

Ethos Environmental, Inc.  
Form PRER14C  
May 11, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14C**

**INFORMATION STATEMENT PURSUANT TO SECTION 14(C)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

Check the appropriate box:

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Preliminary Information Statement

.  
Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

.  
Definitive Information Statement

**ETHOS ENVIRONMENTAL, INC.**

(Name of Registrant As Specified In Its Charter)

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Payment of Filing Fee (Check the appropriate box):

.

No fee required

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

(1)

Title of each class of securities to which transaction applies: Common Stock, \$.0001 par value per share; Preferred Stock, \$.0001 par value per share

(2)

Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.: \_\_\_\_\_

(3)

Filing Party: \_\_\_\_\_

(4)

Date Filed: \_\_\_\_\_

ETHOS ENVIRONMENTAL, INC.

18 Technology, Suite 165

Irvine, CA 92618

(949) 887-6890

NOTICE OF WRITTEN CONSENT TO ACTION BY STOCKHOLDERS

May \_\_, 2011

This notice and the accompanying Information Statement is being furnished to the stockholders of Ethos Environmental, Inc., a Nevada corporation (the Company or us or we or our ), with respect to a written consent action received from the holders of 71.19% of the issued and outstanding shares of the Company s Common Stock adopting resolutions approving the following corporate actions:

1.

To amend and restate the Company s Articles of Incorporation as set forth in the Amended and Restated Articles of Incorporation attached to and forming a part of the accompanying Information Statement (the Amended and Restated Articles );

2.

To adopt the Company s 2010 Incentive Plan in substantially the form attached to and forming a part of the accompanying Information Statement (the 2010 Incentive Plan ), covering an aggregate of 242,000,000 shares of Common Stock of the Company, which provides for the payment of various forms of incentive compensation to employees, consultants and directors of the Company (or any parent or subsidiary of the Company); and

3.

To adopt the Company s Distributor Stock Incentive Plan in substantially the form attached to and forming a part of the accompanying Information Statement (the Distributor Stock Incentive Plan ), covering an aggregate of 50,000,000 shares of Common Stock of the Company, which provides for the payment of compensation to distributors of the Company s products in shares of Common Stock of the Company by the trustee of the Distributor Stock Incentive Trust, the current record holder of such 50,000,000 shares.

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The Amended and Restated Articles include the addition of certain provisions that may, under certain circumstances, have the effect of delaying, deferring or preventing a change in control of the Company without further vote or action by the stockholders and could adversely affect the voting and other rights of the holders of our Common Stock.

Only Company stockholders of record at 8:00 a.m. PST on January 20, 2011 are entitled to receive the accompanying Information Statement.

The Amended and Restated Articles will be filed with the Nevada Secretary of State on the earlier of (i) 21 days from the date the accompanying Information Statement is first mailed to the stockholders or (ii) such later date as approved by our Board of Directors, in its sole discretion. The Amended and Restated Articles will become effective upon their filing with the Nevada Secretary of State.

The 2010 Incentive Plan became effective as of December 31, 2010, the date on which our Board of Directors adopted the 2010 Incentive Plan. See the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2011. On January 20, 2011, our Board of Directors affirmed, ratified and amended the 2010 Incentive Plan to provide for a fixed number of 242,000,000 shares of our Common Stock to be subject to the 2010 Incentive Plan and in certain other respects. The 2010 Incentive Plan attached to and forming a part of the accompanying Information Statement includes such amendments.

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The Distributor Stock Incentive Plan became effective as of December 31, 2010, the date on which our Board of Directors adopted the Distributor Stock Incentive Plan. On January 20, 2011, our Board of Directors affirmed and ratified the Distributor Stock Incentive Plan.

Your vote or consent is not requested or required, and our Board of Directors is not soliciting your proxy. Section 78.320 of the Nevada Revised Statutes provides that any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if stockholders holding at least a majority of the voting power sign a written consent approving the action. The written consent of a majority of the outstanding shares of our Common Stock is sufficient to approve these matters.

The accompanying Information Statement is being furnished to you solely for the purpose of informing stockholders of the matters described herein in compliance with Regulation 14C of the Securities Exchange Act of 1934, as amended.

By Order of the Board of Directors

*/s/ Matthew Nicosia*

Matthew Nicosia

President and Director

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AND YOU ARE REQUESTED NOT TO SEND US A PROXY.



ETHOS ENVIRONMENTAL, INC.

18 Technology, Suite 165

Irvine, CA 92618

(949) 887-6890

INFORMATION STATEMENT

Date first mailed to stockholders: May \_\_, 2011

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ABOUT THIS INFORMATION STATEMENT

INTRODUCTION

This information statement (this Information Statement ) has been filed with the Securities and Exchange Commission (the SEC ) and is being mailed or otherwise furnished to the registered stockholders of Ethos Environmental, Inc., a Nevada corporation (the Company or us or we or our ), solely for the purpose of informing you, as one of stockholders, in the manner required under Regulation 14(c) promulgated under the Securities Exchange Act of 1934, as amended, that the holders of a majority of the outstanding shares of our Common Stock have executed a written consent to action approving certain corporate actions described herein.

The proposed corporate actions were approved by resolutions of our Board of Directors effective as of December 31, 2010 and January 20, 2011. In order to eliminate the costs and management time involved in holding a special meeting, and in order to effect the proposed corporate actions as quickly as possible, our Board of Directors resolved to proceed with the corporate actions by obtaining a written consent to action from stockholders holding a majority of the voting power of the Company.

This Information Statement is dated May \_\_, 2011 and is first being mailed to stockholders on or about May \_\_, 2011. Only stockholders of record at 8:00 a.m. PST on January 20, 2011 (the Record Date ) are entitled to receive this



Information Statement.

INFORMATION CONCERNING THE PROPOSED CORPORATE ACTIONS

1.

PROPOSAL TO AMEND AND RESTATE THE ARTICLES OF INCORPORATION

Our Board of Directors has determined that the Company's existing Articles of Incorporation are inadequate for our current and anticipated future needs. Therefore, effective as of January 20, 2011, our Board of Directors resolved that it would be in the best interests of the Company and its stockholders to amend and restate the Articles of Incorporation in the form of the Amended and Restated Articles of Incorporation attached hereto (the "Amended and Restated Articles").

The date of filing with the Nevada Secretary of State of a Certificate to Accompany Restated Articles or Amended and Restated Articles (the "Certificate of Amended and Restated Articles") with the Amended and Restated Articles attached thereto will be the effective date of the Amended and Restated Articles.

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There are several key substantive differences between our current Articles of Incorporation and the Amended and Restated Articles, as follows:

(i) CHANGE THE NAME OF THE COMPANY

ARTICLE I of the Amended and Restated Articles provides that the name of the Company is Regeneca, Inc. Accordingly, effective upon the filing of the Amended and Restated Articles with the Nevada Secretary of State, the name of the Company will be changed from Ethos Environmental, Inc. to Regeneca, Inc. Our Board of Directors resolved that it would be in the best interests of the Company and its stockholders so to change the name of the Company to best reflect the new business and products of the Company resulting from the Company's recent acquisition of Regeneca International, Inc., a Nevada corporation (which currently is a wholly-owned subsidiary of the Company), pursuant to a reverse triangular merger transaction. See the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2011.

(ii) INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK AVAILABLE FOR FUTURE ISSUANCE

ARTICLE III, Section A of the Amended and Restated Articles provides that the Company is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock, and that the total number of shares that the Company is authorized to issue is 2,000,000,000 shares, of which 1,900,000,000 shares shall be Common Stock, par value \$.0001 per share, and 100,000,000 shares shall be Preferred Stock, par value \$.0001 per share. ARTICLE 6, Section 6.1 of the current Articles of Incorporation of the Company provides that the Company is authorized to issue only 1,000,000,000 shares, consisting of 900,000,000 shares of Common Stock, par value \$.0001 per share, and 100,000,000 shares of Preferred Stock, par value \$.0001 per share. Accordingly, effective upon the filing of the Amended and Restated Articles with the Nevada Secretary of State, the total number of shares that the Company is authorized to issue will be increased by 1,000,000,000 shares (from 1,000,000,000 shares to 2,000,000,000 shares), all of which additional 1,000,000,000 shares shall be Common Stock, par value \$.0001 per share.

