

## Notice

These are draft minutes taken from the meeting held by the Board of Directors of Cloud Centric, Inc. on the morning of Thursday September 1<sup>st</sup>, 2011. The purpose of the meeting was to answer questions posed by shareholders in advance of the investor conference.

The minutes are in draft format, and are subject to approval at the next Board of Directors Meeting.

## Questions for Teleconference

### **Why does the CLDR stock have a global lock chill on it by the DTC, and what does this mean?**

Cloud Centric, Inc. currently has approximately 2.99Bn shares in the float post forward split, of which approximately 2.58bn are in the custody of CEDE and Co. (A.K.A the DTC).

The purported function of the DTC is to “provide an efficient and safe way for buyers and sellers of securities to make their exchange, and thus ‘clear and settle’ transactions.”

For shares to be traded in the DTC, the issuer must be DTC eligible. Not all issuers are DTC eligible, and for companies that are not DTC eligible, trades can still be made.

Under certain circumstances, the DTC may prevent certain stock being deposited into the DTC. In extreme cases, where the DTC feel that stock has made its way into CEDE and Co., under improper circumstances, the DTC may put a global lock on all of the issuer’s stock deposited in the DTC.

This global lock does not prevent shareholders, who do not have their stock deposited in CEDE and Co. from trading. Unfortunately, with a global lock, the DTC prevents all stock that is held within the DTC from trading.

According to the DTC the CLDR stock is on a global lock, because of our own disclosure, where we outline issuance of stock to Big Apple Consulting, which we believe was issued without proper consideration.

We have made many attempts to resolve the issue with the DTC, and the closest we got to resolve was when the DTC implied that we should reconsider our disclosure statement, where we outline improper issuances of shares to Big Apple Consulting.

We re-reviewed the information surrounding this, and after meeting with Big Apple Consulting to establish the facts, it seemed very improper to make such changes, and we concluded by modification of our disclosure statement, we would be issuing false disclosure. During our conversation, Big Apple made demands of \$200K of additional money, which they claimed CLDR (and as a consequence its shareholders) owed them.

As the directors of the company, we will do what is in the best interest of the company and its shareholders. But, we will not make false disclosure to allow the freeing up of shares, as we believe this does not serve the shareholder in its entirety. The DTC was very clearly made aware of this.

That said, we have worked incredibly hard to try and get the global lock removed on the CLDR stock. Unfortunately, we have had no success. Arising from this, we decided that the best thing for the shareholders was to do a very small forward split. Upon doing the forward split, the DTC has required we furnish them with a legal opinion surrounding the stock. The opinion will NOT remove the global lock. We have therefore decided that it is not in the best interest of shareholders to leave their stock inside the DTC. The DTC have written to CLDR stating that they will remove our eligibility within 5 days, if we do not provide such an opinion. We feel this result will be in the best interest of shareholders, and by removing eligibility, our stock should be returned from custody of CEDE and Co. back to the shareholders.

### **Why did the CLDR move to the grey markets?**

Being in the grey markets means that they are no market makers quoting the stock. Once the last market maker stops quoting the stock, an issuer has 4 days to find another market to quote the stock. Once the time period has passed, the issuer will require a market maker to file a 15c-211.

Unfortunately, we believe as an indirect result of the Global Lock, combined with the changes in stock, and lack of volume, in or around the 17<sup>th</sup> of August 2011 the last market maker stopped quoting our stock. We tried as much as possible to get the market makers to requote the stock, but without sufficient volume or a buy order, no market maker would quote the stock.

### **Why did Dave Lovatt Resign?**

Dave Lovatt worked for Cloud Centric in the UK since incorporation. Unfortunately, Cloud Centric was unable to carry its own weight, and when the UK Company went into Liquidation, Dave Lovatt decided that it was not right for the business or for him to continue to run the company.

Despite some of the negative opinions about Dave Lovatt, he really tried to get the company off the ground, and worked extremely hard. He did however make some bad discussions surrounding Big Apple and going public.

### **How much money from shareholders have the board of Directors taken?**

Firstly, Cloud Centric has not issued any stock for cash in the last 12 months. With any stock that we do issue, proceeds will be used to grow the business.

We all have mortgages to pay, and families to feed, and despite the opinions of a few posters, and stock bashers, we are by no means rich, and like most people in today's economy, we struggle to pay our mortgages at the end of the month. We take the absolute minimum salary from the business. We only ever take salary from sales revenue, and since inception, Danny has invested over \$140,000 of cash into

the business, which was not pulled out of “alleged” his rich savings account, but borrowed in his, and his wife’s personal names.

### **What are we doing to tackle stock bashers?**

Unfortunately there is no silver bullet here. Stock bashers and market manipulators are out there. We try to disclose information that might have some material impact on the business quickly. We always tell shareholders, not to get caught up in speculation, because we are keeping no secrets, and if the stock price rises quickly, it is not because I am having tea with Bill Gates or Steve Jobs . ☺.

