

EAST MORGAN HOLDINGS, INC.

EXECUTIVE SUMMARY

East Morgan Holdings, Inc. (EMHI) owns patent technology that reduces coal-fired mercury emissions below federally mandated regulations and remediates the fly ash residue generated by these furnaces. We can do better by seeing this technology adopted by the domestic coal-burning power plant industry, factories, refineries and chemical plants.

The Air Emissions Control Technology, (AECT) has undergone testing at various certified independent laboratories, as well as on-site operating Power Plants and a Cement Plant. This testing has resulted in the development of the formula for chemical introduction which will allow coal burning and other mercury emissions pollutants to meet the stringent mercury emission reduction standards proposed by the Federal government and already mandated by many states.

The technology was developed from the Molecular Bonding System (MBS), which passed the [EPA Superfund Innovative Technology Evaluation \(SITE\) program](#). The [Energy Environmental Research Center \(EERC\)](#) in North Dakota showcased AECT. The U.S. Department of Energy (DOE) and consortium consisting of coal burning energy plants directly affected by impending federal regulations mandating a 98% reduction in mercury emissions into the environment by power plants sponsored the test.



- ✓ East Morgan is presently in discussion with one Superfund Site in Eastern United States and two Energy Companies in the Midwest to undertake further evaluation and to ultimately implement this technology.
- ✓ East Morgan is presently in discussion with one business that intends to purchase licensing agreements for the sale and distribution of this technology in the Eastern United States.
- ✓ East Morgan is presently in discussion with both lawmakers and regulators regarding the positioning of this technology to assist with State and Federal Environmental Compliance.

East Morgan Holdings, Inc. is currently acquiring capital via equity. The U.S. market is the #1 market for this category of technology. The time is right to move this proven technology into mainstream.

EAST MORGAN HOLDINGS, INC (EMHI) A NEW BEGINNING

The foundation of the company is its patented Air Emissions Control Technology. EMHI is committed to providing long term cost effective, permanent solutions to mercury air emissions pollution by daily infusion of its chemical technologies into the existing scrubbers utilized by coal burning energy and manufacturing plants. Tests have proven that AECT is compatible with activated carbon and when combined allows activated carbon to meet upcoming stringent pollution standards previously not attainable.

AECT gives the Company a technology necessary to enable it to completely address the air emission and by-product pollutants of the coal burning energy and manufacturing industries. The current group of employees and directors EMHI has begun moving forward with a new urgency, one that provides many challenges. EMHI is prepared to meet the challenges of new management, a proven but new technology, and new clients, building business relationships and promoting shareholder confidence.

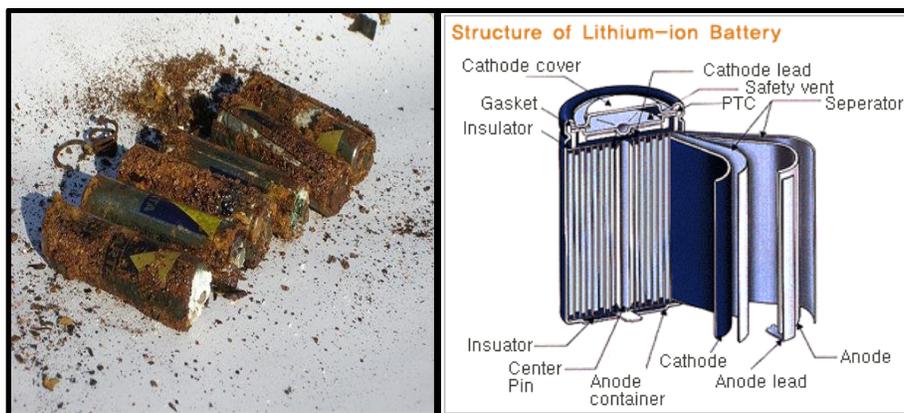
Studies have proved that *EMHI's technology is effective as a stand-alone technology, but is also effective when combined with powdered activated carbon*, reduced mercury emissions. Most recently, a full-scale pilot project was implemented. The technology evaluation was conducted at a cement plant in 2012.

This combination of products reduced and remediated mercury emissions by 97% with no plant modifications. With modifications, testing consistently exceeded 98%, which is the lofty requirement proposed by the EPA and already required by many State Environmental Agencies.