The increase in the total number of authorized but unissued shares of Common Stock will provide the Company with needed capital stock to enable it to undertake financing transactions in which the Company may employ its Common Stock and/or Preferred Stock, including transactions to raise working capital through the sale of Common Stock and/or Preferred Stock. The Company's Board of Directors is of the view that the number of shares of Common Stock currently authorized may not be sufficient to satisfy anticipated future needs. The Board of Directors also considers it desirable that the Company have the flexibility to issue an additional amount of Common Stock and to issue, when and where appropriate or necessary, Preferred Stock, without further stockholder action, unless otherwise required by law or other regulations. The availability of these additional shares of Common Stock will enhance the Company's flexibility in connection with public or private offerings, conversions of convertible securities, issuances of options pursuant to employee benefit plans, acquisition transactions and other general corporate purposes, and will allow such

shares to be issued without the expense and delay of a special stockholders meeting, unless such action is required by applicable law or rules of any stock exchange on which the Company's securities then may be listed. Management of the Company is at all times investigating additional sources of financing that the Board of Directors believes will be in the Company's best interests and in the best interests of the stockholders of the Company.

The Company was a party to a merger, to be accounted for as a reverse acquisition, on December 31, 2010 (the Regeneca Merger). The proposal to increase the total number of authorized but unissued shares of Common Stock does not relate to the Regeneca Merger. All shares to be issued in connection with the Regeneca Merger were previously issued. Pursuant to the Regeneca Merger, the former stockholders of Regeneca International, Inc. have all received their shares from the previously authorized 1,000,000,000 shares of Common Stock, and the increase of the total number of authorized but unissued shares of Common Stock is intended solely for future issuances unrelated to the Regeneca Merger.

To the extent that additional authorized shares of Common Stock are issued in the future, they will decrease the existing stockholders' percentage equity ownership interests and, depending on the price at which such shares of Common Stock are issued, could be dilutive to the existing stockholders. Any such issuance of additional shares of Common Stock could have the effect of diluting the earnings per share and book value per share of outstanding shares of Common Stock.

(iii)

**AUTHORIZE OUR BOARD OF DIRECTORS TO ESTABLISH ONE OR MORE SERIES OF PREFERRED STOCK**

Under ARTICLE 6, Section 6.3 of the Articles of Incorporation of the Company currently in effect, our Board of Directors is authorized to provide for the issue of different series of shares of Preferred Stock. Our Board of Directors believes that it would be in the best interests of the Company and its stockholders to amend and restate the provisions of our Articles of Incorporation that provide such authority to our Board of Directors. Accordingly, ARTICLE III, Section B of the Amended and Restated Articles provides that the Preferred Stock authorized by the Amended and Restated Articles may be issued from time to time in one or more series and authorizes our Board of Directors to fix or alter the rights, preferences, privileges and restrictions granted to or imposed on each series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them. ARTICLE III, Section B of the Amended and Restated Articles also provides that, subject to compliance with applicable protective voting rights that have been or may be granted to the Preferred Stock or any series thereof in Certificates of Designation or in the Articles of Incorporation of the Company ( Protective Provisions ), but notwithstanding any of the other rights of the Preferred Stock or any series thereof, the rights, preferences, privileges and restrictions of any series of Preferred Stock may be subordinated to, *pari passu* with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent) or senior to any of those of any present or future class or series of Preferred Stock or Common Stock. ARTICLE III, Section B of the Amended and Restated Articles also provides that, subject to compliance with applicable Protective Provisions (if any), the Board of Directors also is authorized to increase or decrease the number of shares of any series of Preferred Stock before or after the issuance of such series, but not below the number of shares of such series then outstanding, and that, in case the number of shares of any series is so decreased, the shares constituting such decrease shall resume the status that they had before the adoption of the resolution originally fixing the number of shares of such series.

These provisions of the Amended and Restated Articles give our Board of Directors flexibility, without further stockholder action, to issue Preferred Stock on such terms and conditions as our Board of Directors deems to be in the best interests of the Company and its stockholders. These provisions of the Amended and Restated Articles provide the Company increased financial flexibility in meeting future capital requirements by providing another type of security in addition to the Company's Common Stock, as it will allow Preferred Stock to be available for issuance from time to time and with such features as determined by our Board of Directors for any proper corporate purpose. It is anticipated that such purposes may include, without limitation, the issuance of Preferred Stock in exchange for cash as a means of obtaining capital for use by the Company or as part or all of the consideration required to be paid by the Company for acquisitions of other businesses or assets.

Any issuance of Preferred Stock with voting rights could, under certain circumstances, have the effect of delaying or preventing a change in control of the Company by increasing the number of outstanding shares entitled to vote and by increasing the number of votes required to approve a change in control of the Company. Shares of voting or convertible Preferred Stock could be issued, or rights to purchase such shares could be issued, to render more difficult or discourage an attempt to obtain control of the Company by means of a tender offer, proxy contest, merger or otherwise. The ability of our Board of Directors to issue such additional shares of Preferred Stock, with the rights and preferences that our Board of Directors deems advisable, could discourage an attempt by a party to acquire control of

the Company by tender offer or other means. Therefore, such issuances could deprive stockholders of benefits that could result from such an attempt, such as the realization of a premium over the market price that such an attempt could cause. Moreover, the issuance of such additional shares of Preferred Stock to persons friendly to our Board of Directors could make it more difficult to remove incumbent managers and directors from office even if such change were to be favorable to stockholders generally.

While the Preferred Stock authorized by the Amended and Restated Articles may have anti-takeover ramifications, our Board of Directors believes that the financial flexibility offered by such Preferred Stock outweighs such possible disadvantages. To the extent that the Preferred Stock authorized by the Amended and Restated Articles may have anti-takeover effects, the Preferred Stock could encourage persons seeking to acquire the Company to negotiate directly with our Board of Directors, enabling our Board of Directors to consider the proposed transaction in a manner that best serves the interests of the Company's stockholders.

The issuance of shares of Preferred Stock having rights superior to those of the Common Stock may result in a decrease in the value or market price of the Common Stock. Holders of Preferred Stock may have the right to receive dividends, certain preferences in liquidation and conversion rights. The issuance of Preferred Stock could adversely affect the voting and other rights of the holders of Common Stock.

The Company may issue shares of Common Stock as a dividend in respect of shares of Preferred Stock or any particular series of Preferred Stock without the approval of the holders of the Common Stock. Any such issuance could be dilutive to the value or market price of the Common Stock.

There currently are no plans, arrangements, commitments or understandings for the issuance of shares of Preferred Stock that are authorized by the Amended and Restated Articles. At the date of this Information Statement, none of our authorized shares of Preferred Stock is issued and outstanding.

Except as described in this paragraph or elsewhere in this Information Statement, there currently are no plans, arrangements, commitments or understandings related to any of the classes of securities authorized by the Amended and Restated Articles. On March 2, 2011, the Company (as Licensee) and Mitch Huhem and One Step Millionaire, LLC (collectively, as Licensor) entered into a License Agreement (the License Agreement) whereby Licensor granted to Licensee a perpetual, royalty-bearing, exclusive, worldwide, transferable, sublicensable license to the One Step Millionaire program (the Licensed Technology) to formulate, design, develop, improve, produce, distribute, sell and use and exploit Licensed Products and other offerings related thereto for a period of twenty (20) years commencing on the date of the License Agreement. Pursuant to the terms of the License Agreement, the Company (as Licensee) will pay Licensor a royalty fee of five percent (5%) of gross sales revenue derived from the Licensed Technology, and the Company (as Licensee) will issue and deliver to Licensor fifty million (50,000,000) shares of Common Stock of the Company, which shares will be fully paid, validly issued and non-assessable restricted stock. These shares will be a portion of the additional 1,000,000,000 shares of Common Stock that the Company will be authorized to issue (constituting an increase in such authorized shares from 1,000,000,000 shares to 2,000,000,000 shares, as described in the preceding section of this Information Statement) effective upon the filing of the Amended and Restated Articles with the Nevada Secretary of State. The foregoing is not a complete summary of the terms of the License Agreement, and reference is made to the complete text of the License Agreement attached to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2011 as Exhibit 10.1.

At the date of this Information Statement, the Company has no plans to engage in any merger or acquisition with other companies or entities.

