to "Responsible Lighting." Leading the industry's sustainability charge, our firm has contributed to social progress with responsible manufacturing practices and energy saving technology. Our firm employs stringent sourcing and on-site UL authorized product testing for safety and quality assurance, as well as water recycling, lead-free and zero-landfill capabilities in our wholly owned, Clean ISO 9001-certified

manufacturing campus. Sustainable CFL and LED lighting products have been added to our extensive line with the most energy efficient technology available. As progress is measured in quality of life, WAC strives to advance employee empowerment, community involvement with major global and local foundations, and diversity in the workplace.

Innovative and integrated systems technologies are hallmarks of the WAC Lighting product line, which offers many recent introductions:

- InvisiLED™ tape light featuring energy-saving display and accent lighting solution using the latest LED technology.
- LEDme™ downlights – featuring award-winning recessed fixtures powered by energy-sipping LED's.
- New LED track luminaires featuring new multi-ship LED's with the same lumens as a 50 watt halogen bulb, while utilizing only 10 watts of power
- Modernism™ A collection of mouthblown opal glass energy saving luminaires.
- DUORAIL™ The smallest 2-circuit rail system available.
- Brushed Nickel Track and Track Fixtures.

Also available are stunning art glass pendants and luminaires; Low/Line Voltage Track Systems; Line and Low Voltage Recessed Downlights; Line/Low-Voltage Single and Two-Circuit Monorail Systems; Crystal Beauty Spots; Wall Sconces; Monopoints; Multipoints; Counter Balance Adjustables; SMART Transformers; and other specialty lighting.

In 2006, our quest to become the most recognized and respected lighting company in the industry led us to take up a new challenge. We launched our newest enterprise to bring our capabilities to the commercial architectural lighting industry called W2 Architectural Lighting. Specialized in high-performance track, recessed cove and pedant lighting. W2 has been specified globally for retail and museum lighting. Please visit our website at www.w2lighting.com for more information.

WAC lighting firm retains corporate headquarters and east coast distribution center in Garden City, NY, a west coast distribution center and offices in City of Industry, Calif., and a distributor showroom in Dallas. Nearly 90% of WAC Lighting products are fabricated, including components, at our state-of-the-art manufacturing campus in China.

WAC Lighting is headquartered at 615 South Street, Garden City, New York 11530. The phone is 1.800.526.2588, and the fax is 1.800.526.2585. The email address is info@wacighting.com and the website is www.wacighting.com

By signing this Application, the Applicant authorizes the Agency to obtain credit reports and other financial background information and perform other due diligence on the Applicant and/or any other entity or individual related thereto, as the Agency may deem necessary to provide the requested financial assistance.

PART II. PROPOSED PROJECT

A. Description of proposed Project (check all that apply):

- New Construction
- Addition to Existing Facility
- Renovation of Existing Facility

- ⇒ **Acquisition of Facility**
- ⇒ **New machinery and equipment**

B. Briefly describe the proposed Project, the reasons why the Project is necessary to the Applicant and why the Agency’s financial assistance is necessary, and the effect the Project will have on the Applicant’s business or operations:

WAC Lighting has outgrown its current facilities, consisting of corporate offices, training center and warehouse space in an owned facility located at 615 South St. in Garden City and a leased space in an adjacent property at 625 South St. We are looking to expand our facilities, providing one corporate office and warehouse facilities to accommodate current and future growth for the next 20 years. Our business plan for the next five years has us doubling the size of our sales by aggressively growing in the energy efficient lighting categories (driven primarily by LED solid state lighting), establishing a global R&D center located in the N.E., and focusing on new growth channels.

Attached hereto as part of Schedule H is a detailed WAC Lighting Expansion Plan (“Expansion Plan”) for the period from 2012-2026. The Expansion Plan describes the company’s initiatives and expansion during Phase I (2012-2021) and Phase II (2022-2026), and details the jobs that will be created by the company during those periods. The Expansion Plan explains the critical need for the IDA assistance, and that the initiatives described in the Expansion Plan would not be possible without such assistance.

C. If the Applicant is unable to obtain financial assistance for the Project, what will be the impact on the Applicant and Nassau County? Would the Applicant proceed with the Project without Agency financial assistance? Describe.

WAC has explored other areas of expansion, including New Jersey and Suffolk County. Financial assistance is critical to our final decision, especially assistance with a real estate tax pilot agreement. See also, Expansion Plan as part of Schedule H.

D. Location of Project (attach map showing the location):

Street Address:
44 HARBOR PARK DRIVE

City/Village(s):
PORT WASHINGTON

Town(s):
NORTH HEMPSTEAD

School District(s):
PORT WASHINGTON

Section: 6 Block: 089 Lot: 3/4

Census Tract Number: 3014

If exact street address is not available, please provide a survey and the most precise description available.

E. Describe the present use of the Project site: OFFICE USE WITH UNOCCUPIED WAREHOUSE.

F. (a) What are the current real estate taxes on the Project site? (If amount of current taxes is not available, provide assessed value for each):

Land: \$78,300 EST Building(s): \$443,700 EST

(b) Are tax certiorari proceedings currently pending with respect to the Project real property? If YES, attach details including copies of pleadings, decisions, etc.

YES NO X

G. Describe Project ownership structure (*i.e.*, Applicant or other entity):

APPLICANT (615 SOUTH ST. LLC) TO PURCHASE THE PROPERTY AND LEASE TO RELATED PARTY (WANGS ALLIANCE CORP.)

H. To what purpose will the building or buildings to be acquired, constructed or renovated be used by the Applicant? (Include description of goods to be sold, products to be manufactured, assembled or processed and services to be rendered.)

GLOBAL HEADQUARTERS FOR SALES, MARKETING, ADMINISTRATION, RESEARCH & DEVELOPMENT, WAREHOUSE, AND DISTRIBUTION CENTER.

I. If any space in the Project is to be leased to or occupied by third parties, or is currently leased to or occupied by third parties who will remain as tenants, provide the names and contact information for each such tenant, indicate total square footage of the Project to be leased to each tenant, and describe proposed use by each tenant:

N/A - SEE RESPONSE ABOVE (H)

J. Provide, to the extent available, the information requested, in Part I, Questions A, B, E and O, with respect to any party described in the preceding response.

N/A - SEE RESPONSE ABOVE (H)

K. List principal items or categories of equipment to be acquired as part of the Project:

Building, warehouse equipment, office furniture, test lab equipment for R&D Center, computers, telephones, etc.

L. Will Project meet zoning/land use requirements at proposed location?

YES X NO _____

1. Describe present zoning/land use: COMMERCIAL/INDUSTRIAL PARK

2. Describe required zoning/land use, if different: N/A

3. If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

N/A

M. Does the Applicant, or any related entity or person, currently hold a lease or license on the Project site? If YES, please provide details and a copy of the lease/license.

YES _____ NO X

N. Does the Applicant, or any related entity or person, currently hold fee title to (i.e. own) the Project site?

YES _____ NO X

If YES, indicate:

(a) Date of purchase: _____

(b) Purchase price: \$ _____

(c) Balance of existing mortgage, if any: \$ _____

(d) Name of mortgage holder: _____

(e) Special conditions: _____

If NO, indicate name of present owner of Project site: Luxottica USA, LLC, Formally Avante-Garde Optics, Inc.

O. Does the Applicant or any related person or entity have an option or a contract to purchase the Project site and/or any buildings on the Project site?

YES X NO

If YES, attach copy of contract or option and indicate:

- (a) Date signed: 4/7/11
- (b) Purchase price: \$12,250,000.00
- (c) Closing date: 12/19/11 EST

Is there a relationship legally or by virtue of common control or ownership between the Applicant (and/or its principals) and the seller of the Project (and/or its principals)?
If YES, describe:

YES NO X

P. Will customers personally visit the Project site for either of the following economic activities? If YES with respect to either economic activity indicated below, complete the attached Retail Questionnaire (Schedule E).

Retail Sales: YES NO X Services: YES NO X

Q. Describe the social and economic conditions in the community where the Project site is or will be located and the impact of the proposed Project on the community (including impact on infrastructure, transportation, fire and police and other government-provided services):

The site is located in an existing industrial park. Our new corporate headquarters will house our executive staff, marketing and sales departments, R&D, engineering, and we will store our products in the 100,000 sf warehouse facilities. We will also host training sessions for lighting designers and lighting distributors in our new training facilities and showrooms. There will be no increase in infrastructure or government services as compared to the existing owner – Luxottica.

R. Identify the following Project parties (if applicable):

Architect: N/A
Engineer: N/A
Contractors: N/A

S. Will the Project be designed and constructed to comply with Green Building Standards? (if YES, describe the LEED green building rating that will be achieved):

YES _____ NO N/A

T. Is the proposed Project site located on a Brownfield? (if YES, provide description of contamination and proposed remediation)

YES _____ NO X

U. Will the proposed Project produce a unique service or product or provide a service that is not otherwise available in the community in which the proposed Project site is located?

YES X NO _____

R&D Center

PART III. PROJECT COSTS

A. Provide an estimate of cost of all items listed below:

	<u>Item</u>	<u>Cost</u>
1.	Land Acquisition	\$ <u>INCLUDED WITH BUILDING</u>
2.	Building Acquisition	\$ <u>12,250,000</u>
3.	Construction or Renovation	\$ <u>500,000 EST</u>
4.	Site Work	\$ <u>100,000 EST</u>
5.	Infrastructure Work	\$ <u>100,000 EST</u>
6.	Engineering Fees	\$ <u>50,000 EST</u>
7.	Architectural Fees	\$ <u>50,000 EST</u>
8.	Applicant's Legal Fees	\$ <u>UNKNOWN</u>
9.	Financial Fees (incl. lender legal fees)	\$ <u>UNKNOWN</u>
10.	Other Professional Fees	\$ <u>UNKNOWN</u>
11.	Furniture, Equipment & Machinery (not included in 3. above)	\$ <u>INCLUDED</u>
12.	Other Soft Costs (describe)	\$ <u>INCLUDED</u>
13.	Other (describe)	\$ <u>INCLUDED</u>

Total \$ 13,050,000 EST

B. Source of Funds for Project Costs:

a. Bank Financing: \$ 9,200,000 EST
b. Equity \$ 3,850,000 EST

TOTAL \$ 13,050,000 EST

C. Have any of the above costs been paid or incurred (including contracts of sale or purchase orders) as of the date of this application? If YES, describe particulars on a separate sheet.

YES X (initial due diligence expenses relating to acquisition of property) NO _____

D. Has the Applicant made any arrangement for the provision of third party financing? If YES, indicate with whom (subject to Agency approval) and provide a copy of any term sheet or commitment letter issued with respect to such financing.

YES _____ NO X

PENDING

E. Construction Cost Breakdown:

Total Cost of Construction: \$500,000 EST (sum of 3 and 11 in Question A above)

Cost for materials: \$175,000 EST
% Sourced in County: 75 EST %
% Sourced in State: 100 EST % (incl. County)

Cost for labor: \$275,000 EST
% Sourced in County: 75 EST %
% Sourced in State: 100 EST % (incl. County)

Cost for "other": \$ 50,000 EST
% Sourced in County: 75 EST %
% Sourced in State: 100 EST % (incl. County)

PART IV. COST/BENEFIT ANALYSIS

A. If the Applicant presently operates in Nassau County, provide the current annual payroll, excluding benefits. Estimate payroll, excluding benefits, in First Year, Second Year and Third Year after completion of the Project.

	<u>Present</u>	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>
Full-time:	\$5,400,000EST	\$6,873,000 EST	\$7,604,000 EST	\$8,140,000 EST
Part-time:	<u>50,000 EST</u>	<u>50,000 EST</u>	<u>50,000 EST</u>	<u>50,000 EST</u>
Seasonal:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Annual Payroll:	\$5,450,000EST	\$6,923,000 EST	\$7,654,000 EST	\$8,190,000 EST

What are the average wages of employees (excluding benefits) presently employed by the Applicant in Nassau County? \$ 79,814

What is the average annual value of employee benefits paid per job, if any, for the employees presently employed by the Applicant in Nassau County? \$ 9,200 EST

What are the estimated average wages of the jobs (excluding benefits) to be created by the Applicant upon completion of the Project? \$ 69,000

What is the estimated average annual value of employee benefits per job, if any, for jobs to be created upon completion of the Project? \$ 9,200

Estimate the percentage of jobs to be created by the Applicant upon completion of the Project that will be filled by County residents: 76%

Please note that the Agency may utilize the foregoing employment projections and the projections set forth in Schedule C, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs, types of occupations and amount of payroll with respect to the Project set forth in this Application.

B. (i) Will the Applicant transfer current employees from existing location(s)? If YES, describe, please describe the number of current employees to be transferred and the location from which such employees would be transferred:

YES X NO

ALL EMPLOYEES WILL BE TRANSFERRED TO THE PROPOSED LOCATION

(ii) Describe the number of estimated full time equivalent construction jobs to be created as a result of undertaking the project, to the extent any:

 N/A

C. What, if any, is the anticipated increase in the dollar amount of production, sales or services rendered as a result of the Project?

[SEE FORECASTED INCOME STATEMENT ATTACHED AS PART OF EXHIBIT F]

What percentage of the foregoing amount is subject to New York sales and use tax?

 0 %

Describe any other municipal revenues that will result from the Project (excluding the above and any PILOT payments):

PAYROLL, MAINTENANCE CONTRACTS, UTILITIES, ETC.

D. What is the estimated aggregate annual amount of goods and services to be purchased by the Applicant for each year after completion of the Project and what portion will be sourced from businesses located in the County and the State (including the County):

[SEE FORECASTED INCOME STATEMENT ATTACHED AS PART OF EXHIBIT F]

	<u>Amount</u>	<u>% Sourced in County</u>	<u>% Sourced in State</u>
Year 1	\$ <u> </u>	<u> </u>	<u> </u>
Year 2	\$ <u> </u>	<u> </u>	<u> </u>
Year 3	\$ <u> </u>	<u> </u>	<u> </u>

E. Describe, if applicable, other benefits to the County anticipated as a result of the Project, including a projected annual estimate of additional sales tax revenue generated, directly and indirectly, as a result of undertaking the project:

The county will have the benefit of retaining a fast growing business with continued job growth. The present owner is selling and moving. The IDA’s assistance will ensure that the building will continue to be occupied and used. See also, Expansion Plan as part of Schedule H.