It is unfortunate, that the market valuation of Cloud Centric has been pushed to a small fraction of where it was when we were a private company, by parasites crawling the message boards, pretending to offer valuable information with the sole intent to push the share price down, so they or the people they work for can buy low and sell high.

Normally these people can be identified by the fact they have high numbers of posts on multiple boards and dispute posts that may be positive, unless it is during a time that they wish the share price to increase. A good example was of a stock basher, was an unnamed person, who decided it was appropriate to remove the following post to from a message board.

*“An individual, either acting alone or on behalf of someone else, who attempts to devalue a stock by spreading false or exaggerated claims against a public company. After the stock's price has dropped, the basher, or the basher's employer, will then purchase the stock at a lower price than what he or she believes it is intrinsically worth*

*Read more: <http://www.investopedia.com/terms/s/stockbasher.asp#ixzz1WeTk1CEt>”*

The investors who invest in the business, as oppose to the speculation of the stock price will ultimately get return. Bashers may be able to damage stock in the short term, but this will not affect the value or the percentage of the underlining business.

### **Well if you have no money, what have you gained out CLDR?**

Other than a headache – factually nothing! The reality of it is, in the middle of 2008, we as a private company were talking to a large player about a corporate sale of the business. The figures that were discussed were between 3 and 7 million dollars. It was never a deal in stone, but it was never really followed through by me, and never concluded. I decided that the business had the possibility of a big future, and decided to really make a go of it.

“Going Public” was a disaster! Everything from that Big Rotten Apple, to the DTC, share prices falling and threats against myself and my family has been a huge burden to carry. At the end of the day, I now

own a small percentage of a business that I previously owned most of, and I had been paid nothing in return. Once more the Public entity is listed on the grey markets. The purpose to go public was to seek investment, and grow the business, but the reality of it was, the investment was next to non-existent , and did not even cover the running costs of being public.

That said, I have learned some great lessons, and I thank the shareholders who have also been through the pain, and are still supportive.

I get somewhat hot headed over people who are not shareholders accusing me of being a crook. But, I guess being a public company, you will always get sad, lonely people with nothing better to do.

### **C What is next?**

The most important thing for us is to grow the business. I really believe we have a great product, and will do wonders if we can get our focus in the right place.

We have made some big changes over the last few months. Mostly cutting costs, but also cutting some revenues where they were not right for the business. We have managed to reduce costs down to a level where we are reporting break even figures, and maybe even very slight profit on a quarterly basis.

### **What about tradable shares?**

To some extent we have our hands tied as to what shares can trade, and what the impact is of the grey markets.

That said we are working extremely hard to find a market maker to file a 15c-211, so a market maker can quote our stock. In addition to that, we understand tradability of stock is extremely important to shareholders. We are also making structural changes to the business to spin off new parts of the business into a new company. We are in the process of appointing an attorney to do an independent IPO for our new Hosted Services subsidiary. The IPO will be a SEC reporting company, and we hope it to be quoted on the OTCQB. We will not be entering into a reverse merger with another public entity.

It is important for the board of directors that shareholders see transparency. We understand the only way to achieve this, is full disclosure and reporting. OTCQB Companies are subject to full SEC reporting, and are required to report audited financials.

We can assure shareholders, that in the event of a spin out of a subsidiary, the he shareholder will get that exact shareholding in the new business. No shareholders will be diluted.

### **What about revenues?**

Our quarterly revenues are approximately \$30,000 per quarter and are approximately breaking even or showing a small profit. It is important to note that going forward, we intend to invest in growing the

business. We have made sure that our operating costs are lower than our income, and going forward, the only area of cost increase will be Sales and Marketing.

### **What happened to Vizual Mobile?**

The acquisition of visual mobile was meant to be for cash and stock; the cash was not paid so the stock was returned and the acquisition was rolled back.

### **Are we planning for a corporate sale?**

We believe it is a very possible future for the company because of the history with the previous acquisition of Black Spider by Surf Control and Postini by Google.

### **Further Notes:**

Titles Clarified:

Danny is the President of Cloud Centric, Inc. and the CEO of EnableTS (CLDR Subsidiary).

Michael is the CEO of Cloud Centric, Inc.

In reality though it's a small business in which everyone works in all areas.

Stock Bashers on iHub were defined:

Removing posts that disagree with them.

Talking negatively about positive posts.

Using the alias Cassandra.

Multiple posts on multiple boards, taking breaks when they want the price to raise.

Positions open within EnableTS:

We'll be looking for sales staff in the future.

The vacancies listed on the website are old and the website needs renewal.

The website (cloudcentricsystems.com):

Was originally for Cloud Centric Systems UK.

Taken down when Cloud Centric Systems UK was put into liquidation.

It redirects to enablets.com because this is the main focus of CLDR.