(iv)

#### AUTHORIZE OUR BOARD OF DIRECTORS TO CREATE AND ISSUE RIGHTS TO PURCHASE SECURITIES

ARTICLE IV of the Amended and Restated Articles authorizes our Board of Directors, from time to time, to create and issue, whether or not in connection with the issuance and sale of any of the stock or other securities or property of the Company, rights entitling the holders thereof to purchase from the Company shares of stock or other securities of the Company or any other corporation. ARTICLE IV of the Amended and Restated Articles provides that the times at which and the terms upon which such rights are to be issued will be determined by our Board of Directors and set forth in the contracts or instruments that evidence such rights. ARTICLE IV of the Amended and Restated Articles provides that the authority of our Board of Directors with respect to such rights will include, but not be limited to, determination of the following: (a) The initial purchase price per share or other unit of the stock or other securities or property to be purchased upon exercise of such rights; (b) provisions relating to the times at which and the circumstances under which such rights may be exercised or sold or otherwise transferred, either together with or separately from any other stock or other securities of the Company; (c) provisions that adjust the number or exercise price of such rights or amount or nature of the stock or other securities or property receivable upon exercise of such

rights in the event of a combination, split or recapitalization of any stock of the Company, a change in ownership of the Company's stock or other securities or a reorganization, merger, consolidation, sale of assets or other occurrence relating to the Company or any stock of the Company, and provisions restricting the ability of the Company to enter into any such transaction absent an assumption by the other party or parties thereto of the obligations of the Company under such rights; (d) provisions that deny the holder of a specified percentage of the outstanding stock or other securities of the Company the right to exercise such rights and/or cause the rights held by such holder to become void; (e) provisions that permit the Company to redeem or exchange such rights; and (f) the appointment of a rights agent with respect to such rights. The creation or issuance of any or all of such rights could have anti-takeover ramifications.

ARTICLE IV of the Amended and Restated Articles permits our Board of Directors to grant to stockholders and others the rights to purchase any shares of stock held by the Company in other corporations. Generally, this is intended to refer to subsidiaries of the Company, now existing or created in the future. However, it may also apply to shares of other corporations of which the Company may own or control less than a majority. Under ARTICLE IV of the Amended and Restated Articles, our Board of Directors may create and issue a right to acquire these securities of other corporations pursuant to rights plans, distributions agreements, exchange offers and other similar arrangements. The Company does not currently have any plans to create or issue any such rights.

(v)

PROVIDE FOR THE LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

ARTICLE 11, Section 11.5 of the Articles of Incorporation of the Company currently in effect provides for the limitation of liability of our directors, officers and other persons. Our Board of Directors believes that it would be in the best interests of the Company and its stockholders to amend and restate the provisions of our Articles of Incorporation that provide for such limitation of liability. Accordingly, ARTICLE VI of the Amended and Restated Articles contains provisions relating to the limitation of liability of the directors and officers of the Company. They generally provide that the personal liability of the directors and officers of the Company is eliminated to the fullest extent permitted by the Nevada Revised Statutes, as the same exist or later may be amended. In addition, they provide that no director or officer of the Company will be liable to the Company or its stockholders for damages for breach of fiduciary duty as a director or officer, excepting only (i) acts or omissions that involve intentional misconduct, fraud or a knowing violation of law or (ii) the payment of dividends in violation of Nevada Revised Statutes Section 78.300. ARTICLE VI of the Amended and Restated Articles provides that no amendment, modification or repeal of the limitation of liability provisions contained in ARTICLE VI of the Amended and Restated Articles applies to or has any effect on the liability or alleged liability of any director or officer of the Company for or with respect to any act or omission of such director or officer having occurred before such amendment, modification or repeal, except as otherwise required by law.

(vi)

PROVIDE FOR THE INDEMNIFICATION OF DIRECTORS AND OFFICERS

ARTICLE 11, Sections 11.1 and 11.2 of the Articles of Incorporation of the Company currently in effect provide for the Company's obligation to indemnify its directors, officers and other persons to the fullest extent permitted under the Nevada Revised Statutes. Our Board of Directors believes that it would be in the best interests of the Company and its stockholders to amend and restate the provisions of our Articles of Incorporation that provide for such indemnification obligations. Accordingly, ARTICLE VII of the Amended and Restated Articles contains substantial provisions relating to indemnification. They generally provide that the Company, to the fullest extent permitted by the laws of the State of Nevada, as the same exist or may be amended (but in the case of such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such laws permitted the Company to provide before such amendment), indemnify and hold harmless each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a Proceeding), by reason of the fact that such person or a person for whom such person is the legal representative is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, manager or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such Proceeding is alleged action or inaction in an official capacity or in any other capacity while serving as a director or officer of the Company or at the request of the Company as a director, officer, manager or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, against and from all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement and amounts expended in seeking indemnification granted to



such person under applicable law, the Amended and Restated Articles or any agreement with the Company) reasonably incurred or suffered by such person in connection therewith. ARTICLE VII of the Amended and Restated Articles also provides that the Company may, by action of the Board of Directors or through the adoption of Bylaws, provide indemnification to employees and agents of the Company, and to persons who are serving or did serve at the request of the Company as an employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, with the same scope and effect as provided to the directors and officers of the Company pursuant to the provisions of ARTICLE VII of the Amended and Restated Articles.

2.

#### PROPOSAL TO ADOPT AND APPROVE THE 2010 INCENTIVE PLAN

Our Board of Directors has determined it to be in the best interests of the Company and its stockholders to adopt an incentive plan. Therefore, effective as of December 31, 2010, our Board of Directors resolved to adopt and approve such an incentive plan, which was amended by our Board of Directors on January 20, 2011. The incentive plan, as amended, covers an aggregate of 242,000,000 shares of Common Stock of the Company. The form of the 2010 Incentive Plan, as amended, is attached hereto (the "2010 Incentive Plan"). The 2010 Incentive Plan is effective as of December 31, 2010.

## Summary of the 2010 Incentive Plan

The description set forth below summarizes the principal terms and conditions of the 2010 Incentive Plan, does not purport to be complete and is qualified in its entirety by reference to the 2010 Incentive Plan, a copy of which is attached to this Information Statement.

*General.* The primary objectives of the 2010 Incentive Plan are to:

- .
- attract and retain selected key employees, consultants and directors;
- .
- encourage their commitment;
- .
- motivate superior performance;
- .
- facilitate attainment of ownership interests in the Company;
- .
- align personal interests with those of our stockholders; and
- .
- enable them to share in the long-term growth and success of the Company.

*Shares Subject to 2010 Incentive Plan.* The number of shares of Common Stock of the Company reserved under the 2010 Incentive Plan is 242,000,000. The number of shares available under both the 2010 Incentive Plan and outstanding incentive awards are subject to adjustments to prevent enlargement or dilution of rights resulting from stock dividends, stock splits, recapitalization or similar transactions, or resulting from a change in applicable laws or other circumstances. The following transactions will restore, on a one share for one share basis, the number of shares authorized for issuance under the 2010 Incentive Plan: (i) a payout of a stock appreciation right, tandem stock appreciation right, restricted stock award or other stock-based award in the form of cash; (ii) a cancellation, termination, expiration, forfeiture or lapse for any reason (with the exception of the termination of a tandem stock appreciation right upon exercise of the related stock option, or the termination of a related stock option upon exercise

of the corresponding tandem stock appreciation right) of any shares subject to an incentive award; (iii) payment of an option price with previously acquired shares; *provided, however*, that the shares authorized for issuance under the 2010 Incentive Plan will not be increased by the number of shares withheld (which would otherwise be acquired upon the exercise) as payment of the option price or for tax withholding; and (iv) payment or the withholding of shares for taxes or the purchase price for shares under a restricted stock award; *provided, however*, that the aggregate number of shares that may be issued upon exercise of incentive stock options will in no event exceed 242,000,000.

During any period that the Company is a publicly held corporation, the following rules will apply to grants of incentive awards: (i) the maximum aggregate number of shares of Common Stock (including stock options, stock appreciation rights, restricted stock, performance units and performance shares paid out in shares, or other stock-based awards paid out in shares) that may be granted in any calendar year pursuant to any incentive award held by any individual employee shall be 40,000,000 shares, and (ii) the maximum aggregate cash payout (including stock appreciation rights, performance units and performance shares paid out in cash, or other stock-based awards paid out in cash) with respect to incentive awards granted in any calendar year which may be made to any individual employee shall be \$1,000,000.

*Administration.* The 2010 Incentive Plan is administered by a committee, which is appointed by our Board of Directors, and which consists of not less than one director or, if the Company is a publicly held corporation (as defined in the 2010 Incentive Plan), two directors, each of whom (i) fulfills the non-employee director requirements of Rule 16b-3 under the Securities Exchange Act of 1934, (ii) is certified by our Board of Directors as an independent director and (iii) fulfills the outside director requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and other authority promulgated thereunder by the appropriate governmental authority (collectively, the Code). Notwithstanding the foregoing, the committee will consist of our entire Board of Directors before the time a committee has been established by our Board of Directors and with respect to any proposed grant of an incentive award for an outside director.