F. Costs to the County and affected municipalities:

Estimated Value of Sales Tax Exemption:	<u>\$35,000.00</u>
Estimated Value of Mortgage Tax Exemption:	<u>\$100,000.00</u>
Estimated Property Tax Exemption:	<u>\$45,000.00</u>
Existing Property Tax paid on the Land and/or Building: (please provide current tax bills):	<u>\$515,222.00</u>

Estimated new Real Property Tax Revenue if the Project did **not** receive Real Property Tax exemption: \$560,000.00

Estimated new Real Property Tax Revenue if the Project does receive Real Property Tax exemption: \$515,222.00

G. Describe any other one-time municipal revenues (not including fees payable to the Agency) that the Project will create:

N/A

PART V. PROJECT CONSTRUCTION SCHEDULE

A. Has construction work on the Project begun? If YES, indicate the percentage of completion: N/A

- 1. (a) Site clearance YES ___ NO X ___% complete
- (b) Environmental Remediation YES ___ NO X ___% complete
- (c) Foundation YES ___ NO X ___% complete
- (d) Footings YES ___ NO X ___% complete
- (e) Steel YES ___ NO X ___% complete
- (f) Masonry YES ___ NO X ___% complete
- (g) Interior YES ___ NO X ___% complete
- (h) Other (describe below): YES ___ NO X ___% complete

2. If NO to all of the above categories, what is the proposed date of commencement of construction, renovation or acquisition of the Project?

N/A

B. Provide an estimate of time schedule to complete the Project and when the first use of the Project is expected to occur (attach additional sheet if necessary):

N/A

PART VI. ENVIRONMENTAL IMPACT

A. What is the expected environmental impact of the Project? (Complete the attached Environmental Assessment Form (Schedule G)).

None.

B. Is an environmental impact statement required by Article 8 of the N.Y. Environmental Conservation Law (i.e., the New York State Environmental Quality Review Act)?

YES _____

NO X

C. Please be advised that the Agency may require at the sole cost and expense of the Applicant the preparation and delivery to the Agency of an environmental report in form and scope satisfactory to the Agency, depending on the responses set forth in the Environmental Assessment Form. If an environmental report has been or is being prepared in connection with the Project, please provide a copy.

D. The Applicant authorizes the Agency to make inquiry of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation or any other appropriate federal, state or local governmental agency or authority as to whether the Project site or any property adjacent to or within the immediate vicinity of the Project site is or has been identified as a site at which hazardous substances are being or have been used, stored, treated, generated, transported, processed, handled, produced, released or disposed of. The Applicant will be required to secure the written consent of the owner of the Project site to such inquiries (if the Applicant is not the owner), upon request of the Agency.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

ANTONIO DALESSIO
NOTARY PUBLIC, STATE OF NEW YORK
No. 01DA6103898
QUALIFIED IN SUFFOLK COUNTY
MY COMMISSION EXPIRES JAN. 12, 20 12

Name of Applicant: 615 South Street, LLC
Signature: [Signature]
Name: Tony Wang
Title: CEO
Date: 5/10/11

Sworn to before me this 10
day of May, 20 11

Revised: 9/16/11

[Signature]
Notary Public

**RULES AND REGULATIONS OF THE NASSAU COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

The Nassau County Industrial Development Agency (the "Agency"), in order to better secure the integrity of the projects it sponsors, declares that it is in the public interest (i) to ensure the continuity of such projects and the jobs created by such projects, (ii) to prevent the conversion of the use of the premises upon which a sponsored project is to be constructed or renovated and (iii) to limit and prevent unreasonable profiteering or exploitation of a project, and does hereby find, declare and determine as follows:

FIRST:

Upon the approval of a sponsored project, the Agency shall take title to, or acquire a leasehold or other interest in, all premises upon which an Agency sponsored project is to be constructed or renovated, and shall lease, sublease, license, sell or otherwise transfer the premises to the Applicant for a term to be determined by the Agency.

At such time as, among other things, the Applicant fails to retain or create the jobs as represented in the Application or changes the use of the project or ownership of the project or the Applicant during the life of the project in a manner inconsistent with the Application, and such employment default or change of use or ownership does not meet with the prior written approval of the Agency, a recapture of benefits may be required to be paid by the Applicant to the Agency. The amount and sufficiency (with respect to a particular applicant) of the applicable recapture of benefits payment shall be determined by the Agency and shall be set forth in the straight lease documents.

SECOND:

At such time as a proposed Project is reviewed, the members of the Agency must disclose any blood, marital or business relationships they or members of their families have or have had with the Applicant (or its affiliates). The Applicant represents that no member, manager, principal, officer or director of the Applicant has any such relationship with any member of the Agency (or any member of the family of any member of the Agency).

THIRD:

All applicants must disclose whether they have been appointed, elected or employed by New York State, any political division of New York State or any other governmental agency.

FOURTH:

All proposed lenders, title companies and their respective attorneys must be satisfactory to and approved in writing by the Agency.

Understood and Agreed to:

Name of Applicant: Tony Wang / CEO

By: 
Name/Title:

**CERTIFICATION AND AGREEMENT
WITH RESPECT TO FEES AND COSTS**

The undersigned deposes and says: that I am an authorized representative of the Applicant named in the attached application for financial assistance ("Application") and that I hold the office specified below my signature at the end of this Certification and Agreement, that I am authorized and empowered to deliver this Certification and Agreement and the Application for and on behalf of the Applicant, that I am familiar with the contents of said Application (including all schedules and attachments thereto), and that said contents are true, correct and complete to my knowledge. Capitalized terms used but not otherwise defined in this Certification and Agreement shall have the meanings assigned to such terms in the Application.

The grounds of my belief relative to all matters in the Application that are not based upon my own personal knowledge are based upon investigations I have made or have caused to be made concerning the subject matter of this Application, as well as upon information acquired in the course of my duties and from the books and records of the Applicant.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that the Applicant hereby releases the Nassau County Industrial Development Agency, its members, officers, servants, attorneys, agents and employees (collectively, the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend (with counsel selected by the Agency) and hold the Agency harmless from and against any and all liability, damages, causes of actions, losses, costs or expenses incurred by the Agency in connection with: (A) examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the financial assistance requested therein are favorably acted upon by the Agency, (B) the acquisition, construction and/or installation of the Project by the Agency, and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, (i) all fees and expenses of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants (if deemed necessary or advisable by the Agency), and (ii) all other expenses incurred by the Agency in defending any suits, actions or proceedings that may arise as a result of any of the foregoing. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels, or neglects the Application or is unable to secure third party financing or otherwise fails to conclude the Project, then upon presentation of an invoice by the Agency, its agents, attorneys or assigns, the Applicant shall pay to the Agency, its agents, attorneys or assigns, as the case may be, all fees and expenses reflected in any such invoice.

As an authorized representative of the Applicant, I acknowledge and agree on behalf of the Applicant that each of the Agency's general counsel, transaction counsel, economic development consultant, real property tax valuation consultant and other experts and consultants is an intended third-party beneficiary of this Certification and Agreement, and that each of them may (but shall not be obligated to) enforce the provisions of the immediately preceding paragraph, whether by lawsuit or otherwise, to collect the fees and expenses of such party or person incurred by the Agency (whether or not first paid by the Agency) with respect to the Application.

Upon successful closing of the "straight lease" transaction, the Applicant shall pay to the Agency an administrative fee set by the Agency (which amount is payable at closing) in accordance with the following schedule:

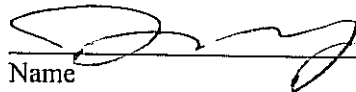
- (A) Six-tenths (6/10) of one percent (1%) for the first twenty million dollars (\$20,000,000) of total project costs and, if applicable, two-tenths (2/10) of one percent (1%) for any additional amounts in excess of twenty million dollars (\$20,000,000) of total project costs.

- (D) General Counsel Fee – One-tenth (1/10) of one percent (1%) of total project costs, with a minimum fee of \$2,000.
- (E) Two Thousand Five Hundred Dollars (\$2,500) closing compliance fee payable at closing and One Thousand Dollars (\$1,000) per year (or part thereof) administrative fee, payable in advance, at the closing for the first year (or part thereof) and on January 1st of each year for the term of the financing. The annual service fee is subject to periodic review and may be adjusted from time to time in the discretion of the Agency.
- (F) Refinancings – The Agency fee shall be determined on a case-by-case basis.
- (G) Assumptions – The Agency fee shall be determined on a case-by-case basis.
- (H) Modifications – The Agency fee shall be determined on a case-by-case basis.

Transaction counsel fees and expenses are payable at closing and are based on the work performed in connection with the Project.

Upon the termination of the Project, Applicant agrees to pay all costs in connection with any conveyance by the Agency to the Applicant of the Agency's interest in the Project and the termination of all related Project documents, including the fees and expenses of the Agency's general counsel, transaction counsel, and all applicable recording, filing or other related fees, taxes and charges.

ANTONIO DALESSIO
 NOTARY PUBLIC, STATE OF NEW YORK
 No. 010A6103898
 QUALIFIED IN SUFFOLK COUNTY
 MY COMMISSION EXPIRES JAN. 12, 2012



 Name
 Title:

Sworn to before me this 10
 day of May, 2011



 Notary Public

TABLE OF SCHEDULES:

<u>Schedule</u>	<u>Title</u>	<u>Complete as Indicated Below</u>
A.	Intentionally omitted	
B.	New York State Financial and Employment Requirements for Industrial Development Agencies	All applicants
C.	Guidelines for Access to Employment Opportunities	All applicants
D.	Anti-Raiding Questionnaire	If Applicant checked "YES" in Part I, Question Q.2. of Application
E.	Retail Questionnaire	If Applicant checked "YES" in Part II, Question P of Application (See Page 11)
F.	Applicant's Financial Attachments, consisting of:	All applicants
	1. Applicant's audited financial statements for the last two fiscal years (unless included in Applicant's annual reports).	
	2. Applicant's annual reports (or Form 10-K's) for the two most recent fiscal years.	
	3. Applicant's quarterly reports (Form 10-Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.	
	4. In addition, attach the financial information described above in items F1, F2, and F3 of any anticipated Guarantor of the proposed transaction, if different than the Applicant, including the personal financial statement of any anticipated Guarantor that is a natural person.	
	5. Dun & Bradstreet report.	
G.	Environmental Assessment Form	All applicants
H.	Other Attachments	As required

Schedule A

Intentionally omitted

**NEW YORK STATE FINANCIAL AND EMPLOYMENT REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES**

- A. Pursuant to applicable law, the Agency requires the completion of an Initial Employment Plan (see Schedule C) and a year-end employment plan status report, both of which shall be filed by the Nassau County Industrial Development Agency (the "Agency") with the New York State Department of Economic Development on January 15. The Project documents will require the Applicant to provide such report to the Agency on or before January 1 of each year, together with such employment verification information as the Agency may require.

Except as otherwise provided by collective bargaining agreements, the Applicant agrees to list any new employment opportunities with the New York Department of Labor Community Services Division and the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. 97-300), or any successor statute thereto (the "JTPA Entities"). In addition, except as otherwise provided by collective bargaining agreements, the Applicant, where practicable, will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for such new employment opportunities.

- B. The Applicant will be required to file annually a statement with the New York State Department of Taxation and Finance and the Agency of the value of all sales or use tax exemptions claimed in connection with the Project by reason of the involvement of the Agency.
- C. Please be advised that the New York State Industrial Development Agency Act imposes additional annual reporting requirements on the Agency, and the Applicant will be required to furnish information in connection with such reporting, as follows:

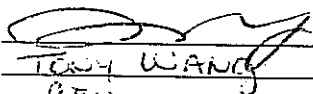
The following information must be provided for straight-lease transactions entered into or terminated during the year:

Name, address and owner of the project; total amount of tax exemptions granted (broken out by state and local sales tax, property taxes, and mortgage recording tax); payments in lieu of taxes made; total real estate taxes on the Project prior to exemption; number of jobs created and retained, and other economic benefits realized.

Failure to provide any of the aforesaid information will be constitute a DEFAULT under the Project documents to be entered into by the Agency and the Applicant in connection with the proposed Project.

Please sign below to indicate that the Applicant has read and understood the above and agrees to provide the described information on a timely basis.

Name of Applicant: 615 South Street, LLC

Signature: 

Name: TONY WANG

Title: CEO

Date: 5/10/11

GUIDELINES FOR ACCESS TO EMPLOYMENT OPPORTUNITIES

INITIAL EMPLOYMENT PLAN

Prior to the granting of financial assistance, the Applicant shall complete the following employment plan:

Applicant Name: 615 South Street, LLC
 Address: 615 South St., Garden City, NY 11530
 Type of Business: Limited Liability Company
 Contact Person: James McMahan Tel. No.:516-515-5030

Please complete the following table describing the Applicant's projected employment plan following receipt of financial assistance:

Current and Planned Occupations (provide NAICS Code for each)	Current Number Full Time Equivalent Jobs Per Occupation		Estimated Number of Full Time Equivalent Jobs in the County After Completion of the Project:		
	County	Statewide	1 year	2 years	3 years
	See Attached Schedule	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Please indicate the number of temporary construction jobs anticipated to be created in connection with the acquisition, construction and/or renovation of the Project:

Please indicate the estimated hiring dates for the new jobs shown above and any special recruitment or training that will be required:

See Attached Schedule _____

Are the Applicant's employees currently covered by a collective bargaining agreement?

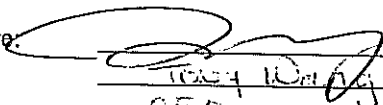
YES _____ NO X

IF YES, Union Name and Local: _____

Please note that the Agency may utilize the foregoing employment projections, among other things, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the above number of jobs, types of occupations and amount of payroll with respect to the proposed project.

Attached hereto is a true, correct and complete copy of the Applicant's most recent Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return (Form NYS-45-MN) (first page only). Upon request of the Agency, the Applicant shall provide such other or additional information or documentation as the Agency may require with respect to the Applicant's current employment levels in the State of New York.