The committee is authorized to, among other things, select grantees under the 2010 Incentive Plan and determine the size, duration and type, as well as terms and conditions (which need not be identical) of each incentive award. The committee also construes and interprets the 2010 Incentive Plan and all related incentive agreements. All determinations and decisions of the committee are final, conclusive and binding on all parties. We have agreed to indemnify members of the committee against any damage, loss, liability, cost or expense arising in connection with any claim, action, suit or proceeding by reason of any action taken or failure to act under the 2010 Incentive Plan (including such indemnification for a person's own sole concurrent negligence or strict liability), except for any such act or omission constituting willful misconduct or gross negligence.

*Eligibility.* Our employees, consultants and outside directors are eligible to participate in the 2010 Incentive Plan as determined by the committee.

*Types of Incentive Awards.* Under the 2010 Incentive Plan, the committee may grant incentive awards that may be any of the following:

- .
- incentive stock options as defined in Section 422 of the Code;
- .
- nonstatutory stock options;
- .
- stock appreciation rights;
- .
- shares of restricted stock;
- .
- performance units and performance shares;
- .
- other stock-based awards; and
- .
- supplemental payments dedicated to the payment of income taxes.

Incentive stock options and nonstatutory stock options together are called options. The terms of each incentive award will be reflected in an incentive agreement between us and the grantee.

*Options.* Generally, options must be exercised within five or 10 years of the grant date. Incentive stock options may only be granted to employees, and the exercise price of each incentive stock option or nonstatutory stock option may not be less than 100% of the fair market value of a share of our Common Stock on the date of grant. To the extent that the aggregate fair market value of shares of our Common Stock with respect to which incentive stock options are

exercisable for the first time by any employee during any calendar year exceeds \$100,000, such options must be treated as nonstatutory stock options.

The exercise price of each option is payable in cash or, in the committee's discretion, by the delivery of shares of our Common Stock owned by the optionee, or by withholding shares that otherwise would be acquired upon the exercise of the option, or by any combination of the two. The committee has the authority not to permit options to be exercised by the delivery of shares to the extent deemed appropriate to avoid adverse accounting consequences.

An employee will not recognize any income for federal income tax purposes at the time an incentive stock option is granted, or on the qualified exercise of an incentive stock option, but instead will recognize capital gain or loss upon the subsequent sale of shares acquired in a qualified exercise. The exercise of an incentive stock option is qualified if an optionee does not dispose of the shares acquired by such exercise within two years after the incentive stock option grant date and one year after the exercise date. We are not entitled to a tax deduction as a result of the grant or qualified exercise of an incentive stock option.

An optionee will not recognize any income for federal income tax purposes, nor will we be entitled to a deduction, at the time a nonstatutory stock option is granted. However, when a nonstatutory stock option is exercised, the optionee will recognize ordinary income in an amount equal to the difference between the fair market value of the shares received and the exercise price of the nonstatutory stock option, and we will generally recognize a tax deduction in the same amount at the same time.

*Stock Appreciation Rights.* Generally, stock appreciation rights must be exercised within 10 years of the grant date. Upon exercise of a stock appreciation right, the holder will receive cash, shares of our Common Stock or a combination of the two, as specified in the related incentive agreement, the aggregate value of which equals the amount by which the fair market value per share of our Common Stock on the date of exercise exceeds the exercise price of the stock appreciation right, multiplied by the number of shares underlying the exercised portion of the stock appreciation right. A stock appreciation right may be granted in tandem with or granted independently of a nonstatutory stock option. Stock appreciation rights will be subject to such terms and conditions as determined by the committee and specified in the incentive agreement.

*Restricted Stock.* Restricted stock may be subject to substantial risk of forfeiture, a restriction on transferability or rights of repurchase or first refusal in the Company, as determined by the committee and specified in the incentive agreement. Unless otherwise specified in the incentive agreement, during the period of restriction a grantee will have all other rights of a stockholder, including the right to vote the shares and receive the dividends paid thereon.



A grantee will not recognize taxable income upon the grant of an award of restricted shares (nor will we be entitled to a deduction) unless the grantee makes an election under Section 83(b) of the Code. If the grantee makes a Section 83(b) election within 30 days of the date the restricted shares are granted, then the grantee will recognize ordinary income, for the year in which the award is granted, in an amount equal to the excess of the fair market value of the shares of Common Stock at the time the award is granted over the purchase price, if any, paid for the shares of Common Stock. If such election is made and the grantee subsequently forfeits some or all of the shares, then the grantee generally will not be entitled to any refund of taxes paid as a result of the Section 83(b) election and may take a loss only with respect to the amount actually paid for the shares. If a Section 83(b) election is not made, then the grantee will recognize ordinary income at the time that the forfeiture provisions or restrictions on transfer lapse in an amount equal to the excess of the fair market value of the shares of Common Stock at the time of such lapse over the original price paid for the shares of Common Stock, if any. The grantee will have a tax basis in the shares of Common Stock acquired equal to the sum of the price paid, if any, and the amount of ordinary income recognized at the time the Section 83(b) election is made or at the time the forfeiture provisions or transfer restrictions lapse, as is applicable.

Upon the disposition of shares of Common Stock acquired pursuant to an award of restricted shares, the grantee will recognize a capital gain or loss in an amount equal to the difference between the sale price of the shares of Common Stock and the grantee's tax basis in the shares of Common Stock. This capital gain or loss will be a long-term capital gain or loss if the shares are held for more than one year. For this purpose, the holding period will begin after the date on which the forfeiture provisions or restrictions lapse if a Section 83(b) election is not made or on the date after the award is granted if the Section 83(b) election is made.

We generally will be entitled to a corresponding tax deduction at the time the grantee recognizes ordinary income on the restricted stock, whether by vesting or a Section 83(b) election, in the same amount as the ordinary income recognized by the grantee.

*Performance Units and Performance Shares.* Performance units and performance shares may be granted to employees and consultants. For each performance period, the committee will establish specific financial or non-financial performance criteria, the number of performance units or performance shares and their contingent values, which values may vary depending on the degree to which such objectives are met. The committee may establish performance goals applicable to performance shares or performance units based upon criteria in one or more of the following categories: (i) performance of the Company as a whole, (ii) performance of a segment of the Company's business and (iii) individual performance. Performance criteria for the Company will relate to the achievement of predetermined financial objectives for the Company and its subsidiaries on a consolidated basis. Performance criteria for a segment of the Company's business will relate to the achievement of financial and operating objectives of the segment for which the grantee is accountable. Examples of performance criteria will include one or more of the following pre tax or after tax profit levels, including: earnings per share, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, net operating profits after tax, and net income; total stockholder return; return on assets, equity, capital or investment; cash flow and cash flow return on investment; economic value added and economic profit; growth in earnings per share; levels of operating expense, maintenance expenses or measures of customer satisfaction and customer service as determined from time to time, including the relative improvement therein; stock price performance, sales, costs, production volumes or reserves added. Individual performance criteria will relate to a grantee's overall performance, taking into account, among other measures of performance, the attainment of individual goals and objectives. The performance criteria may differ among grantees. The performance

criteria need not be based on an increase or positive result and may include, for example, maintaining the status quo or limiting economic loss. Generally, a grantee will not recognize taxable income upon the grant of performance units and performance shares. Generally, upon the payment of the performance unit or shares, a grantee will recognize compensation as taxable ordinary income, and we will be entitled to a deduction in the same amount at the same time.

*Other Stock-Based Awards.* Other stock-based awards are awards denominated or payable in, valued in whole or in part by reference to, shares of our Common Stock. The committee may determine the terms and conditions of other stock-based awards, provided that, in general, the amount of consideration to be received by us will be either no consideration other than services rendered (in the case of the issuance of shares) or, in the case of an award in the nature of a purchase right, consideration (other than services rendered) at least equal to 50% of the fair market value of the shares covered by such grant on the grant date. To the extent that the Company is a publicly held corporation and that a stock appreciation right is intended to qualify for the performance-based exception or to the extent it is intended to be exempt from Section 409A of the Code, the exercise price per share of Common Stock may not be less than 100% of fair market value of a share of Common Stock on the date of the grant of the stock appreciation right. Payment or settlement of other stock-based awards will be in shares of our Common Stock or in other consideration as specified by the committee in the incentive agreement.