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant: 615 South Street LLC
Signature: 
Name: _____
Title: CEO
Date: 2/10/11

33512 Residential Electric Lighting Fixture Manufacturing		WAC Lighting Organic Growth Trends													
		2011				2012				2013				2014	
NAICS Code	NAICS Description	Current Number of Full time positions as of 4/1/2011 in County	Current Number of Full time positions as of 4/1/2011 Statewide	Year 1 - 2012	Est. # FT jobs in County after completion of project	Est. Hiring Date	Year 2 - 2013	Est. Hiring Date	Year 3 - 2014	Est. Hiring Date	Est. # FT jobs in County after completion of project	Est. Hiring Date	Year 3 - 2014	Est. # FT jobs in County after completion of project	Est. Hiring Date
561440	Collections	8	8	1	1	9 Q2			1	9			1	1	10 Q2
541614	Inventory planning and control management consulting services	2	2	0	0	2			1	3 Q3					3
541513	Data processing, management and operation services	6	6	2	2	6 Q1 / Q2			2	10 Q1 / Q2			2		12 Q2 / Q3
423610	Electric light fixtures merchant wholesalers	3	3	4	4	7 Q1 / Q2			1	8 Q1					8
561110	Business management services / Office Administrative Services	13	13	7	7	20 Q3			4	Q1 / Q2 / Q3			3		Q1 / Q2 / Q3
541613	Marketing Services	7	7	1	1	8 Q1			1	9 Q3			1		10 Q2
541330	Engineering Services	8	8	4	4	12 Q1 / Q2			2	14 Q1 / Q2			2		16 Q1 / Q2
541511	Computer software support services	2	2	1	1	3			1	4 Q3					4
483110	General Warehousing and Storage	12	12	2	2	14 Q2			2	16 Q2 / Q3			2		18 Q3 / Q4
			51	22	22	83			14	97			11		108
			Total	Increase	Total	Total	Increase	Total	Increase	Total	Total	Increase	Total	Total	Total

ANTI-RAIDING QUESTIONNAIRE

N/A

(To be completed by Applicant if Applicant checked "YES" in Part 1, Question Q.2 of the Application for Financial Assistance)

A. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of Nassau County) to an area within Nassau County?

YES ____

NO ____

If the answer to Question A is YES, please provide the following information:

Address of the to-be-removed plant or facility: _____

Names of all current occupants of the to-be-removed plant or facility: _____

B. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of a proposed occupant of the Project, located in an area of the State of New York other than in Nassau County?

YES ____

NO ____

If the answer to Question B is YES, please provide the following information:

Addresses of the to-be-abandoned plants or facilities: _____

Names of all current occupants of the to-be-abandoned plants or facilities:

C. Has the Applicant contacted the local industrial development agency at which its current plants or facilities in New York State are located with respect to the Applicant's intention to move or abandon such plants or facilities?

YES _____

NO _____

If the answer to Question C is YES, please provide details in a separate attachment.

IF THE ANSWER TO EITHER QUESTION A OR B IS "YES", ANSWER QUESTIONS D AND E.

D. Is the Project reasonably necessary to preserve the competitive position of the Applicant, or of a proposed occupant of the Project, in its industry?

YES _____

NO _____

E. Is the Project reasonably necessary to discourage the Applicant, or a proposed occupant of the Project, from removing such plant or facility to a location outside of the State of New York?

YES _____

NO _____

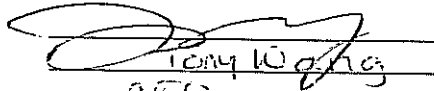
IF THE ANSWER TO EITHER QUESTION D OR E IS "YES", PLEASE PROVIDE DETAILS IN A SEPARATE ATTACHMENT.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant:

615 South Street, LLC

Signature:



Name:

Tony Wong

Title:

CEO

Date:

3/10/11

RETAIL QUESTIONNAIRE

N/A

(To be completed by Applicant if Applicant checked either "YES" in Part II, Question P of the Application for Financial Assistance)

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making retail sales to customers who personally visit the Project?

YES _____

NO _____

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. If the answer to Question A is YES, what percentage of the cost of the Project (including that portion of the cost to be financed from equity or other sources) will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

_____ %

- C. If the answer to Question A is YES, and the amount entered for Question B is greater than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation?

YES _____

NO _____

2. Is the Project likely to attract a significant number of visitors from outside the economic development region (i.e., Long Island) in which the Project is or will be located?

YES _____

NO _____

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?

YES _____

NO _____

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

YES _____

NO _____

5. Will the Project be located in one of the following: (a) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of the households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

YES ____

NO ____

If the answer to any of the subdivisions 1 through 5 of Question C is YES, attach details.

- D. If the answer to any of the subdivisions 3 through 5 of Question C is YES, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? If YES, attach details.

YES ____

NO ____

- E. State percentage of the Applicant's annual gross revenues comprised of each of the following:

Retail Sales: ____%

Services: ____%

- F. State percentage of Project premises utilized for same:

Retail Sales: ____%


Services: ____%

The UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above and in any statement attached hereto are true, correct and complete.

Name of Applicant:

615 South Street, LLC

Signature:



Name:

Tony Wang

Title:

CEO

Date:

5/10/11

APPLICANT'S FINANCIAL ATTACHMENTS

615 SOUTH STREET, L.L.C.

FINANCIAL STATEMENTS

December 31, 2009

615 SOUTH STREET, L.L.C.

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Statements of Income and Members' Equity	3

POLANSKY, KULBERG & CO., LLP

Certified Public Accountants

MARTIN I. KULBERG, CPA
EUGENE J. LOTARDO, CPA
HARRIS L. POLANSKY, CPA
JERRY SCLAIR, CPA

One Old Country Road, Carle Place, N.Y. 11514

(516) 741-3500

TELECOPIER (516) 741-5683

To the Owners of 615 South Street, L.L.C.
Garden City, New York 11530

We have compiled the accompanying balance sheets of 615 South Street, L.L.C. as of December 31, 2009 and 2008, and the related statements of income and members' equity for years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the owners. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The owners have elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Polansky Kulberg & Co LLP

Carle Place, New York
February 16, 2010

615 SOUTH STREET, L.L.C.

BALANCE SHEETS

As of December 31,

ASSETS

	<u>2009</u>	<u>2008</u>
PROPERTY AND EQUIPMENT		
Land		
Building		
Less: accumulated depreciation		
Property and equipment, net		
OTHER ASSETS		
Deferred mortgage costs, net of accumulated amortization of		
Cash in bank		
Total other assets		
Total assets		

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

Mortgage payable -
Mortgage payable -
Accrued expenses and other payables

Total liabilities

MEMBERS' EQUITY

Members' equity

Total liabilities and members' equity

615 SOUTH STREET, L.L.C.

STATEMENTS OF INCOME AND MEMBERS' EQUITY

For the Years Ended December 31,

	<u>2009</u>	<u>2008</u>
REVENUE:		
Rental income		
Real estate tax rebate income		
Interest income		
Total revenue		
EXPENSES:		
Real estate taxes		
Interest		
Depreciation		
Amortization		
Accounting		
Filing fees		
Total expenses		
NET INCOME		
Members equity - beginning		
Less: Distributions		
Members' equity - ending		

615 SOUTH STREET, L.L.C.

FINANCIAL STATEMENTS

December 31, 2010

615 SOUTH STREET, L.L.C.

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Polansky Kulberg & Co LLP

Carle Place, New York
February 11, 2011

615 SOUTH STREET, L.L.C.

BALANCE SHEETS

As of December 31,

ASSETS

	<u>2010</u>	<u>2009</u>
PROPERTY AND EQUIPMENT		
Land		
Building		
Less: accumulated depreciation		
Property and equipment, net		
OTHER ASSETS		
Deferred mortgage costs, net of accumulated amortization of Cash in bank		
Total other assets		
Total assets		

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES		
Deferred rental income		
Mortgage payable - Chase #1		
Mortgage payable - Chase #2		
Accrued expenses and other payables		
Total liabilities		
MEMBERS' EQUITY		
Members' equity		
Total liabilities and members' equity		

615 SOUTH STREET, L.L.C.

STATEMENTS OF INCOME AND MEMBERS' EQUITY

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
REVENUE:		
Rental income		
Total revenue		
EXPENSES:		
Real estate taxes		
Interest		
Depreciation		
Amortization		
Accounting		
Filing fees		
Total expenses		
NET INCOME		
Members equity - beginning		
Less: Distributions		
Members' equity - ending		

WANGS ALLIANCE CORPORATION

FINANCIAL STATEMENTS

December 31, 2009

WANGS ALLIANCE CORPORATION

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Selling and Shipping Expenses	10
General and Administrative Expenses	11

POLANSKY, KULBERG & CO., LLP

Certified Public Accountants

MARTIN I. KULBERG, CPA
EUGENE J. LOTARDO, CPA
HARRIS L. POLANSKY, CPA
JERRY SCLAIR, CPA

One Old Country Road, Carle Place, N.Y. 11514

(516) 741-3600

TELECOPIER (516) 741-5683

Independent Auditors' Report

To the Stockholders and Board of Directors
of Wangs Alliance Corporation

We have audited the accompanying balance sheets of Wangs Alliance Corporation (a New York corporation) as of December 31, 2009 and 2008 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wangs Alliance Corporation as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Polansky, Kulberg & Co. LLP

Carle Place, New York
February 15, 2010

WANGS ALLIANCE CORPORATION

BALANCE SHEET

December 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Accounts receivable, net of allowances o		
Inventory - note 1		
Prepaid expenses and other receivables		
Prepaid and refundable income taxes		
Deferred tax benefit - note 1		
Total current assets		
 PROPERTY AND EQUIPMENT - notes 1 and 2		
Office Equipment		
Machinery and equipment		
Furniture and fixtures		
Automobiles		
Leasehold improvements		
Computer software		
Total, at cost		
Less: accumulated depreciation		
Property and equipment, net		
 OTHER ASSETS		
Security deposits		
 Total assets		
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable		
Commissions payable		
Customer credit balances		
Accrued expenses, sundry liabilities		
Income taxes payable - note 1		
Total current liabilities		
 STOCKHOLDERS' EQUITY		
Common stock -		
 Additional paid-in capital		
Retained earnings		
Total stockholders' equity		
 Total liabilities and stockholders' equity		

WANGS ALLIANCE CORPORATION
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended December 31,

	<u>2009</u>	<u>2008</u>
NET SALES		
COST OF SALES		
GROSS PROFIT		
OPERATING EXPENSES		
Selling and shipping expenses		
General and administrative expenses		
Total operating expenses		
Income from operations		
OTHER INCOME (EXPENSE)		
Loss on disposal of property and equipment		
Interest income (expense) - net		
Total other income (expense)		
Income before provision for income taxes		
PROVISION FOR INCOME TAXES		
Current		
Deferred		
Total provision for income taxes		
NET INCOME		
RETAINED EARNINGS - Beginning		
RETAINED EARNINGS - Ending		

WANGS ALLIANCE CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

2009

2008

OPERATING ACTIVITIES

Net Income

Adjustments to reconcile net income to net cash provided by
(used for) operating activities:

Depreciation and amortization

Deferred income taxes

Provision for bad debts and other allowances

Loss on asset disposal

Changes in Operating Assets and Liabilities:

Security deposits

Accounts receivable

Inventory

Prepaid expenses and other receivables

Prepaid and refundable income taxes

Accounts payable

Commissions payable

Customer credit balances

Accrued expenses and sundry liabilities

Income taxes payable

Net cash provided by (used for) operating activities

INVESTING ACTIVITIES

Proceeds from sale of property and equipment

Cash paid for property and equipment

Net cash provided by (used for) investing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents - beginning of year

Cash and cash equivalents - end of year

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid

Income taxes paid

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Company Background

Wangs Alliance Corporation ("Company"), was incorporated under the laws of the State of New York in December of 1984, and is a wholesaler of standard lighting fixtures. The Company's products are sold predominately in the United States through its warehouses in New York and California.

Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows include cash in banks, cash on hand and time deposits with a maturity of less than 90 days.

Inventories

Inventories consist entirely of finished goods and are stated at the lower of cost (using the FIFO method) or market.

Advertising and Promotional Display Units

The cost of advertising is expensed when incurred. The cost of catalogues and promotional display units are expensed upon shipment to customers. Expenses for these items are as follows:

	2009	2008
Advertising and Catalogues		
Promotional display units		

Cost of catalogues and promotional displays purchased but not shipped to customers and that were capitalized are as follows:

	<u>2009</u>	<u>2008</u>
Promotional display units (included in inventory)		
Catalogues (included in prepaid expense)		

Shipping and Handling

Shipping and handling charges billed to customers are included in net sales. Shipping and handling costs incurred are included in cost of sales.

Property and Equipment

Property and equipment are recorded at cost and are depreciated over the estimated useful lives of the assets using straight-line methods, generally over 5 to 7 years. Leasehold improvements are amortized over periods not in excess of the term of the underlying lease, including estimated renewal periods (see note 4). Depreciation and amortization expense for the year ended December 31, 2009 and 2008 amounted to _____ respectively.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Deferred income taxes arise as a result of the differences in the timing of the recognition of certain expenses (primarily depreciation, inventory capitalization and provisions for bad debt and other allowances) for financial reporting purposes and for federal income tax reporting purposes.

Differences in total income tax expense and the amount of income tax that would result from applying statutory tax rates to pre-tax income are due primarily to state taxes and nondeductible expenses, net of benefits received from Research Tax Credits and Domestic Production Activities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

NOTE 2 - BANK LINE OF CREDIT

The Company has a line of credit with _____ in the amount of _____ that expires June 30, 2010. Borrowings under the line are subject to various borrowing base limitations, interest at the bank's prime rate or LIBOR plus _____ and are secured by substantially all of the Company's assets. The available credit line is reduced to the extent of direct borrowings from the bank made by Dongguan AMC Lighting Co., Ltd., ("AMC"), a P.R. China corporation (see Note 5).

The Company and Dongguan AMC Lighting Co., Ltd did not have any direct outstanding borrowings against this line as of December 31, 2009. In addition, the Company and its principal shareholder are guarantors of the outstanding obligations payable directly to the bank by AMC.