Generally, a grantee will not recognize any taxable income upon the grant of other stock-based awards. Generally, upon the payment of other stock-based awards, a grantee will recognize compensation taxable as ordinary income, and we will be entitled to a corresponding tax deduction in the same amount and at the same time.



However, if any such shares or payments are subject to substantial restrictions, such as a requirement of continued employment or the attainment of certain performance objectives, the grantee will not recognize income, and we will not be entitled to a deduction until the restrictions lapse, unless the grantee elects otherwise by filing a Section 83(b) election as described above. The amount of a grantee's ordinary income and our deduction generally will be equal to the fair market value of the shares at the time the restrictions lapse.

*Supplemental Payments for Taxes.* The committee may grant, in connection with an incentive award (except for incentive stock options), a supplemental payment in an amount not to exceed the amount necessary to pay the federal and state income taxes payable by a grantee with respect to the incentive award and the receipt of such supplemental payment. This payment also will be ordinary income to the grantee.

*Other Tax Considerations.* Upon accelerated exercisability of options and accelerated lapsing of restrictions on restricted stock or other incentive awards in connection with a change in control, certain amounts associated with such incentive awards could, depending on the individual circumstances of the grantee, constitute excess parachute payments under the golden parachute provisions of Section 280G of the Code. Whether amounts constitute excess parachute payments depends on, among other things, the value of the accelerated incentive awards and the past compensation of the grantee.

Section 409A of the Code generally provides that any deferred compensation arrangement that does not satisfy specific written requirements regarding (i) timing and form of payouts, (ii) advance election of deferrals and (iii) restrictions on acceleration of payouts results in immediate taxation of all amounts deferred to the extent not subject to a substantial risk of forfeiture. In addition, tax on the amounts included in income also are subject to a 20% excise tax and interest. In general, to avoid a violation of Section 409A of the Code, amounts deferred may be paid out only upon separation from service, disability, death, a specified time, a change in control (as defined by the Treasury Department) or an unforeseen emergency. Furthermore, the election to defer generally must be made in the calendar year before performance of services, and any provision for accelerated payout other than for reasons specified by the Treasury may cause the amounts deferred to be subject to early taxation and to the imposition of the excise tax. Section 409A of the Code is broadly applicable to any form of deferred compensation other than tax-qualified retirement plans and bona fide vacation, sick leave, compensatory time, disability pay or death benefits and may be applicable to certain awards under the 2010 Incentive Plan. The Treasury Department has provided guidance on transition issues and final regulations under new Section 409A of the Code. Incentive awards under the 2010 Incentive Plan that are subject to Section 409A of the Code are intended to satisfy the requirements of Section 409A of the Code, as specified in an incentive agreement.

Generally, taxable compensation earned by covered employees (as defined in Section 162(m) of the Code) for options or other applicable incentive awards is intended to constitute qualified performance-based compensation. We should, therefore, be entitled to a tax deduction for compensation paid in the same amount as the ordinary income recognized by the covered employees without any reduction under the limitations of Section 162(m) on deductible compensation paid to such employees. However, the committee may determine, within its sole discretion, to grant incentive awards to such covered employees that do not qualify as performance-based compensation. Under Section 162(m), the Company is denied a deduction for annual compensation paid to such employees in excess of \$1,000,000.

**THE FOREGOING IS A SUMMARY OF THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES THAT GENERALLY WILL ARISE UNDER THE CODE WITH RESPECT TO INCENTIVE AWARDS GRANTED UNDER THE 2010 INCENTIVE PLAN AND DOES NOT PURPORT TO BE A COMPLETE STATEMENT OF ALL RELEVANT PROVISIONS OF THE CODE.**

**MOREOVER, THIS SUMMARY IS BASED ON CURRENT FEDERAL INCOME TAX LAWS UNDER THE CODE, WHICH ARE SUBJECT TO CHANGE. THE TREATMENT OF FOREIGN, STATE, LOCAL OR ESTATE TAXES IS NOT ADDRESSED. THE TAX CONSEQUENCES OF THE INCENTIVE AWARDS ARE COMPLEX AND DEPENDENT ON EACH INDIVIDUAL S PERSONAL TAX SITUATION. ALL PARTICIPANTS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISERS RESPECTING INCENTIVE AWARDS.**

*Termination of Employment and Change in Control.* Except as provided in the applicable incentive agreement, if the grantee s employment or other service with us is terminated other than due to his death, disability, retirement or for cause, then his then vested incentive awards remain exercisable for 90 days after such termination. If his termination is due to disability or death, then his vested incentive awards remain exercisable for one year following such termination. Upon his retirement, his vested incentive awards remain exercisable for six months, except for incentive stock options, which by statute may remain exercisable for only up to three months. Upon a termination for cause, all outstanding incentive awards, whether or not vested, expire at the opening of business on the date of such termination.

If we undergo a change in control, all restrictions on restricted stock and other stock-based awards will be deemed satisfied, all outstanding options and stock appreciation rights become immediately exercisable, and all of the performance shares and performance units and other stock-based awards become fully vested and deemed earned in full. These provisions could in some circumstances have the effect of an anti-takeover defense because they could make a takeover more expensive.

*Incentive Awards Nontransferable.* No incentive award may be assigned, sold or otherwise transferred by a grantee, other than by will or by the laws of descent and distribution, or be subject to any encumbrance, pledge, lien, assignment or charge. An incentive award may be exercised during the grantee's lifetime only by the grantee or the grantee's legal guardian. However, in the discretion of the committee, the incentive agreement for a nonstatutory stock option may provide that the nonstatutory stock option is transferable to immediate family. The 2010 Incentive Plan contains provisions permitting such a transfer if approved by the committee and included in the incentive agreement.

*Amendment and Termination.* Our Board of Directors may amend or terminate the 2010 Incentive Plan at any time, subject to all necessary regulatory and stockholder approvals. No termination or amendment of the 2010 Incentive Plan will adversely affect in any material way any outstanding incentive award previously granted to a grantee without his consent.

### **Plan Benefits**

The grant of incentive awards under the 2010 Incentive Plan to employees, consultants and non-employee directors is subject to the discretion of the committee. As of the date of this Information Statement, there has been no determination by the committee with respect to future awards under the 2010 Incentive Plan. Accordingly, future awards to employees, consultants and non-employee directors under the 2010 Incentive Plan are not determinable.

3.

### **PROPOSAL TO ADOPT AND APPROVE THE DISTRIBUTOR STOCK INCENTIVE PLAN**

Our Board of Directors has determined it to be in the best interests of the Company and its stockholders to adopt a distributor stock incentive plan in substantially the form attached to this Information Statement (the Distributor Stock Incentive Plan). Therefore, effective as of December 31, 2010, our Board of Directors resolved to adopt and approve the Distributor Stock Incentive Plan. The Distributor Stock Incentive Plan covers an aggregate of 50,000,000 shares of Common Stock of the Company. The Distributor Stock Incentive Plan is effective as of December 31, 2010.

## Summary of the Distributor Stock Incentive Plan

The description set forth below summarizes the principal terms and conditions of the Distributor Stock Incentive Plan, does not purport to be complete and is qualified in its entirety by reference to the Distributor Stock Incentive Plan, a copy of which is attached to this Information Statement.

The Distributor Stock Incentive Plan provides for the payment of compensation to distributors of the Company's products in shares of Common Stock of the Company. Officers, directors and any person beneficially owning at least 10% of any class of Company securities *cannot* participate in the Distributor Stock Incentive Plan and shall *not* receive awards or rights under the Distributor Stock Incentive Plan.

Under the Distributor Stock Incentive Plan, distributors of the Company's products may be granted rights to purchase or acquire or receive (including direct awards) up to an aggregate of 50,000,000 shares of Common Stock, which, as of December 31, 2010, the Company issued to the Distributor Stock Incentive Trust (the "Trust"). The Trust is the current record holder of such 50,000,000 shares. The current trustee of the Trust (the "Trustee") is Christopher A. Wilson, Esq., a partner in the law firm of Wilson, Haglund & Paulsen, P.C., the Company's outside securities legal counsel. Mr. Wilson is not eligible to participate in the Distributor Stock Incentive Plan and will not receive any award or rights under the Distributor Stock Incentive Plan.