NOTE 4 - OPERATING LEASES AND RELATED PARTY TRANSACTIONS

Garden City, NY - headquarters:

The Company maintains its executive and administrative headquarters in a portion of a building located at 615 South Street, Garden City, New York, which is owned by the Company's majority shareholder and his wife. The premises are leased to the Company under a month to month net operating lease that provides for minimum monthly rent of _____ plus the Company's pro-rata share of the property's annual real-estate taxes and the Company is responsible for the operating expenses of the premises. Minimum rents represent fair market rent as determined by an independent real estate appraisal. The other portion of the property consists of warehouse space and is leased to a warehouse agent (see note 5) that provides services exclusively to the Company.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 4 – OPERATING LEASES AND RELATED PARTY TRANSACTIONS (continued)

Garden City, NY – headquarters (continued):

The Company is a guarantor of an underlying mortgage payable that is secured by the entire property and, under the terms of this guaranty, is required to maintain certain financial ratios. The balance of the mortgage, as of December 31, 2009, amounted to \$1,000,000, subject to interest at 6.0% and is payable in monthly installments of \$10,000 through June 2013 and \$10,000 from June 2013 to May 2015. The estimated value of the property, based on county assessment rolls, substantially exceeds the balance of the mortgage note payable.

In addition, the Company leases a showroom in Dallas, Texas as well as additional warehouse space in Garden City, New York and City of Industry, California.

Minimum annual payments remaining on the leases as of December 31, 2009 are as follows:

2010
2011
2012
2013
Total

NOTE 5 - CONCENTRATIONS OF CREDIT RISK, SUPPLIERS AND WAREHOUSING AGENTS

Cash and cash equivalents:

The Company's cash balances are maintained substantially at two banks and the balances therein are secured by the Federal Deposit Insurance Corporation up to \$500,000 at each bank. At December 31, 2009 and 2008, amounts in excess of the insurance limits totaled \$1,000,000 and \$1,000,000, respectively.

Trade Accounts Receivable:

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Generally, the Company does not require collateral or other security to support customer receivables and grants credit primarily to commercial customers throughout the United States. Charges in the valuation allowance have not been material to the financial statements.

Principal overseas supplier:

The Company's principal shareholder is also the principal shareholder in AMC (see Note 2), which owns and operates an overseas factory in China that supplies the Company with over 50% of its products. The Company pays material cost based on prevailing market price and such purchases amounted to \$1,000,000 in 2009 and 2008, respectively. At December 31, 2009 and 2008 the Company has advanced this supplier approximately \$1,000,000 and \$1,000,000, respectively toward future open purchase orders with no outstanding liabilities.

In August 2009, the Company loaned AMC \$1,000,000. The terms of this loan calls for a full repayment by July 2010 and is subject to interest at 6.0% per annum. This amount is included in prepaid expenses and other receivables in the accompanying financial statements.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 5 - CONCENTRATIONS OF CREDIT RISK, SUPPLIERS AND WAREHOUSING AGENTS (continued)

Warehousing Agent:

The Company utilizes a warehousing agent in New York to store and ship the Company's merchandise. Storage and warehousing fees incurred with this agent amounted to _____ As of December 31, 2008 the Company had overpaid the agent _____ which amount is included in prepaid expenses.

NOTE 6 - PROFIT SHARING PLAN AND 401k SAVINGS PLAN

The Company has a qualified cash or deferred compensation plan under section 401(K) of the Internal Revenue Code that covers substantially all employees. Under the plan, each employee may elect to defer a percentage of compensation, subject to the Internal Revenue Service limits. The Company matches contributions to the extent of _____ of each employee's elective contribution, subject to a maximum limit of _____ of salary. Employer contributions amounted to _____

NOTE 7 - VALUE APPRECIATION PLAN

Effective January 1, 2005, the Company implemented the Value Appreciation Plan, a long term incentive plan for key employees whose performance in carrying out the responsibilities of their positions can significantly impact the growth, profitability, and future success of the Company. Participants and performance units granted are determined at the discretion of the Board of Directors. The value of the performance units are based on an equal weighted formula calculation of the company's operating income (EBITDA), and Company revenue. This plan generates value for participants only if the value of the granted performance units' increase exceeds a base of _____ year over year at the end of the five-year performance period. A payment event occurs at the end of this five-year vesting period. For the years ended December 31, 2009 and 2008 the total increase in the value of the performance units did not exceed _____ in each of the years and, accordingly, no compensation expense has accrued under the plan.

NOTE 8 - STOCK OPTIONS AND RECAPITALIZATION

Stock Options Plan

As of November 3, 2003 the Company established a "nonstatutory" stock option plan, which provided for _____ shares of common stock to be reserved for issuance to key employees. Under the plan, the options are granted at fair market value on the date of the grant for a term not in excess of 10 years from the date the option right is granted. On November 13, 2003, the Company issued to certain key employees _____ stock options which provided for purchase of the Company's shares at an exercise price of _____ per share, which amount was determined by management to be the market value of the company's shares at the time the options were granted.

The options vested at the rate of _____ on January 1, 2004 and an additional _____ vest for each year of employment beginning on January 1, 2005 through January 1, 2008. As long as the Company's shares are not publicly traded, securities acquired under this plan may be sold only to the Company at a price established by a predetermined formula based on a multiple of the Company's adjusted earnings, as defined, for the calendar year immediately prior to exercise.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 8 – STOCK OPTIONS AND RECAPITALIZATION (continued)

A summary of the Company's stock options as of December 31, 2009, and changes for the year is presented below.

Issued as of November 13, 2003

Expired/forfeited as of December 31, 2009

(Due to employee termination)

Exercised

Outstanding at December 31, 2009

Exercisable at December 31, 2009

Exercise of Options

In 2009 and 2008, the exercise price of the shares exceeded the fair value of the shares based on a predetermined formula as set forth in the Stock Option Agreement. Accordingly, no compensation cost would be incurred by the Company in each of the years if any of the options had been exercised by employees.

NOTE 9 – SUBSEQUENT EVENT – BUSINESS ACQUISITION

As discussed in Note 5, the Company utilizes a warehouse agent in New York for its warehousing requirements. In January 2010 the Company entered into an agreement to purchase the net assets of its New York warehousing agent, Ace Merchandise Corp., for a total consideration of approximately :

SUPPLEMENTAL INFORMATION

WANGS ALLIANCE CORPORATION

SUPPLEMENTAL INFORMATION

For the Years Ended December 31,

2009

2008

COST OF SALES

Inventory - beginning
Purchases, freight and duty charges
Shipping and handling charges
Payroll and related costs
Research and development costs

Cost of goods available for sale

Less: inventory-ending

Total cost of sales

SELLING AND SHIPPING

Payroll - sales and shipping
Payroll taxes and employee benefits
Commissions

Advertising and catalogues
Rent - showroom
Storage and warehouse costs

Show and demonstration
Promotional sales displays
Travel and auto

Total selling and shipping expenses

WANGS ALLIANCE CORPORATION

SUPPLEMENTAL INFORMATION

For the Years Ended December 31,

2009

2008

GENERAL AND ADMINISTRATIVE EXPENSES

Payroll

Payroll taxes and employee benefits

Total payroll and benefits

Rent

Insurance

Repairs and maintenance

Utilities

Office, postage and printing

Telephone

Equipment rentals

Professional fees

Consulting fees

Depreciation and amortization

Provision for bad debts

Bank charges and miscellaneous

Contributions

Dues and subscriptions

Credit card fees

Total general and administrative expenses

WANGS ALLIANCE CORPORATION

FINANCIAL STATEMENTS

December 31, 2010

WANGS ALLIANCE CORPORATION

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December 31, 2010

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Independent Auditors' Report

To the Stockholders and Board of Directors
of Wangs Alliance Corporation

We have audited the accompanying balance sheets of Wangs Alliance Corporation (a New York corporation) as of December 31, 2010 and 2009 and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wangs Alliance Corporation as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Polansky Kulberg & Co LLP

Carle Place, New York
February 11, 2011

WANGS ALLIANCE CORPORATION

BALANCE SHEET

December 31,

ASSETS	2010	2009
CURRENT ASSETS		
Cash and cash equivalents		
Accounts receivable, net of allowances of		
Inventory - note 1		
Prepaid expenses and other receivables		
Prepaid and refundable income taxes		
Deferred tax benefit - note 1		
Total current assets		
PROPERTY AND EQUIPMENT - notes 1 and 2		
Office Equipment		
Machinery and equipment		
Furniture and fixtures		
Automobiles		
Leasehold improvements		
Computer software		
Total, at cost		
Less: accumulated depreciation		
Property and equipment, net		
OTHER ASSETS		
Security deposits		
Total assets		
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable		
Commissions payable		
Customer credit balances		
Accrued expenses, sundry liabilities		
Income taxes payable - note 1		
Total current liabilities		
STOCKHOLDERS' EQUITY		
Common stock - _____ shares authorized; _____ shares issued and outstanding		
Additional paid-in capital		
Retained earnings		
Total stockholders' equity		
Total liabilities and stockholders' equity		

WANGS ALLIANCE CORPORATION
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended December 31,

	<u>2010</u>	<u>2009</u>
NET SALES		
COST OF SALES		
GROSS PROFIT		
OPERATING EXPENSES		
Selling and shipping expenses		
General and administrative expenses		
Total operating expenses		
Income from operations		
OTHER INCOME (EXPENSE)		
Loss on disposal of property and equipment		
Interest income (expense) - net		
Total other income (expense)		
Income before provision for income taxes		
PROVISION FOR INCOME TAXES		
Current		
Deferred		
Total provision for income taxes		
NET INCOME		
RETAINED EARNINGS - Beginning		
RETAINED EARNINGS - Ending		

See notes to financial statements.

WANGS ALLIANCE CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

2010

2009

OPERATING ACTIVITIES

Net Income

Adjustments to reconcile net income to net cash provided by
(used for) operating activities:

Depreciation and amortization

Deferred income taxes

Provision for bad debts and other allowances

Loss on asset disposal

Changes in Operating Assets and Liabilities:

Security deposits

Accounts receivable

Inventory

Prepaid expenses and other receivables

Prepaid and refundable income taxes

Accounts payable

Commissions payable

Customer credit balances

Accrued expenses and sundry liabilities

Income taxes payable

Net cash provided by (used for) operating activities

INVESTING ACTIVITIES

Proceeds from sale of property and equipment

Cash paid for property and equipment

Net cash provided by (used for) investing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents - beginning of year

Cash and cash equivalents - end of year

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid

Income taxes paid

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Company Background

Wangs Alliance Corporation ("Company"), was incorporated under the laws of the State of New York in December of 1984, and is a wholesaler of standard lighting fixtures. The Company's products are sold predominately in the United States through its warehouses in New York and California.

Cash and Cash Equivalents

Cash and cash equivalents for purposes of the statement of cash flows include cash in banks, cash on hand and time deposits with a maturity of less than 90 days.

Inventories

Inventories consist entirely of finished goods and are stated at the lower of cost (using the FIFO method) or market.

Advertising and Promotional Display Units

The cost of advertising is expensed when incurred. The cost of catalogues and promotional display units are expensed upon shipment to customers. Expenses for these items are as follows:

	<u>2010</u>	<u>2009</u>
Advertising and Catalogues		
Promotional display units		

Cost of catalogues and promotional displays purchased but not shipped to customers and that were capitalized are as follows:

	<u>2010</u>	<u>2009</u>
Promotional display units (included in inventory)		
Catalogues (included in prepaid expense)		

Shipping and Handling

Shipping and handling charges billed to customers are included in net sales. Shipping and handling costs incurred are included in cost of sales.

Property and Equipment

Property and equipment are recorded at cost and are depreciated over the estimated useful lives of the assets using straight-line methods, generally over 5 to 7 years. Leasehold improvements are amortized over periods not in excess of the term of the underlying lease, including estimated renewal periods (see note 4). Depreciation and amortization expense for the year ended December 31, 2010 and 2009 amounted to _____ respectively.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Deferred income taxes arise as a result of the differences in the timing of the recognition of certain expenses (primarily depreciation, inventory capitalization and provisions for bad debt and other allowances) for financial reporting purposes and for federal income tax reporting purposes.

Differences in total income tax expense and the amount of income tax that would result from applying statutory tax rates to pretax income are due primarily to state taxes and nondeductible expenses, net of benefits received from Research Tax Credits, Domestic Production Activities and expensing of qualified asset purchases.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Reclassification

Certain amounts have been reclassified in prior period financial statement to conform to current period presentation.

NOTE 2 - BANK LINE OF CREDIT

The Company has a line of credit with _____ in the amount of _____ that expires June 30, 2011. Borrowings under the line are subject to various borrowing base limitations, interest at the bank's prime rate or LIBOR plus _____, and are secured by substantially all of the Company's assets. The Company did not have any direct outstanding borrowings against this line as of December 31, 2010.

NOTE 4 - OPERATING LEASES AND RELATED PARTY TRANSACTIONS

Garden City, NY - headquarters:

The Company maintains its executive and administrative headquarters in a portion of a building located at 615 South Street, Garden City, New York, which is owned by the Company's majority shareholder and his wife. The premises are leased to the Company under a month to month net operating lease that provides for minimum monthly rent of _____ plus the property's annual real-estate taxes and the Company is responsible for the operating expenses of the premises. Minimum rents represent fair market rent as determined by an independent real estate appraisal.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 4 – OPERATING LEASES AND RELATED PARTY TRANSACTIONS (continued)

Garden City, NY – headquarters (continued):

The Company is a guarantor of an underlying mortgage payable that is secured by the entire property and, under the terms of this guaranty, is required to maintain certain financial ratios. The balance of the mortgage, as of December 31, 2010, amounted to _____ subject to interest at _____ and is payable in monthly installments of _____ through June 2013 and _____ from June 2013 to May 2015. The estimated value of the property, based on county assessment rolls, substantially exceeds the balance of the mortgage note payable.

In addition, the Company leases a showroom in Dallas, Texas as well as additional warehouse space in Garden City, New York and City of Industry, California.