All shares granted under the Distributor Stock Incentive Plan (including direct awards of shares) will have and be subject to the terms and conditions set forth in the Distributor Stock Incentive Plan and the respective agreements governing such shares. Shares under the Distributor Stock Incentive Plan may (but need not) be subject to various vesting schedules, as established from time to time by guidelines for the Company's Distributor Program. If shares awarded under the Distributor Stock Incentive Plan do not vest, then the shares will become available again for award under the Distributor Stock Incentive Plan. At the date of this Information Statement, no shares have been awarded under the Distributor Stock Incentive Plan to any person.

The Trustee is authorized under the Distributor Stock Incentive Plan to determine the terms and conditions of each right (including direct awards of shares) granted under the Distributor Stock Incentive Plan.

The Trustee also is authorized under the Distributor Stock Incentive Plan to award or sell shares of Common Stock reserved under the Distributor Stock Incentive Plan pursuant to a stock award agreement or a stock purchase agreement. Every such award or sale will be subject to all applicable terms and conditions of the Distributor Stock Incentive Plan and may be subject to other terms and conditions that are not inconsistent with the Distributor Stock Incentive Plan and that the Trustee deems appropriate for inclusion in such stock award agreement or stock purchase agreement. The provisions of such stock award agreements and/or stock purchase agreements entered into under the Distributor Stock Incentive Plan need not be identical.

Under the Distributor Stock Incentive Plan, the Trustee may determine at the time of making an award thereunder or thereafter that such award will become fully vested in the event that the Company is a party to a merger or reorganization or other transaction that constitutes a Change in Control as defined in the Distributor Stock Incentive Plan.

Our Board of Directors may not amend the Distributor Stock Incentive Plan except with the approval of the Company's stockholders. Any amendment of the Distributor Stock Incentive Plan will not affect shares previously issued or any award previously granted under the Distributor Stock Incentive Plan.

The Distributor Stock Incentive Plan will terminate automatically 10 years after its adoption by our Board of Directors; *provided, however*, that our Board of Directors, in its sole discretion, may terminate the Distributor Stock Incentive Plan at any time. The Trustee will not be able to grant rights to acquire or receive (including direct awards of) shares under the Distributor Stock Incentive Plan after it has terminated, except upon exercise of rights that were granted by the Trustee before the date of termination of the Distributor Stock Incentive Plan in accordance with its terms.

### **Plan Benefits**

The grant of rights under the Distributor Stock Incentive Plan to persons eligible for such rights is subject to the discretion of the Trustee, who will follow the guidelines established by the Board of Directors in the Distributor Program. As of the date of this Information Statement, there has been no determination by the Trustee with respect to future awards under the Distributor Stock Incentive Plan. Accordingly, future awards under the Distributor Stock Incentive Plan are not determinable.

POSSIBLE ANTI-TAKEOVER EFFECTS OF THE PROPOSALS

As described in more detail above, under certain circumstances the increase in the number of authorized but unissued shares of our Common Stock that will be effected upon the filing of the Amended and Restated Articles with the Nevada Secretary of State could have an anti-takeover effect, although this is not the intent of the Board of Directors. For example, it may be possible for the Board of Directors to delay or impede a takeover or transfer of control of the Company by causing such authorized but unissued shares to be issued to holders who might side with the Board of Directors in opposing a takeover bid that the Board of Directors determines is not in the best interests of the Company and our stockholders. The increase in the number of authorized but unissued shares of our Common Stock therefore may have the effect of discouraging unsolicited takeover attempts. By potentially discouraging the initiation of any such unsolicited takeover attempt, the increase in the number of authorized but unissued shares of our Common Stock may limit the opportunity for the Company's stockholders to dispose of their shares at a higher price than may be available in a takeover attempt or under a merger proposal. Furthermore, the increase in the number of authorized but unissued shares of our Common Stock may have the effect of permitting the Company's current management, including the current Board of Directors, to retain its position and place it in a better position to resist changes that stockholders may desire to make if they are dissatisfied with the conduct of the Company's business. However, the Board of Directors is not aware of any attempt to take control of the Company. In addition to the potential anti-takeover effects of an increase in the number of authorized but unissued shares of our Common Stock, certain provisions of the Amended and Restated Articles also could be used by management of the Company to prevent, delay or defer a transaction that might provide an above-market premium that is favored by a majority of the independent stockholders without further vote or action by the stockholders.

As described in more detail above, ARTICLE III, Section B of the Amended and Restated Articles provides that the Preferred Stock authorized by the Amended and Restated Articles may be issued from time to time in one or more series and authorizes our Board of Directors to fix or alter the rights, preferences, privileges and restrictions granted to or imposed on each series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them. The issuance of Preferred Stock with either specified voting rights or rights providing for the approval of extraordinary corporate action could be used to create voting impediments or to frustrate persons seeking to effect a merger or otherwise to gain control of the Company by diluting their stock ownership. In addition, the ability of the Board of Directors to distribute shares of any class or series (within limits imposed by applicable law) as a dividend in respect of issued shares of Preferred Stock also could be used to dilute the stock ownership or voting rights of a person seeking to obtain control of the Company and effectively delay or prevent a change in control without further action by the stockholders.

Also as described in more detail above, ARTICLE IV of the Amended and Restated Articles authorizes our Board of Directors, from time to time, to create and issue, whether or not in connection with the issuance and sale of any of the stock or other securities or property of the Company, rights entitling the holders thereof to purchase from the Company shares of stock or other securities of the Company or any other corporation. The creation or issuance of any or all of such rights could have anti-takeover ramifications similar to those described in the preceding paragraph.

At the date of this Information Statement, we are not aware of any attempt to take over or acquire the Company. While the aforementioned provisions of the Amended and Restated Articles may be deemed to have possible anti-takeover effects, their approval and adoption was not prompted by any specific effort or takeover threat currently perceived by management, and neither our management nor our Board of Directors views any provision of the Amended and Restated Articles as an anti-takeover mechanism. Except for the potential effects of the aforementioned provisions, there are no anti-takeover provisions in the Amended and Restated Articles or other governing documents of the Company, and the Board of Directors currently has no plan to adopt any proposal or to enter into any other arrangement that may have material anti-takeover consequences.

#### APPROVAL OF THE PROPOSED CORPORATE ACTIONS

Under Section 78.390(1) of the Nevada Revised Statutes, every amendment to the Company's Articles of Incorporation must first be adopted by a resolution of the Board of Directors and must then be approved by stockholders entitled to vote on any such amendment. Under Section 78.390(1) of the Nevada Revised Statutes and the Company's Bylaws, an affirmative vote by stockholders holding shares entitling them to exercise at least a majority of the voting power is sufficient to amend the Company's Articles of Incorporation.

Pursuant to Section 78.320 of the Nevada Revised Statutes, unless otherwise provided in the Company's Articles of Incorporation or the Bylaws, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding at least a majority of the voting power. Under Section 78.320 of the Nevada Revised Statutes, an action authorized by

written consent does not require a meeting of stockholders to be called or notice thereof to be given.

Our Board of Directors adopted resolutions effective as of December 31, 2010 and effective as of January 20, 2011 (*i.e.*, the Record Date) setting forth for approval by stockholders the proposed corporate actions. On the Record Date, the Company's authorized capital stock consisted of 900,000,000 shares of Common Stock, \$.0001 par value per share, of which 879,244,037 shares were issued and outstanding, and 100,000,000 shares of Preferred Stock, \$.0001 par value per share, none of which was issued and outstanding. On the Record Date, only the Company's Common Stock carried voting rights, with each outstanding share of Common Stock entitling the holder thereof to one (1) vote on all matters submitted to a vote of the stockholders.

On the Record Date, 15 of the Company's stockholders held 625,913,027 shares of Common Stock, representing 71.19% of the voting power of our stockholders holding Common Stock. All of these stockholders voted in favor of the proposed corporate actions by written consent effective as of February 15, 2011. Such vote constituted approval of the proposed corporate actions by 71.19% of the issued and outstanding shares of Common Stock. Since these stockholders had sufficient voting power to approve the corporate actions through their ownership of capital stock of the Company, no consent or approval of the corporate actions by any other stockholder was solicited.



The written consent of stockholders effective as of February 15, 2011 was signed on behalf of the 15 stockholders that voted in favor of the proposed corporation actions by a total of seven persons, of which five are the current members of the Board of Directors of the Company. The Company was a party to a merger, to be accounted for as a reverse acquisition, on December 31, 2010 (the Regeneca Merger ). The officers and directors of the accounting acquirer, Regeneca International, Inc., assumed control of the Company on such date. The current Chief Executive Officer of the Company has a proxy to vote the shares held by two entities owned or controlled by former officers or directors of the Company and which owned a majority of the shares of the Company before the Regeneca Merger. The Merger Agreement pursuant to which the Regeneca Merger was effected specifically contemplated that the Company's Articles of Incorporation would be amended and gave the new Chief Executive Officer of the Company the authority to execute the written consent of stockholders approving such amendment on behalf of those two stockholders. The other two stockholders who executed the written consent of stockholders effective as of February 15, 2011 are legal counsel, who acts as trustee of the Stock Incentive Plan that owns shares of the Company, and a consultant to the Company. All are actively involved in the day-to-day business of the Company. No solicitation was made of any persons other than those who customarily attend board meetings or who have ongoing involvement in the business affairs of the Company. The five members of the Board of Directors executed their written consents at the Company's offices or via email to the Company. The others were aware of the written consent of stockholders through attendance at or involvement in director meetings.

The Company has obtained all necessary corporate approvals in connection with the proposed corporate actions, and your consent is not required and is not being solicited in connection with the approval of the corporate actions. No vote or other action is requested or required on your part.

#### EFFECTIVE DATES OF CORPORATE ACTIONS

The Amended and Restated Articles will become effective upon the filing with the Nevada Secretary of State of a Certificate to Accompany Restated Articles or Amended and Restated Articles (the Certificate of Amended and Restated Articles ) with the Amended and Restated Articles attached thereto pursuant to Section 78.403 of the Nevada Revised Statutes. The Certificate of Amended and Restated Articles with the Amended and Restated Articles attached thereto will be filed with the Nevada Secretary of State on the earlier of (i) 21 days from the date this Information Statement is first mailed to the stockholders or (ii) such later date as approved by our Board of Directors, in its sole discretion (in either case, the Effective Date ). Both the 2010 Incentive Plan and the Distributor Stock Incentive Plan are effective as of December 31, 2010. The Board of Directors may revoke any proposed corporate action before it is acted on without further approval of the stockholders if the Board of Directors determines that the action no longer is in the best interests of the Company and its stockholders.

#### DISSENTERS' RIGHTS

Neither the Articles of Incorporation of the Company, nor the Bylaws of the Company, nor the Nevada Revised Statutes provide for dissenters' rights of appraisal in connection with the aforementioned corporate actions.

EXCHANGE OF STOCK CERTIFICATES NOT REQUIRED

As of the Effective Date, the name of the Company will be Regeneca, Inc. Stockholders will not be required to exchange their stock certificates issued before the Effective Date in exchange for new stock certificates.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of the Record Date, information concerning ownership of the Company's securities by (i) each director, (ii) each executive officer, (iii) all directors and executive officers as a group and (iv) each person known to the Company to be the beneficial owner of more than five percent (5%) of each class of the Company's capital stock.

The number and percentage of shares beneficially owned includes shares as to which the named person has sole or shared voting power or investment power and shares that the named person has the right to acquire within 60 days.

NAME OF BENEFICIAL OWNER	BENEFICIAL OWNERSHIP OF SHARES OF COMMON STOCK	PERCENTAGE OF CLASS
Matthew Nicosia  c/o Ethos Environmental, Inc.  18 Technology, Suite 165  Irvine, CA 92618	78,108,893 <sup>1</sup>	8.88%
Francis Chen  c/o Ethos Environmental, Inc.  18 Technology, Suite 165  Irvine, CA 92618	50,206,357	5.71%
James C. Short  c/o Ethos Environmental, Inc.  18 Technology, Suite 165  Irvine, CA 92618	105,451,807 <sup>2</sup>	11.99%
	36,916,438	4.20%

Adam Vincent Gilmer

c/o Ethos Environmental, Inc.

18 Technology, Suite 165

Irvine, CA 92618

18,458,219

2.10%

Jan Hall

c/o Ethos Environmental, Inc.

18 Technology, Suite 165

Irvine, CA 92618

-0-

0.0%

Daniel R. Kerker

c/o Ethos Environmental, Inc.

18 Technology, Suite 165

Irvine, CA 92618

	181,513,956	20.64%
GreenBridge Capital Partners IV, LLP		
20130 Via Cellini		
Porter Ranch, CA 91326		
	84,212,589	9.58%
MKM Opportunity Master Fund Limited		
1515 Broadway, 11 <sup>th</sup> Floor		
New York, NY 10036		
	59,989,212	6.82%
IME Capital LLC		
c/o Ethos Environmental, Inc.		
18 Technology, Suite 165		
Irvine, CA 92618		
	50,000,000	5.69%
Distributor Stock Incentive Trust		
c/o Christopher A. Wilson, Esq., Trustee		
9110 Irvine Center Drive		
Irvine, CA 92618		
	289,141,714	32.89%
All directors and executive		
officers, as a group (6 persons)		

1.

Includes 36,916,438 shares and 18,458,219 shares held in two family trusts over which Mr. Nicosia shares voting and dispositive power. Also includes 22,734,236 shares held by Vivakor, Inc., of which Mr. Nicosia is the CEO. Mr. Nicosia disclaims beneficial ownership of all shares held by Vivakor, Inc.

2.

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Includes 369,165 shares held as a joint tenant with Mr. Short's spouse. Also includes 8,176,992 shares held by S&G Global Consulting Corp., of which Mr. Short is a director and an officer. Mr. Short disclaims beneficial ownership of all shares held by S&G Global Consulting Corp. Also includes 59,989,212 shares held by IME Capital LLC, of which Mr. Short is the Manager. Mr. Short disclaims beneficial ownership of all shares held by IME Capital LLC.

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## PROPOSALS BY SECURITY HOLDERS

There are no proposals by any security holder.

## INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

None of the Company's directors or officers at any time since the beginning of the last fiscal year has any substantial interest, direct or indirect, by security holdings or otherwise, in the proposed corporate actions that is not shared by all other holders of the Company's capital stock. Our Board of Directors approved the proposed corporate actions effective as of December 31, 2010 and January 20, 2011, and the holders of a majority of the outstanding shares of our Common Stock approved the proposed corporate actions on February 15, 2011. No other security holder entitled to vote at a stockholders' meeting or by written consent has submitted to the Company any proposal for consideration by the Company or its Board of Directors.

## DELIVERY OF DOCUMENTS TO SECURITY HOLDERS SHARING AN ADDRESS

We will only deliver one Information Statement to multiple stockholders sharing an address, unless we have received contrary instructions from one or more of such stockholders. Also, we will promptly deliver a separate copy of this Information Statement and future stockholder communication documents to any stockholder at a shared address to which a single copy of this Information Statement was delivered, or deliver a single copy of this Information Statement and future stockholder communication documents to any stockholder or stockholders sharing an address to which multiple copies are now delivered, upon written request to us at our address noted above.

Stockholders also may address future requests regarding delivery of Information Statements and annual reports by contacting us at the address noted above.

## EXPLANATION FOR COMPANY'S INABILITY TO TIMELY FILE REPORTS REQUIRED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

The Company has not filed certain annual and periodic reports with the Securities and Exchange Commission as required by the Securities Exchange Act of 1934, as amended. The Company was a party to a merger, to be accounted for as a reverse acquisition, on December 31, 2010 (the "Regeneca Merger"). The officers and directors of the accounting acquirer, Regeneca International, Inc., assumed control of the Company on such date. Since the closing of the Regeneca Merger, the new management of the Company has been actively engaged with auditors to prepare financial statements upon which the independent auditor can render an opinion. The auditors have been unable to

confirm to their satisfaction, through customary audit procedures, the revenue of the Company for fiscal years ended December 31, 2008 and 2009. Although the Company has produced evidence of payment and invoices indicating shipments of products, the auditors are requiring proof of delivery. The Company typically shipped products via overnight courier or other tracked parcels. However, the carriers do not maintain delivery receipts for years 2008 and 2009. As a result, the auditors have requested additional procedures, including potentially contacting all of the Company's customers, to verify transactions. The Company had many thousands of individual transactions during the relevant fiscal years and believes that such an effort would not produce a response from enough customers to allow the auditors to rely thereon. The current new management of the Company continues to work with the auditors to establish evidence upon which they can confirm revenue and issue an unqualified opinion. At this time, the Company believes that audited financial statements will be completed by June 30, 2011.