Minimum annual payments remaining on the leases as of December 31, 2010 are as follows:

2011
2012
2013
Total

NOTE 5 - CONCENTRATIONS OF CREDIT RISK, SUPPLIERS AND WAREHOUSING AGENTS

Cash and cash equivalents:

The Company's cash balances are maintained substantially at two banks and the balances therein are secured by the Federal Deposit Insurance Corporation up to _____ at each bank. At December 31, 2010 and 2009, amounts in excess of the insurance limits totaled _____ respectively.

Trade Accounts Receivable:

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Generally, the Company does not require collateral or other security to support customer receivables and grants credit primarily to commercial customers throughout the United States. Charges in the valuation allowance have not been material to the financial statements.

Principal overseas supplier:

The Company's principal shareholder is also the principal shareholder in AMC (see Note 2), which owns and operates an overseas factory in China that supplies the Company with over _____ of its products. The Company pays material cost based on prevailing market price and such purchases amounted to _____ in 2010 and 2009, respectively. At December 31, 2010 and 2009 the Company has advanced this supplier approximately _____ and _____ respectively toward future open purchase orders with outstanding liabilities of _____ as of December 31, 2010.

In August 2010, the Company loaned AMC _____ The terms of this loan calls for a full repayment by July 2011 and is subject to interest at _____ per annum. This amount is included in prepaid expenses and other receivables in the accompanying financial statements.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 5 – CONCENTRATION S OF CREDIT RISK, SUPPLIERS AND WAREHOUSING AGENTS (continued)

Warehousing Agent:

Prior to 2010 the Company utilized a warehousing agent in New York to store and ships the Company's merchandise. Storage and warehousing fees incurred in 2009 amounted to [redacted]. In January 2010 the Company purchased the net assets of its New York warehousing agent, Ace Merchandising Corp, for a total consideration of [redacted] of which amount [redacted] was allocated to purchase of property and equipment and [redacted] to other net assets.

NOTE 6 - PROFIT SHARING PLAN AND 401k SAVINGS PLAN

The Company has a qualified cash or deferred compensation plan under section 401(K) of the Internal Revenue Code that covers substantially all employees. Under the plan, each employee may elect to defer a percentage of compensation, subject to the Internal Revenue Service limits. The Company matches contributions to the extent of [redacted] of each employee's elective contribution, subject to a maximum limit of [redacted] of salary. Employer contributions amounted to [redacted].

NOTE 7 – VALUE APPRECIATION PLAN

Effective January 1, 2005, the Company implemented the Value Appreciation Plan, a long term incentive plan for key employees whose performance in carrying out the responsibilities of their positions can significantly impact the growth, profitability, and future success of the Company. Participants and performance units granted are determined at the discretion of the Board of Directors. The value of the performance units are based on an equal weighted formula calculation of the company's operating income (EBITDA), and Company revenue. This plan generates value for participants only if the value of the granted performance units' increase exceeds a base of [redacted] year over year at the end of the five-year performance period. A payment event occurs at the end of this five-year vesting period. For the years ended December 31, 2010 and 2009 the total increase in the value of the performance units did not exceed [redacted] in each of the years and, accordingly, no compensation expense has accrued under the plan.

NOTE 8 – STOCK OPTIONS AND RECAPITALIZATION

Stock Options Plan

As of November 3, 2003 the Company established a "nonstatutory" stock option plan, which provided for [redacted] shares of common stock to be reserved for issuance to key employees. Under the plan, the options are granted at fair market value on the date of the grant for a term not in excess of 10 years from the date the option right is granted. On November 13, 2003, the Company issued to certain key employees [redacted] stock options which provided for purchase of the Company's shares at an exercise price of [redacted] per share, which amount was determined by management to be the market value of the company's shares at the time the options were granted.

The options vested at the rate of [redacted] on January 1, 2004 and an additional [redacted] vest for each year of employment beginning on January 1, 2005 through January 1, 2008. As long as the Company's shares are not publicly traded, securities acquired under this plan may be sold only to the Company at a price established by a predetermined formula based on a multiple of the Company's adjusted earnings, as defined, for the calendar year immediately prior to exercise.

WANGS ALLIANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 8 – STOCK OPTIONS AND RECAPITALIZATION (continued)

A summary of the Company's stock options as of December 31, 2010, and changes for the year is presented below.

Issued as of November 13, 2003
Expired/forfeited as of December 31, 2010
(Due to employee termination)
Exercised *
Outstanding at December 31, 2010
Exercisable at December 31, 2010

Exercise of Options

In 2009 the exercise price of the shares exceeded the fair value of the shares based on a predetermined formula as set forth in the Stock Option Agreement. Accordingly, no compensation cost was incurred. In 2010 the Company has determined that if all employees had exercised their options in the plan and their employment had been terminated, the compensation cost that the Company would incur to repurchase their shares would amount to net of income taxes.

NOTE 9 – LITIGATION

In each of these matters, the amount of liability is not probable or the amount cannot be reasonably estimated; therefore, no amounts have been accrued. While management cannot predict the ultimate outcome of these matters, management does not believe the outcome will have a material effect on the financial statements.

NOTE 10 – SUBSEQUENT EVENTS

The organization has evaluated subsequent events through the date the financial statements were issued, February 11, 2011. No Significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statement.

SUPPLEMENTAL INFORMATION

WANGS ALLIANCE CORPORATION

SUPPLEMENTAL INFORMATION

For the Years Ended December 31,

2010

2009

COST OF SALES

Inventory - beginning
Purchases, freight and duty charges
Shipping and handling charges
Payroll and related costs
Research and development costs

Cost of goods available for sale

Less: inventory-ending

Total cost of sales

SELLING AND SHIPPING

Payroll - sales and shipping
Payroll taxes and employee benefits
Commissions

Advertising and catalogues
Rent - Showroom
Rent - Warehouse
Storage and warehouse costs

Show and demonstration
Promotional sales displays
Travel and auto

Total selling and shipping expenses

WANGS ALLIANCE CORPORATION

SUPPLEMENTAL INFORMATION

For the Years Ended December 31,

2010

2009

GENERAL AND ADMINISTRATIVE EXPENSES

Payroll

Payroll taxes and employee benefits

Total payroll and benefits

Rent

Insurance

Repairs and maintenance

Utilities

Office, postage and printing

Telephone

Equipment rentals

Professional fees

Consulting fees

Depreciation and amortization

Provision for bad debts

Bank charges and miscellaneous

Contributions

Dues and subscriptions

Credit card fees

Total general and administrative expenses

**WAC LIGHTING
FORECASTED INCOME STATEMENT
2011-2015**

	<u>2011 FORECAST</u>		<u>2012 FORECAST</u>		<u>2013 FORECAST</u>		<u>2014 FORECAST</u>		<u>2015 FORECAST</u>	
	<u>Amount</u>	<u>% of Sales</u>	<u>Amount</u>	<u>% of Sales</u>	<u>Amount</u>	<u>% of Sales</u>	<u>Amount</u>	<u>% of Sales</u>	<u>Amount</u>	<u>% of Sales</u>
REVENUE AND DEDUCTIONS										
Revenue										
Sales Revenue - Domestic	\$ 42,704,638	100.00%	\$ 49,110,333	###	\$ 56,476,883	###	\$ 64,948,416	###	\$ 74,690,678	###
Sales Revenue - Services	350,665	0.82%	403,265	0.82%	463,755	0.82%	533,318	0.82%	613,315	0.82%
Sales Revenue-Freight	2,110,600	4.94%	2,427,191	4.94%	2,791,269	4.94%	3,209,960	4.94%	3,691,453	4.94%
Total Revenue	45,165,903	105.76%	51,940,789	###	59,731,907	###	68,691,693	###	78,995,447	###
Deductions										
Sales Returns & Allowances	1,954,207	4.58%	2,247,338	4.58%	2,584,439	4.58%	2,972,104	4.58%	3,417,920	4.58%
Freight Allowance	740,503	1.73%	851,578	1.73%	979,315	1.73%	1,126,212	1.73%	1,295,144	1.73%
Sales Rebates	307,055	0.72%	353,113	0.72%	406,080	0.72%	466,992	0.72%	537,041	0.72%
Sales Discounts	1,813,938	4.25%	2,086,028	4.25%	2,398,932	4.25%	2,758,772	4.25%	3,172,588	4.25%
Sales Discounts - Close Outs	100,000	0.23%	100,000	0.20%	100,000	0.18%	100,000	0.15%	100,000	0.13%
Cash Discounts	198,943	0.47%	228,785	0.47%	263,103	0.47%	302,568	0.47%	347,953	0.47%
Credit Card EFT Merchant Fees	132,022	0.31%	151,826	0.31%	174,600	0.31%	200,789	0.31%	230,908	0.31%
Misc Discounts - Under/Over payment	5,443	0.01%	6,259	0.01%	7,198	0.01%	8,278	0.01%	9,519	0.01%
Total Deductions	5,252,111	12.30%	6,024,927	12.27%	6,913,667	12.24%	7,935,716	12.22%	9,111,074	12.20%
**TOTAL REVENUE AND DEDUCTIONS	39,913,793	93.46%	45,915,861	93.50%	52,818,241	93.52%	60,755,977	93.54%	69,884,373	93.57%
COST OF GOODS SOLD/MFG COSTS (Favorable)										
Variance and Scrap										
Cost of Goods Sold - Nonstock/parts	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COGS - Air Freight Variance	169,059	0.40%	194,417	0.40%	223,580	0.40%	257,117	0.40%	295,685	0.40%
COGS - Ocean / Local Freight Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COGS - Duty Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
COGS - Broker Fees	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Gain/Loss Material Revaluation	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Gain/Loss Inventory Count Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Gain/Loss Inventory Transfer	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Inventory Change - Scrap - RGA Defective	173,376	0.41%	199,382	0.41%	229,290	0.41%	263,683	0.41%	303,236	0.41%
Obsolete Inventory	240,000	0.56%	240,000	0.49%	240,000	0.42%	240,000	0.37%	240,000	0.32%
Total Variance and Scrap	582,435	1.36%	633,800	1.29%	692,870	1.23%	760,800	1.17%	838,920	1.12%
Manufacturing Costs										
Consumption - Raw Materials	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Consumption - Semi Finished Goods	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Consumption - Finished Goods	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MFG Consumption	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Inventory Change - Rework / Receipt without Order	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Production Order - Settlement Standard	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Production Order - Settlement Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Gain/Loss Production Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
MFG Variance	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total Manufacturing Costs	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

**WAC LIGHTING
FORECASTED INCOME STATEMENT
2011-2015**

	2011 FORECAST		2012 FORECAST		2013 FORECAST		2014 FORECAST		2015 FORECAST	
Selling COGS										
Cost of Goods Sold (Standard Cost)	15,667,116	36.73%	18,040,184	36.73%	20,746,212	36.73%	23,858,143	36.73%	27,436,865	36.73%
COGS - Freight NY-LA	28,750	0.07%	33,063	0.07%	38,022	0.07%	43,725	0.07%	50,284	0.07%
Gain/Loss Price Variances	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Price Variance Currency Exchange	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Price Variances - Small Price Differences	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total Selling COGS	15,715,866	36.80%	18,073,246	36.80%	20,784,233	36.80%	23,901,868	36.80%	27,487,149	36.80%
**TOTAL COST OF GOODS SOLD/MFG COSTS	16,298,301	38.17%	18,707,046	38.09%	21,477,103	38.03%	24,662,669	37.97%	28,326,069	37.92%
***GROSS PROFIT	23,615,491	55.30%	27,208,815	55.40%	31,341,137	55.49%	36,093,308	55.57%	41,558,304	55.64%
SELLING EXPENSES										
Other Selling Expenses										
Show & Demo Expense	136,836	0.32%	143,678	0.29%	150,862	0.27%	158,405	0.24%	166,325	0.22%
Dallas Showroom Expense	47,250	0.11%	49,613	0.10%	52,093	0.09%	54,698	0.08%	57,433	0.08%
Dallas Rent	164,484	0.39%	172,708	0.35%	181,344	0.32%	190,411	0.29%	199,931	0.27%
Commission Expense	3,461,705	8.11%	3,980,961	8.11%	4,578,106	8.11%	5,264,821	8.11%	6,054,545	8.11%
Commission Bonus	35,866	0.08%	41,246	0.08%	47,433	0.08%	54,548	0.08%	62,730	0.08%
Advertising Expense	297,705	0.70%	312,591	0.64%	328,220	0.58%	344,631	0.53%	361,863	0.48%
CO-OP Advertising	123,320	0.29%	141,818	0.29%	163,091	0.29%	187,594	0.29%	215,687	0.29%
Public Relations	66,150	0.15%	69,458	0.14%	72,930	0.13%	76,577	0.12%	80,406	0.11%
Samples Expense - WAC	57,099	0.13%	65,663	0.13%	75,513	0.13%	86,840	0.13%	99,866	0.13%
Sales Expense	1,471	0.00%	1,692	0.00%	1,946	0.00%	2,238	0.00%	2,573	0.00%
Training & Education (Rep & Customer)	186,692	0.44%	214,696	0.44%	246,901	0.44%	283,936	0.44%	326,526	0.44%
Catalog Expense	12,600	0.03%	13,230	0.03%	13,892	0.02%	14,586	0.02%	15,315	0.02%
Printing Expense - non catalog	315,000	0.74%	330,750	0.67%	347,288	0.61%	364,652	0.56%	382,884	0.51%
Sales Display Expenses (Discounts)	47,080	0.11%	49,434	0.10%	51,906	0.09%	54,501	0.08%	57,226	0.08%
Sales Display Expenses (Boards)	206,658	0.48%	237,657	0.48%	273,306	0.48%	314,302	0.48%	361,447	0.48%
ETL / UL - New Projects	394,337	0.92%	453,488	0.92%	521,511	0.92%	599,738	0.92%	689,698	0.92%
ETL / UL - Inspections / Maintenance	148,460	0.35%	155,883	0.32%	163,677	0.29%	171,861	0.26%	180,454	0.24%
Production Development Sample Expense	72,158	0.17%	75,766	0.15%	79,555	0.14%	83,532	0.13%	87,709	0.12%
Total Other Selling Expenses	33,538	0.08%	35,215	0.07%	36,976	0.07%	38,825	0.06%	40,788	0.05%
	5,808,412	13.60%	6,545,548	13.33%	7,386,547	13.08%	8,346,655	12.85%	9,443,385	12.64%
TRAVEL EXPENSE										
Travel Expenses - Hotel and Accommodation	102,197	0.24%	117,526	0.24%	135,155	0.24%	155,428	0.24%	178,743	0.24%
Travel Expenses - Airfare, Rail, Mileage	194,367	0.46%	223,521	0.46%	257,050	0.46%	295,607	0.46%	339,948	0.46%
Travel Expenses - Meals	12,406	0.03%	14,267	0.03%	16,407	0.03%	18,868	0.03%	21,698	0.03%
** TOTAL TRAVEL EXPENSES	308,969	0.72%	355,315	0.72%	408,612	0.72%	469,904	0.72%	540,389	0.72%
**TOTAL SELLING EXPENSES	6,117,381	14.32%	6,900,862	14.05%	7,795,159	13.80%	8,816,559	13.57%	9,983,774	13.37%
PERSONNEL EXPENSE										
Salaries	5,751,929	13.47%	6,039,526	12.30%	6,344,502	11.23%	6,658,577	10.25%	6,991,506	9.36%
Payroll Expense - Salaries										