COMPANY'S CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON JANUARY 3, 2011

The Company was a party to a merger, to be accounted for as a reverse acquisition, on December 31, 2010 (the Regeneca Merger). The Company filed a Current Report on Form 8-K with the Securities and Exchange Commission on January 3, 2011 disclosing the Regeneca Merger, describing the Regeneca Merger and attaching the Merger Agreement. Although the filed Form 8-K does not mention Item 2.01 of Form 8-K, all of the disclosure required by subsections (a) through (d) of Item 2.01 of Form 8-K was included in the filed Form 8-K under the heading Item 1.01 of the filed Form 8-K, including the date of completion, the description of the assets involved, the identity of the parties and the nature of the consideration. Subsection (e) of Item 2.01 of Form 8-K does not apply because the only consideration in the Regeneca Merger was stock of the Company.



The Company does not believe that it is, or was as of the date of the Regeneca Merger, a shell company. Prior to the Regeneca Merger, the Company had total assets and revenue that were far in excess of *de minimus*. According to the Company's internally prepared financial statements, the Company had total assets of \$654,449 as of September 30, 2010 and had generated total revenue of \$426,784 for the nine months ended September 30, 2010. As a result, the Company does not believe that it is a shell company and therefore believes that the Company is not obligated to comply with Item 2.01(f) of Form 8-K. The Company intends to file audited financial statements with respect to the combined companies as soon as the revenue verification issues described above under Explanation for Company's Inability to Timely File Reports Required Under the Securities Exchange Act of 1934, as amended are resolved.

#### ADDITIONAL INFORMATION

The Company files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any of such reports, statements or other information that the Company files at the Securities and Exchange Commission's public reference room in Washington, D.C. Please telephone the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Company's filings with the Securities and Exchange Commission also are available to the public from commercial document retrieval services and at the web site maintained by the Securities and Exchange Commission at <http://www.sec.gov>.

May 9, 2011

By Order of the Board of Directors

*/s/ Matthew Nicosia*

Name: Matthew Nicosia

Title: President and Director



**AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**

**ETHOS ENVIRONMENTAL, INC. (RENAMED REGENECA, INC.),**

a Nevada corporation

**ARTICLE I**

The name of the corporation is Regeneca, Inc. (the **Corporation** ).

**ARTICLE II**

The Corporation may engage in any lawful activity.

**ARTICLE III**

A.

Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, **Common Stock** and **Preferred Stock**. The total number of shares that the Corporation is authorized to issue is 2,000,000,000 shares. 1,900,000,000 shares shall be **Common Stock**, par value \$.0001 per share, and 100,000,000 shares shall be **Preferred Stock**, par value \$.0001 per share.

B.

Rights, Preferences, Privileges and Restrictions of Preferred Stock. The Preferred Stock authorized by these Amended and Restated Articles of Incorporation may be issued from time to time in one or more series. The Board of Directors hereby is authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed on each series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them. Subject to compliance with applicable protective voting rights that have been or may be granted to the Preferred Stock or any series thereof in Certificates of Designation or in these Articles of Incorporation ( **Protective Provisions** ),

but notwithstanding any of the other rights of the Preferred Stock or any series thereof, the rights, preferences, privileges and restrictions of any series of Preferred Stock may be subordinated to, pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent) or senior to any of those of any present or future class or series of Preferred Stock or Common Stock. Subject to compliance with applicable Protective Provisions (if any), the Board of Directors also is authorized to increase or decrease the number of shares of any series of Preferred Stock, before or after the issuance of such series, but not below the number of shares of such series then outstanding. In case the number of shares of any series is so decreased, the shares constituting such decrease shall resume the status that they had before the adoption of the resolution originally fixing the number of shares of such series.

#### ARTICLE IV

The Board of Directors is authorized, from time to time, to create and issue, whether or not in connection with the issuance and sale of any of the stock or other securities or property of the Corporation, rights entitling the holders thereof to purchase from the Corporation shares of stock or other securities of the Corporation or any other corporation. The times at which and the terms upon which such rights are to be issued will be determined by the Board of Directors and set forth in the contracts or instruments that evidence such rights. The authority of the Board of Directors with respect to such rights shall include, but not be limited to, determination of the following:

(a)

The initial purchase price per share or other unit of the stock or other securities or property to be purchased upon exercise of such rights.

(b)

Provisions relating to the times at which and the circumstances under which such rights may be exercised or sold or otherwise transferred, either together with or separately from any other stock or other securities of the Corporation.

(c)

Provisions that adjust the number or exercise price of such rights or amount or nature of the stock or other securities or property receivable upon exercise of such rights in the event of a combination, split or recapitalization of any stock of the Corporation, a change in ownership of the Corporation's stock or other securities or a reorganization, merger, consolidation, sale of assets or other occurrence relating to the Corporation or any stock of the Corporation, and

provisions restricting the ability of the Corporation to enter into any such transaction absent an assumption by the other party or parties thereto of the obligations of the Corporation under such rights.

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(d)

Provisions that deny the holder of a specified percentage of the outstanding stock or other securities of the Corporation the right to exercise such rights and/or cause the rights held by such holder to become void.

(e)

Provisions that permit the Corporation to redeem or exchange such rights.

(f)

The appointment of a rights agent with respect to such rights.

## ARTICLE V

The governing board of the Corporation shall be styled as a **Board of Directors**, and any member of such Board of Directors shall be styled as a **director**. The number of directors of the Corporation may be fixed and increased or decreased in the manner provided in the Bylaws of the Corporation, provided that the number of directors shall never be less than one (1). In the interim between elections of directors by stockholders entitled to vote, all vacancies, including vacancies caused by an increase in the number of directors and including vacancies resulting from the removal of directors by the stockholders entitled to vote that are not filled by such stockholders, may be filled by the remaining directors, though less than a quorum. Notwithstanding the foregoing, whenever the holders of any one or more series of shares of Preferred Stock issued by the Corporation have the right, voting separately by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of these Articles of Incorporation or the resolution or resolutions adopted by the Board of Directors pursuant to **Article III(B)** hereof.

## ARTICLE VI

The personal liability of the directors and officers of the Corporation hereby is eliminated to the fullest extent permitted by Nevada Revised Statutes, Chapter 78, as the same exists or hereafter may be amended. No director or officer of the Corporation will be liable to the Corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, excepting only (i) acts or omissions that involve intentional misconduct, fraud or a knowing

violation of law or (ii) the payment of dividends in violation of Nevada Revised Statutes Section 78.300. No amendment, modification or repeal of this **Article VI** applies to or has any effect on the liability or alleged liability of any director or officer of the Corporation for or with respect to any act or omission of such director or officer having occurred before such amendment, modification or repeal, except as otherwise required by law.

## ARTICLE VII

The Corporation shall, to the fullest extent permitted by the laws of the State of Nevada, as the same exist or hereafter may be amended (but in the case of such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such laws permitted the Corporation to provide before such amendment), indemnify and hold harmless each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a **Proceeding**), by reason of the fact that such person or a person for whom such person is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, manager or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such Proceeding is alleged action or inaction in an official capacity or in any other capacity while serving as a director or officer of the Corporation or at the request of the Corporation as a director, officer, manager or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, against and from all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement and amounts expended in seeking indemnification granted to such person under applicable law, this **Article VII** or any agreement with the Corporation) reasonably incurred or suffered by such person in connection therewith. The Corporation may, by action of the Board of Directors or through the adoption of Bylaws, provide indemnification to employees and agents of the Corporation, and to persons who are serving or did serve at the request of the Corporation as an employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, with the same scope and effect as provided to the directors and officers of the Corporation pursuant to the foregoing provisions of this **Article VII**.

The indemnification provided for herein shall not be deemed exclusive of any other right to which a person indemnified may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to actions of such person in such person's official capacity and as to actions of such person in another capacity while holding such office. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, trustee, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, against any liability asserted against such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of Nevada Revised Statutes, Chapter 78. The expenses of any director or officer, current or past, incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation as incurred and in advance of the final disposition of such action, suit or proceeding upon the Corporation's receipt of an undertaking by or on behalf of such current or past director or officer to repay the Corporation for all of such expenses if it ultimately is determined by a court of competent jurisdiction that such current or past director or officer is not entitled to be indemnified by the Corporation. The indemnification provided for herein shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation, or who has ceased to serve at the request of the Corporation as a director, officer, manager, trustee, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, and shall inure to the benefit of such person's heirs, executors and administrators. No amendment, modification or repeal