**WAC LIGHTING
FORECASTED INCOME STATEMENT
2011-2015**

	2011 FORECAST		2012 FORECAST		2013 FORECAST		2014 FORECAST		2015 FORECAST		
Payroll Expense - Salaries Overtime	46,499	0.11%	48,824	0.10%	51,265	0.09%	53,829	0.08%	56,520	0.08%	
Payroll Expense - Staff Bonus Only	129,675	0.30%	136,159	0.28%	142,967	0.25%	150,115	0.23%	157,921	0.21%	
Payroll Expense - Temp	129,380	0.30%	135,828	0.28%	142,619	0.25%	149,750	0.23%	157,238	0.21%	
Payroll Expense - Tax	437,905	1.03%	459,801	0.94%	482,791	0.85%	506,930	0.78%	532,277	0.71%	
Total Salaries	6,495,369	15.21%	6,820,138	13.89%	7,161,144	12.88%	7,519,202	11.58%	7,895,162	10.57%	
Other Personnel Expense	401K Contributions Expense	130,410	0.31%	136,931	0.28%	143,777	0.25%	150,966	0.23%	158,514	0.21%
Employee Insurance	589,664	1.38%	619,147	1.26%	650,105	1.15%	682,610	1.05%	716,741	0.96%	
Special Event	17,325	0.04%	18,191	0.04%	19,101	0.03%	20,056	0.03%	21,059	0.03%	
Employee Benefit	14,858	0.03%	15,600	0.03%	16,380	0.03%	17,199	0.03%	18,059	0.02%	
Training & Education	7,389	0.02%	7,568	0.02%	8,148	0.01%	8,554	0.01%	8,981	0.01%	
Personnel Department Expense	70,875	0.17%	74,419	0.15%	78,140	0.14%	82,047	0.13%	86,149	0.12%	
Total Other Personnel Expense	830,521	1.94%	872,047	1.78%	915,649	1.62%	961,431	1.48%	1,009,503	1.35%	
** TOTAL PERSONNEL EXPENSE	7,325,890	17.15%	7,692,184	15.66%	8,076,793	14.30%	8,480,633	13.06%	8,904,665	11.92%	
GENERAL AND ADMINISTRATIVE EXPENSE	Other G&A	42,000	0.10%	44,100	0.09%	46,305	0.08%	48,620	0.07%	51,051	0.07%
Bad Debt Expense	141,855	0.33%	148,948	0.30%	156,395	0.28%	164,215	0.25%	172,426	0.23%	
Utility	119,700	0.28%	125,685	0.26%	131,969	0.23%	138,568	0.21%	145,496	0.19%	
Maintenance & Repair	94,528	0.22%	99,254	0.20%	104,217	0.18%	109,428	0.17%	114,899	0.15%	
Company Insurance Expense	1,909,818	4.47%	2,005,309	4.08%	2,105,575	3.73%	2,210,853	3.40%	2,321,396	3.11%	
Office/Building Rent	48,300	0.11%	50,715	0.10%	53,251	0.09%	55,913	0.09%	58,709	0.08%	
Corporate Apartments	199,500	0.47%	209,475	0.43%	219,949	0.39%	230,946	0.36%	242,493	0.32%	
Telephone	46,543	0.11%	48,870	0.10%	51,314	0.09%	53,879	0.08%	56,573	0.08%	
Equipment Rental	43,321	0.10%	45,487	0.09%	47,761	0.08%	50,149	0.08%	52,657	0.07%	
Office Supplies	44,712	0.10%	46,948	0.10%	49,295	0.09%	51,760	0.08%	54,348	0.07%	
Computer Software Supplies	96,126	0.23%	100,932	0.21%	105,978	0.19%	111,277	0.17%	116,841	0.16%	
Professional Fee	348,723	0.82%	366,159	0.75%	384,467	0.68%	403,690	0.62%	422,875	0.57%	
Consulting Expense	45,496	0.11%	47,771	0.10%	50,159	0.09%	52,667	0.08%	55,300	0.07%	
Dues & Subscriptions	62,005	0.15%	65,105	0.13%	68,360	0.12%	71,778	0.11%	75,387	0.10%	
Postage	13,370	0.03%	14,038	0.03%	14,740	0.03%	15,477	0.02%	16,251	0.02%	
Auto Expense	31,500	0.07%	33,075	0.07%	34,729	0.06%	36,465	0.06%	38,288	0.05%	
Charity/Contribution	64,147	0.15%	67,354	0.14%	70,722	0.13%	74,258	0.11%	77,971	0.10%	
Meetings & Conferences	39,060	0.09%	41,013	0.08%	43,064	0.08%	45,217	0.07%	47,478	0.06%	
Bank Charges	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Others	3,390,703	7.94%	3,560,238	7.25%	3,738,250	6.52%	3,925,162	6.04%	4,121,420	5.52%	
Total Other G&A	3,390,703	7.94%	3,560,238	7.25%	3,738,250	6.52%	3,925,162	6.04%	4,121,420	5.52%	
Depreciation	Depreciation Expense - Machinery & Equipment	15,409	0.04%	16,179	0.03%	16,988	0.03%	17,838	0.03%	18,729	0.03%
Depreciation Expense - Leasehold Improvements	210,247	0.49%	220,759	0.45%	231,797	0.41%	243,387	0.37%	256,556	0.34%	
Depreciation Expense - Motor Vehicles	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Depreciation Expense - Office Equipment	36,776	0.09%	38,614	0.08%	40,545	0.07%	42,572	0.07%	44,701	0.06%	
Depreciation Expense - Furniture	85,126	0.20%	89,382	0.18%	93,851	0.17%	98,544	0.15%	103,471	0.14%	
Depreciation Expense - Computer Hardware	20,058	0.05%	21,061	0.04%	22,114	0.04%	23,220	0.04%	24,381	0.03%	

**WAC LIGHTING
FORECASTED INCOME STATEMENT
2011-2015**

	2011 FORECAST		2012 FORECAST		2013 FORECAST		2014 FORECAST		2015 FORECAST	
Depreciation Expense - Computer Software	21,532	0.05%	22,608	0.05%	23,739	0.04%	24,926	0.04%	26,172	0.04%
Total Depreciation	389,147	0.91%	408,604	0.83%	429,035	0.76%	450,486	0.69%	473,011	0.63%
**TOTAL GENERAL AND ADMINISTRATIVE EXPENSE	3,779,850	8.65%	3,968,842	8.08%	4,167,284	7.38%	4,375,648	6.74%	4,594,431	6.15%
WAREHOUSE/SHIPPING										
Warehouse Supplies	105,291	0.25%	121,085	0.25%	139,248	0.25%	160,135	0.25%	184,155	0.25%
Freight Expense	1,793,898	4.20%	2,062,983	4.20%	2,372,430	4.20%	2,728,294	4.20%	3,137,539	4.20%
** TOTAL WAREHOUSE/SHIPPING	1,899,189	4.45%	2,184,068	4.45%	2,511,678	4.45%	2,888,429	4.45%	3,321,694	4.45%
***TOTAL EXPENSES	19,122,309	44.78%	20,745,956	42.24%	22,550,914	39.93%	24,561,269	37.82%	26,804,564	35.89%
***NET OPERATING INCOME	4,493,182	10.52%	6,462,859	13.16%	8,790,223	15.56%	11,532,039	17.76%	14,753,741	19.75%



ATTN: Tony DAlessio
Report Printed: April 12, 2011

Live Report : WANGS ALLIANCE CORPORATION

D-U-N-S® Number: 14-789-3994
Trade Names: WAC LIGHTING CO
Endorsement/Billing Reference: tony.dalessio@waclighting.com

D&B Address	
Address	615 S SI Garden City, NY - 11530
Phone	516 515-5000
Fax	
Location Type	Headquarters
Web	

Added to Portfolio:	07/05/2007
Last View Date:	01/03/2011
Endorsement:	tony.dalessio@waclighting.com

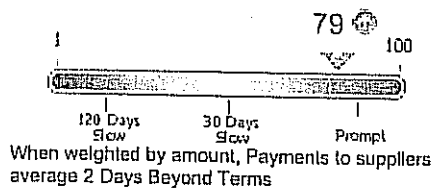
Company Summary

Currency: Shown in USD unless otherwise Indicated

Score Bar

PAYDEX®	76
Commercial Credit Score Class	1
Financial Stress Class	2
Credit Limit - D&B Conservative	500,000.00
D&B Rating	1R3

D&B 3-month PAYDEX®

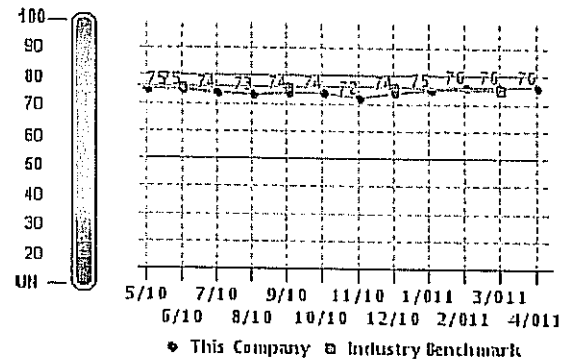


D&B Company Overview

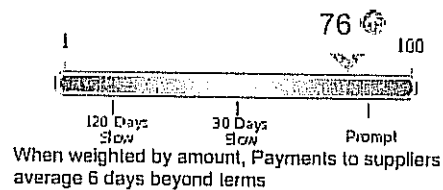
This is a headquarters location

Branch(es) or Division(s) exist	Y
Chief Executive	TONY WANG, CEO
Year Started	1985
Employees	112 (110 Here)
Financing	SECURED
SIC	5063, 5719
Line of business	Whol electrical equipment, ret

PAYDEX® Trend Chart



D&B PAYDEX®



Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-

misc
homefurnishings

NAICS 423610

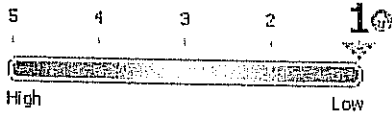
History Status CLEAR

Suits 0

UCCs 8 06/25/09

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

Commercial Credit Score Class



Financial Stress Score Class



Corporate Linkage

Branches (Domestic)

Company	City, State	D-U-N-S® NUMBER
WANGS ALLIANCE CORPORATION	WALNUT, California	79-064-0978

Predictive Scores

Currency: Shown in USD unless otherwise indicated

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the D&B Rating Key

D&B Rating: 1R3

Number of employees: 1R Indicates 10 or more employees
Composite credit appraisal: 3 Is fair

The Rating was changed on May 8, 2010 because of changes to D & B's file on this business.

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the company's rating history since 07-16-1999

Number of Employees Total: 112 (110 here)

D&B Rating	Date Applied
1R3	05-08-2010
1R2	10-28-2009
1R3	07-25-2006
4A1	06-29-2006
4A2	04-28-2006
1R3	11-15-2005
3A2	10-22-2004
1R3	11-17-2003
3A2	07-09-2002
1R3	07-16-1999

Payment Activity: (based on 41 experiences)

Average High Credit: 3,854
 Highest Credit: 35,000
 Total Highest Credit: 135,850

D&B Credit Limit Recommendation

Conservative credit Limit	500,000	5	4	3	2	1
Aggressive credit Limit:	1,000,000					

Risk category for this business :	LOW	High	Moderate		Low	

This recommended Credit Limit is based on the company profile and on profiles of other companies with similarities in size, industry, and credit usage.
 Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&B's extensive data files.
 The Financial Stress Class of 2 for this company shows that firms with this class had a failure rate of 0.09% (9 per 10,000), which is lower than the average of businesses in D & B's database

Financial Stress Class :



Moderate risk of severe financial stress, such as a bankruptcy, over the next 12 months.

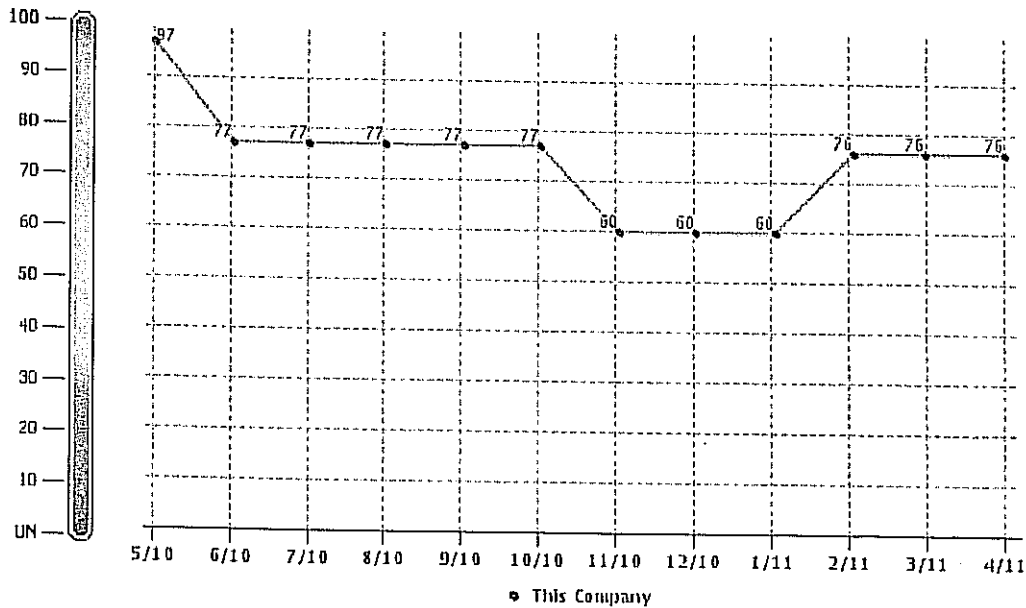
Probability of Failure:

- Among Businesses with this Class: 0.09 % (9 per 10,000)
- Financial Stress National Percentile : 76 (Highest Risk: 1; Lowest Risk: 100)
- Financial Stress Score : 1523 (Highest Risk: 1,001; Lowest Risk: 1,875)
- Average of Businesses in D&B's database: 0.48 % (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

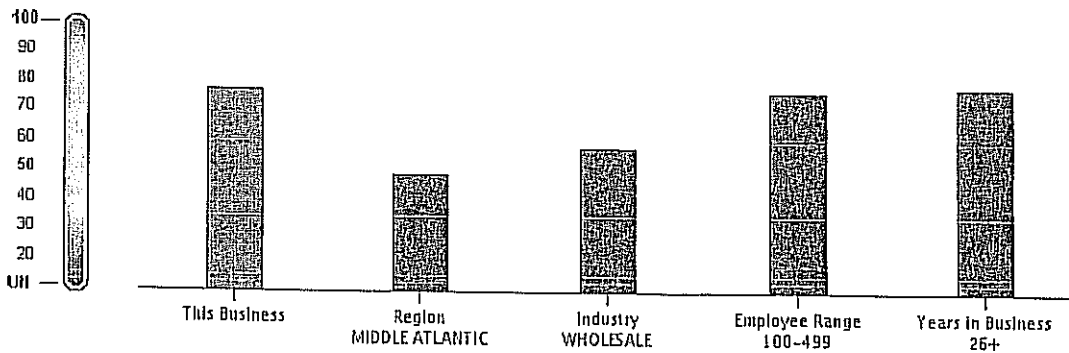
- Composite credit appraisal is rated fair.
- UCC Filings reported.
- High number of inquiries to D & B over last 12 months.

Financial Stress Percentile Trend:



Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	76
Region: MIDDLE ATLANTIC	44
Industry: WHOLESALE	54
Employee range: 100-499	75
Years In Business: 26+	77

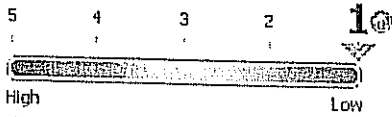
This Business has a Financial Stress Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Credit Score Summary

The Commercial Credit Score predicts the likelihood that a company will pay its bills in a severely delinquent manner (90 days or more past terms), obtain legal relief from creditors or cease operations without paying all creditors in full over the next 12 months. Scores are calculated using a statistically valid model derived from D&B's extensive data files. The Credit Score class of 1 for this company shows that 6.0% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class :



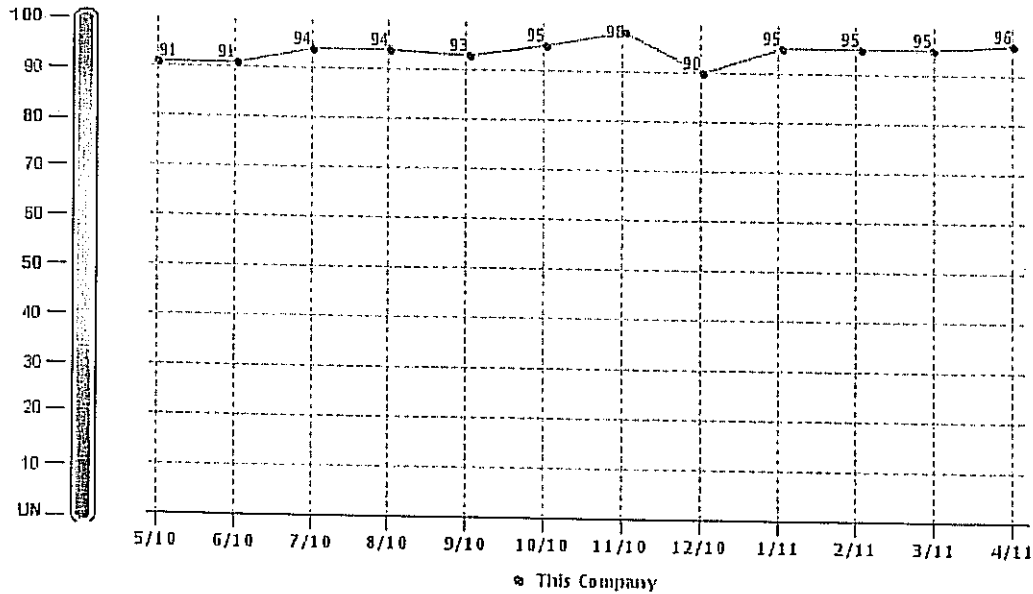
Incidence of Delinquent Payment

- Among Companies with this Classification: 6.00 %
- Average compared to businesses in D&B's database: 23.50 %
- Credit Score Percentile : 96 (Highest Risk: 1; Lowest Risk: 100)
- Credit Score : 500 (Highest Risk: 101; Lowest Risk: 670)

The Credit Score Class of this business is based on the following factors:

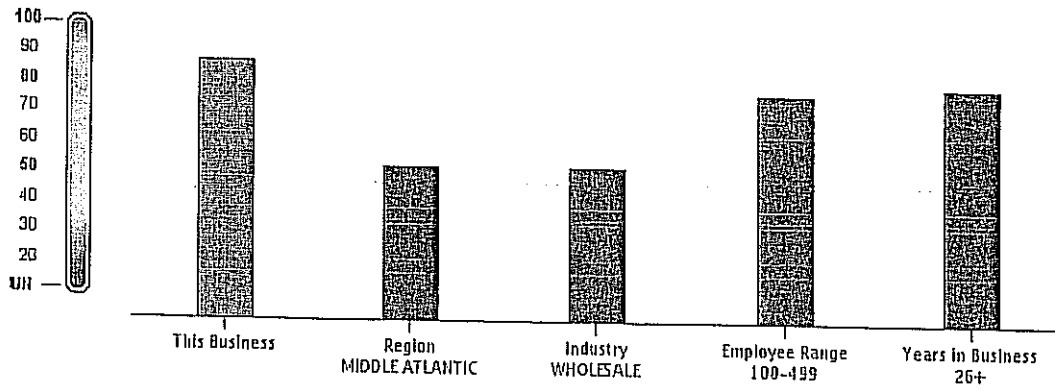
- Most recent amount past due.
- Insufficient number of payment experiences.
- Composite credit appraisal is rated fair.
- Low number of satisfactory payments.
- Business is not a subsidiary.

Credit Score Class Percentile Trend:



Notes:

- The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.
- The Incidence of delinquency shows the percentage of firms in a given percentile that are likely to pay creditors in a severely delinquent manner. The average incidence of delinquency is based on businesses in D&B's database and is provided for comparative purposes.
- The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	96
Region: MIDDLE ATLANTIC	57
Industry: WHOLESALE	57
Employee range: 100-499	85
Years in Business: 26+	88

This business has a Credit Score Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same Industry.
- Lower risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

\$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	0	0	0%
50,000-100,000	0	0	0%
15,000-49,999	0	0	0%
5,000-14,999	4	90,000	81%
1,000-4,999	4	30,000	100%
Under 1,000	7	10,000	82%
	20	4,900	92%

Based on payments collected over last 12 months.
 All Payment experiences reflect how bills are paid in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

There are 41 payment experience(s) in D&Bs file for the most recent 24 months, with 27 experience(s) reported during the last three month period.

The highest **Now Owes** on file is 10,000 . The highest **Past Due** on file is 750

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Rev'd (#)	Total Amts	Largest High Credit	WithIn Terms (%)	Days Slow <31 31-60 61-90 90> (%) (%) (%)
Top Industries					
Nonclassified	7	80,300	35,000	78	22 0 0 0
Trucking non-local	3	20,850	20,000	100	0 0 0 0
Whol computers/softwr	2	17,500	10,000	100	0 0 0 0
Whol service paper	2	3,500	2,500	50	50 0 0 0
Radiotelephone commun	2	1,250	1,000	100	0 0 0 0
Whol electronic parts	2	1,000	750	62	38 0 0 0
Misc business service	2	350	250	100	0 0 0 0
Misc business credit	2	1,100	0	100	0 0 0 0
Misc equipment rental	2	300	0	100	0 0 0 0
Mfg elevator/escaltrs	1	5,000	5,000	100	0 0 0 0
Ret mail-order house	1	1,000	1,000	100	0 0 0 0
Telephone communictns	1	1,000	1,000	100	0 0 0 0
Arrange cargo transpt	1	500	500	100	0 0 0 0
Whol furniture	1	500	500	100	0 0 0 0
Coating/engrave svcs	1	250	250	100	0 0 0 0
Public finance	1	250	250	100	0 0 0 0
Short-term busn credit	1	100	100	100	0 0 0 0
Whol electrical equip	1	50	50	100	0 0 0 0
Management services	1	50	50	100	0 0 0 0
Air courier service	1	50	50	100	0 0 0 0
Photocopying service	1	0	0	0	0 0 0 0
Other payment categories					
Cash experiences	5	950	750		
Payment record unknown	0	0	0		
Unfavorable comments	0	0	0		
Placed for collections:					
With D&B	0	0	0		
Other	0	N/A	0		
Total In D&Bs file	41	135,850	35,000		

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
-----------------------------	---------------	-------------	----------	----------	------------------	--------------------------------

03/11	Ppt		50	0		1 mo
	Ppt		100	0		1 mo
	Ppt		1,000	0		1 mo
	Ppt		250	0		1 mo
	Ppt	10,000	10,000	0		1 mo
	Ppt	7,500	5,000	0 N30		1 mo
	Ppt	5,000	5,000	0		1 mo
	Ppt	1,000	1,000	0 N60		1 mo
	Ppt	1,000	0	0		6-12 mos
	Ppt	750	750	0		1 mo
	Ppt	500	0	0		6-12 mos
	Ppt	100	100	0		1 mo
	Ppt	100	0	0		6-12 mos
	Ppt	50	0	0 N30		6-12 mos
	Ppt	50	0	0 N30		1 mo
	Ppt	50	0	0		1 mo
	Ppt-Slow 15	2,500	500	0		1 mo
	Ppt-Slow 15	750	0	0		2-3 mos
	Ppt-Slow 30	1,000	250	0		1 mo
02/11	Ppt	20,000	750	750		1 mo
	Ppt	7,500	0	0		6-12 mos
	Ppt	2,500	750	0		1 mo
	Ppt	250	0	0		4-5 mos
	Ppt	250	0	0		6-12 mos
	Ppt	250	100	0		1 mo
	Ppt	50	0	0		2-3 mos
01/11	Ppt	1,000	0	0		1 mo
	(028)	750			Cash account	1 mo
10/10	Ppt	250	0	0 N30		6-12 mos
05/10	(030)	50			Cash account	1 mo
04/10	Ppt	250				1 mo
	(032)	50			Cash account	1 mo
	(033) Cash own option	0	0	0		6-12 mos
03/10	(034)	100			Cash account	6-12 mos
11/09	Ppt	100	0	0		6-12 mos
09/09	Ppt	500	0	0 N30		6-12 mos
08/09	Ppt	250	0	0		6-12 mos
04/09	Ppt	15,000	0	0		6-12 mos
03/09	Ppt	20,000	0	0		6-12 mos
	Ppt	0	0			6-12 mos
	Ppt-Slow 30	35,000	500	500		1 mo

Payments Detail Key: 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated 

Summary

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	# of Records	Most Recent Filing Date
Bankruptcy Proceedings	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	8	06/25/09

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

UCC Filings

Collateral All Account(s) and proceeds - All Contract rights and proceeds - All Chattel paper and proceeds - All General intangibles(s) and proceeds - All Fixtures and proceeds

Type Original

Sec. Party JPMORGAN CHASE BANK, N.A., HOUSTON, TX

Debtor WANGS ALLIANCE CORP.

Filing No. 0407125577029

Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2004-07-12

Latest Info Received 07/16/04

Type Amendment

Sec. Party JPMORGAN CHASE BANK, N.A.

Debtor WANGS ALLIANCE CORPORATION

Filing No. 0707105661614

Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2007-07-10

Latest Info Received 07/19/07

Original UCC Filed Date 2004-07-12

Original Filing No. 0407125577029

Collateral Account(s) and proceeds - Contract rights and proceeds - Chattel paper and proceeds - Fixtures and proceeds

Type Original

Sec. Party JPMORGAN CHASE BANK, HOUSTON, TX

Debtor WANGS ALLIANCE CORP.

Filing No. 0311135508883

Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2003-11-13

Latest Info Received 11/17/03

Type	Continuation
Sec. Party	JPMORGAN CHASE BANK, HOUSTON, TX
Debtor	WANGS ALLIANCE CORP.
Filing No.	0806165674714
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2008-06-16
Latest Info Received	06/23/08
Original UCC Filing Date	2003-11-13
Original Filing No.	0311135508883


Type	Amendment
Sec. Party	JPMORGAN CHASE BANK, N.A., HOUSTON, TX
Debtor	WANGS ALLIANCE CORP.
Filing No.	0807255843120
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2008-07-25
Latest Info Received	08/04/08
Original UCC Filing Date	2003-11-13
Original Filing No.	0311135508883

Type	Continuation
Sec. Party	THE CHASE MANHATTAN BANK, N.A.
Debtor	WANGS ALLIANCE CORP. and OTHERS
Filing No.	0406095473208
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2004-06-09
Latest Info Received	06/15/04
Original UCC Filing Date	1994-10-27
Original Filing No.	94219482

Type	Continuation
Sec. Party	THE CHASE MANHATTAN BANK, N.A.
Debtor	WANGS ALLIANCE CORP. and OTHERS
Filing No.	0905180285768
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2009-05-18
Latest Info Received	07/29/09
Original UCC Filing Date	1994-10-27
Original Filing No.	94219482

Type	Amendment
Sec. Party	JPMORGAN CHASE BANK, N.A., HOUSTON, TX THE CHASE MANHATTAN BANK, N.A.
Debtor	WANGS ALLIANCE CORP. and OTHERS
Filing No.	0906250370653
Filed With	SECRETARY OF STATE/UCC DIVISION, ALBANY, NY
Date Filed	2009-06-25
Latest Info Received	07/03/09
Original UCC Filing Date	1994-10-27
Original Filing No.	94219482

History & Operations

Currency: Shown in USD unless otherwise indicated 

Company Overview

Company Name:	WANGS ALLIANCE CORPORATION
Doing Business As :	WAC LIGHTING CO
Street Address:	615 S St Garden City , NY 11530
Phone:	516 515-5000
History	Is clear
Present management control	26 years

History

The following information was reported: 06/30/2010

Officer(s):	TONY WANG, CEO TAININ CAN, SEC
-------------	-----------------------------------

THE OFFICER(S)

The New York Secretary of State's business registrations file showed that Wangs Alliance Corporallon was registered as a corporation on December 17, 1984.

Business started 1985 by Tony Wang. 100% of capital stock is owned by Tony Wang.

TONY WANG born 1950. 1985-present active here.

TAININ CAN born 1952. 1985-present active here.

Business Registration

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Apr 08 2011

The following data is not an official record of the Department of State or the State of New York and Dun & Bradstreet is not an employee or agent thereof.

Registered Name:	WANGS ALLIANCE CORPORATION
Business type:	CORPORATION
Corporation type:	PROFIT
Date Incorporated:	Dec 17 1984
State of Incorporation:	NEW YORK
Filing date:	Dec 17 1984
Registration ID:	960755
Duration:	PERPETUAL
Status:	ACTIVE

Where filed: SECRETARY OF STATE/CORPORATION DIVISION , ALBANY , NY
Principals: TONY WANG , CHAIRMAN OF THE BOARD , 615 SOUTH STREET ,
GARDEN CITY , NY , 115300000

Operations

06/30/2010

Wholesales electrical apparatus and equipment, specializing in residential lighting fixtures. Retailers homefurnishings, specializing in lighting fixtures.

Description: Has 2500 account(s). Terms are cash, check or credit card, Net 30 days and 1% 10 net 30 days. Sells to wholesalers and retailers. Territory : International.

Nonseasonal.

Employees: 112 which includes officer(s). 110 employed here.

Facilities: Owns 70,000 sq. ft. in a two story brick building.

Location: Central business section on well traveled street.

Branches: Maintains a branch location in Walnut, CA.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.


5063 0404 Lighting fixtures, residential

5719 0202 Lighting fixtures

NAICS:

423610 Electrical Apparatus and Equipment, Wiring Supplies and Related Equipment Merchant Wholesalers
442299 All Other Home Furnishings Stores

Financials

Currency: Shown in USD unless otherwise indicated 

Additional Financial Data

As of June 30, 2010, attempts to contact the management of this business have been unsuccessful. Outside sources confirmed name and location.

Request Financial Statements

Requested financials are provided by WANGS ALLIANCE CORPORATION and are not DUNSRight certified.

Key Business Ratios

D & B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance.

To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

Based on this Number of Establishments

101

Industry Norms Based On 101 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	0.8	UN
Return on Net Worth	UN	6.7	UN
Short-Term Solvency			
Current Ratio	UN	2.3	UN
Quick Ratio	UN	1.1	UN
Efficiency			
Assets/Sales (%)	UN	39.9	UN
Sales / Net Working Capital	UN	5.8	UN
Utilization			
Total Liabilities / Net Worth (%)	UN	78.1	UN

UN = Unavailable

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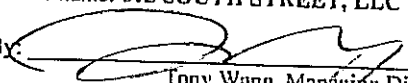
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ENVIRONMENTAL ASSESSMENT FORM

PROJECT I.D. NUMBER

SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I-PROJECT INFORMATION (To be completed by Applicant or Project sponsor)

1. APPLICANT/SPONSOR 615 SOUTH STREET, LLC		2. PROJECT NAME 44 HARBOR PARK DRIVE	
3. PROJECT LOCATION: TOWN OF NORTH HEMPSTEAD		County: NASSAU	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) 44 HARBOR PARK DRIVE, PORT WASHINGTON, NEW YORK (Section 6, Block 089, Lots 3 & 4)			
5. IS PROPOSED ACTION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Modification/alteration			
6. DESCRIBE PROJECT BRIEFLY: Nassau County IDA assistance in connection with the purchase of 44 Harbor Park Drive, Port Washington, New York, for a new warehouse, office, wholesale and distribution facility for lighting fixtures, products and equipment.			
7. AMOUNT OF LAND AFFECTED: Initially: +/- 7 acres Ultimately: +/- 7 acres			
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly			
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Agriculture <input type="checkbox"/> Park/Forest/Open space <input type="checkbox"/> Other Describe: Existing industrial park.			
10. DOES ANY ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, list agency(s) and permit/approvals			
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, list agency name and permit/approval			
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE			
Applicant/sponsor name: 615 SOUTH STREET, LLC		Date: May 16, 2011	
Signature: By: 		Tony Wang, Managing Director	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

OVER

PART II-ENVIRONMENTAL ASSESSMENT (To be completed by Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.12? If yes, coordinate the review process and use the FULL EAF.
 Yes No

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6?
If no, a negative declaration may be superseded by another involved agency.
 Yes No

- C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)**
- C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic patterns, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly: *None.*
 - C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly: *None.*
 - C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly: *None.*
 - C4. A community's existing plans or goals as officially adopted, or change in use or intensity of use of land or other natural resources? Explain briefly. *None.*
 - C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly. *None.*
 - C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly. *None.*
 - C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly. *None.*

D. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?
 Yes No If yes, explain briefly

PART III-DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e., urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed.

- Check this box if you have identified one or more potentially large or significant adverse impacts which **MAY** occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.
- Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action **WILL NOT** resulting any significant adverse environmental impacts AND provide on attachments as necessary, the reasons supporting this determination:

_____ Nassau County Industrial Development Agency
Name of Lead Agency

Print to Type Name of Responsible Officer in Lead Agency _____ Title of Responsible Officer _____

Signature of Responsible Officer in Lead Agency _____ Signature of Preparer (if different from responsible officer) _____

_____ Date _____

OTHER ATTACHMENTS

PART I

Q. Does any one supplier or customer account for over 50% of Applicant's annual purchases or sales, respectively? If YES, attach name and contact information for supplier and/or customer, as applicable:

YES X NO

SUPPLIER OF 75% OF WANGS ALLIANCE CORP PRODUCTS FOR RESALE
A.M.C. LIGHTING CO.
No. 390 QINGFENG ROAD, QINGXI TOWN
DONGGUAN CITY, GUANGDONG CN 523653

S. Attach a brief history of the Applicant and its business/operations.



WAC Lighting is Responsible Lighting.

Celebrating our 25th anniversary in 2009, WAC Lighting has developed a stellar reputation for high quality decorative and task lighting lines backed by an extraordinary level of service, an unprecedented shipping record, and an extension of our Product Warranty to Five Years.

To reflect our Green energy saving strategies, social progress and community involvement, WAC Lighting has recently changed our logo and tagline to "Responsible Lighting." Leading the industry's sustainability charge, our firm has contributed to social progress with responsible manufacturing practices and energy saving technology. Our firm employs stringent sourcing and on-site UL authorized product testing for safety and quality assurance, as well as water recycling, lead-free and zero-landfill capabilities in our wholly owned, Clean ISO 9001-certified manufacturing campus. Sustainable CFL and LED lighting products have been added to our

extensive line with the most energy efficient technology available. As progress is measured in quality of life, WAC strives to advance employee empowerment, community involvement with major global and local foundations, and diversity in the workplace.

Innovative and integrated systems technologies are hallmarks of the WAC Lighting product line, which offers many recent introductions:

- InvisiLED™ tape light featuring energy-saving display and accent lighting solution using the latest LED technology.
- LEDme™ downlights – featuring award-winning recessed fixtures powered by energy-sipping LED's.
- New LED track luminaires featuring new multi-ship LED's with the same lumens as a 50 watt halogen bulb, while utilizing only 10 watts of power
- Modernism™ A collection of mouthblown opal glass energy saving luminaires.
- DUORAIL™ The smallest 2-circuit rail system available.
- Brushed Nickel Track and Track Fixtures.

Also available are stunning art glass pendants and luminaires; Low/Line Voltage Track Systems; Line and Low Voltage Recessed Downlights; Line/Low-Voltage Single and Two-Circuit Monorail Systems; Crystal Beauty Spots; Wall Sconces; Monopoints; Multipoints; Counter Balance Adjustables; SMART Transformers; and other specialty lighting.

In 2006, our quest to become the most recognized and respected lighting company in the industry led us to take up a new challenge. We launched our newest enterprise to bring our capabilities to the commercial architectural lighting industry called W2 Architectural Lighting. Specialized in high-performance track, recessed cove and pedant lighting. W2 has been specified globally for retail and museum lighting. Please visit our website at www.w2lighting.com for more information.

WAC lighting firm retains corporate headquarters and east coast distribution center in Garden City, NY, a west coast distribution center and offices in City of Industry, Calif., and a distributor showroom in Dallas. Nearly 90% of WAC Lighting products are fabricated, including components, at our state-of-the-art manufacturing campus in China.

WAC Lighting is headquartered at 615 South Street, Garden City, New York 11530. The phone is 1.800.526.2588, and the fax is 1.800.526.2585. The email address is info@wacighting.com and the website is www.wacighting.com

WAC Lighting Expansion Plan

2012 – 2026

Phase 1: 2012 – 2021

For the first 10 years, the company plans to utilize the facility at 44 Harbor Park Dr. in Port Washington as our corporate headquarters. The facility will house executive staff, marketing and sales departments, engineering, limited R&D, and storage of our products in the 100,000 sf warehouse facilities. During this time, we plan to triple our size, conduct training seminars for our customers and lighting professionals, and set up a Research & Development center to develop new products using CAD design software, with limited testing and modeling capability.

The R&D Center will be run by a PhD Electrical Engineer and a staff of engineering specialists, who will model new products using Solidworks and other modeling software, run thermal simulation tests, and test photometric data using portable instruments.

We will also invest in a small showroom and training center for up to 50 lighting designers and distributors, with credentialed sales and marketing professionals delivering the training. We also plan sales seminars, national sales meetings and other events that will provide a steady stream of local travel, lodging and other revenues to Nassau County. Due to the highly technical nature of our business, our sales staff members are highly educated and degreed, and are certified with professional designations. Our plan is to double our sales staff professionals over the first 10 years.

In addition, the company is planning to add solar panel HVAC equipment to heat and air condition the facility at a cost of approximately \$2 million. We believe that this will be the first of its kind in Nassau County.

Phase 2: 2022-2026

By 2022, the company anticipates being a \$200 million organization, with at least three times our current staffing. Our five year plan for years 11 – 15 involve major expansion of the R&D center, to include full thermal testing, prototype modeling, lighting labs that would include UL photometrics testing, solid state and controls assembly and modeling, health and lifestyle testing, and an Organic LED (OLED) testing center.

The expanded R&D center would employ 50 degreed engineers, 5 PhD level scientists, and 10 lab associates – an addition of 31 staff members over the five year period. The expanded center would be responsible for global research and development for new products as well as development of new lighting applications with a future forward emphasis on solid state and energy efficient technologies to create sustainable, high performance lighting solutions for architectural grade lighting systems.

Product categories for development include LEED certified solar lighting solutions, Organic LED's for home, office, hospitality, and institutional buildings, outdoor lighting (both landscape and functional lighting), and retail store systems. Emphasis will be the development of energy efficient, nature-inspired products of high quality and lasting value.

The company plans to expand into cutting edge solar power system development and manufacture, which will lead to the creation of a number of highly skilled technical and professional jobs. In addition, the company plans to add a light assembly operation for solid state lighting and controls products, enabling us to qualify for "Buy American" projects. This new initiative will add over 50 highly skilled new jobs to Nassau County, and will enable WAC to continue to maintain our rapid growth pace.

The company also plans to expand our learning center to house 100 outside lighting designers, engineers, architects, and distributors in a state of the art training center, delivering accredited 2 – 4 hour courses that will be credited toward certification programs in the American Institute of Architects (AIA), the American Lighting Association (ALA), and other professional certification programs to support electrical, electronic, solid state and lighting fields.

To support this initiative, the company plans to build a state of the art showroom and classroom facility, with a product showroom, an interactive learning center, and state of the art audio-video equipment. We also plan to staff this learning center with engineers and accredited training staff. We expect the economic impact from this program to be significant in local lodging, travel spending, and in new personnel.

Our emphasis on developing technology solutions to illuminate space will place WAC Lighting in a firm leadership position in global lighting markets, and will generate over 200 highly skilled new jobs in Nassau County – 100 from 2022 – 2026 alone.

Without the 15 year PILOT, the initiatives identified herein would not be possible due to the substantial capital expenditures associated with these programs. These initiatives, however, might be possible without IDA support in other areas of the country where real estate taxes are lower. The 15 year PILOT will not only assist WAC Lighting’s growth, but will help the County retain and add highly skilled jobs, and take advantage of an opportunity to help alleviate the “brain drain” prevalent in Nassau County.

Job Category	Current Staffing	10 Year Proj.	15 Year Proj.
Corporate Executives	4	5	6
PhD Scientists in LED, OLED, and Electronics fields	1	2	5
Engineers – electrical, electronics, solid state, mechanical	4	20	38
Lab technicians	1	3	10
Design Engineers	2	6	12
Sales Managers	4	6	9
Inside and Outside Sales Associates	13	30	50
Marketing Professionals	4	14	20
Human Resource and Training Center Professionals	2	4	6
Accounting/Admin	8	12	15
Purchasing Agents	2	4	6
Information Technology – programmers, system managers	2	4	6
Data entry, operations associates	6	15	20
Warehouse	8	25	40
Light assembly	4	6	50