This business plan focuses on the implementation of environmental technologies for pollution point sources and the businesses that serve them. Prospective clients include the Department of Energy, Nuclear Regulatory Commission the Department of Defense, the Environmental Protection Agency (EPA), the Army Corp of Engineers, Bureau of Land Management, Forest Service and many prominent private companies.

Applying the Technology

Batteries



EMHI's technologies include chemical systems for self-remediating batteries (SRB). The SRB chemistry converts the lead into a complex sulfide compound that makes the lead inert thereby removing the potential for generation of a hazardous waste while preventing migration or leaching of the lead waste. There are many different types of batteries that exist in the marketplace. There are two main SRB delivery systems for all these types of batteries: **Tablet and Wrapper**.

The SRB tablet works by incorporating them into the inner casing of an automotive battery. The tablet resides in the bottom of the casing and is sufficient to treat all the lead acid that is stored within the battery. If the battery should breach or rupture, the acid reacts with the plastic wax coating that protected the SRB chemicals enabling them to activate. In addition to acids, other conditions that can be used to activate the chemical reagents are: exposure to water, light, pressure, pH change or the passage of time (natural oxidation).

The SRB wrapper acts as a cover to the cells of NI-Cad batteries. The wrapper is impregnated with the SRB reagents. The wrapper has a similar plastic or wax coating that protects the integrity and potency of the chemicals. If one or all of the individual cells should rupture or breach, the Ni-Cad paste will come into contact with the wrapper. The coating will wear away and the chemical will react and successfully treat the nickel and cadmium. While the delivery method differs, the chemistry and mechanics are quite similar among battery types. The SRBs can be recycled and are environmentally safe in the event the batteries are improperly discarded.

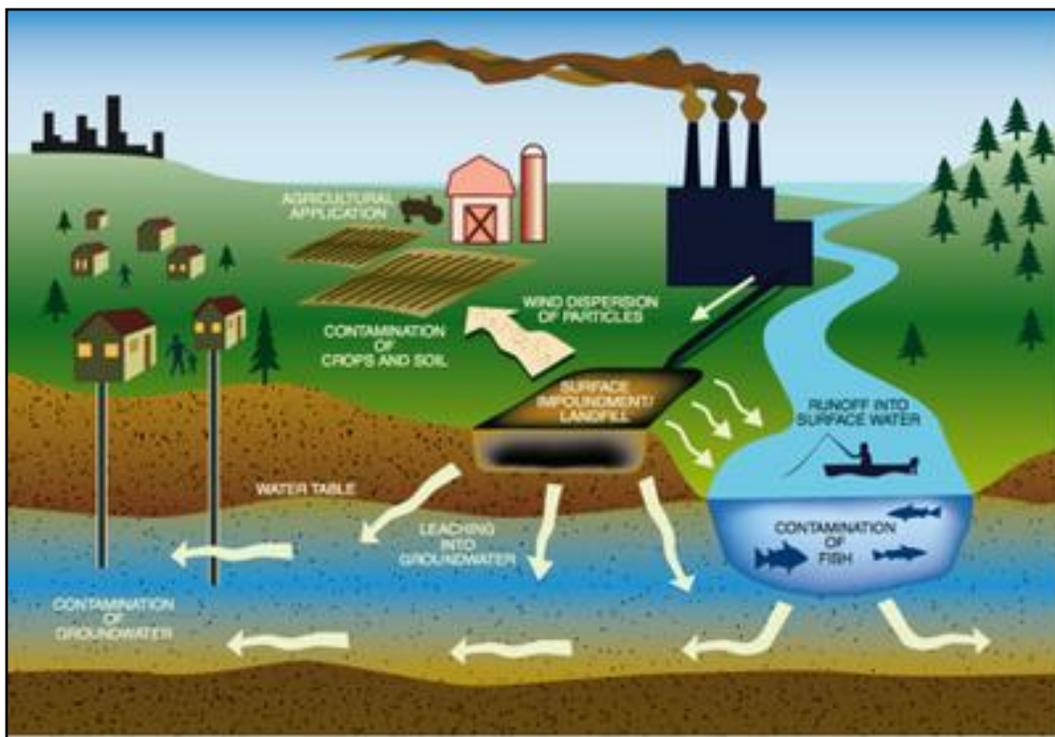
Coal Fired Power Plants



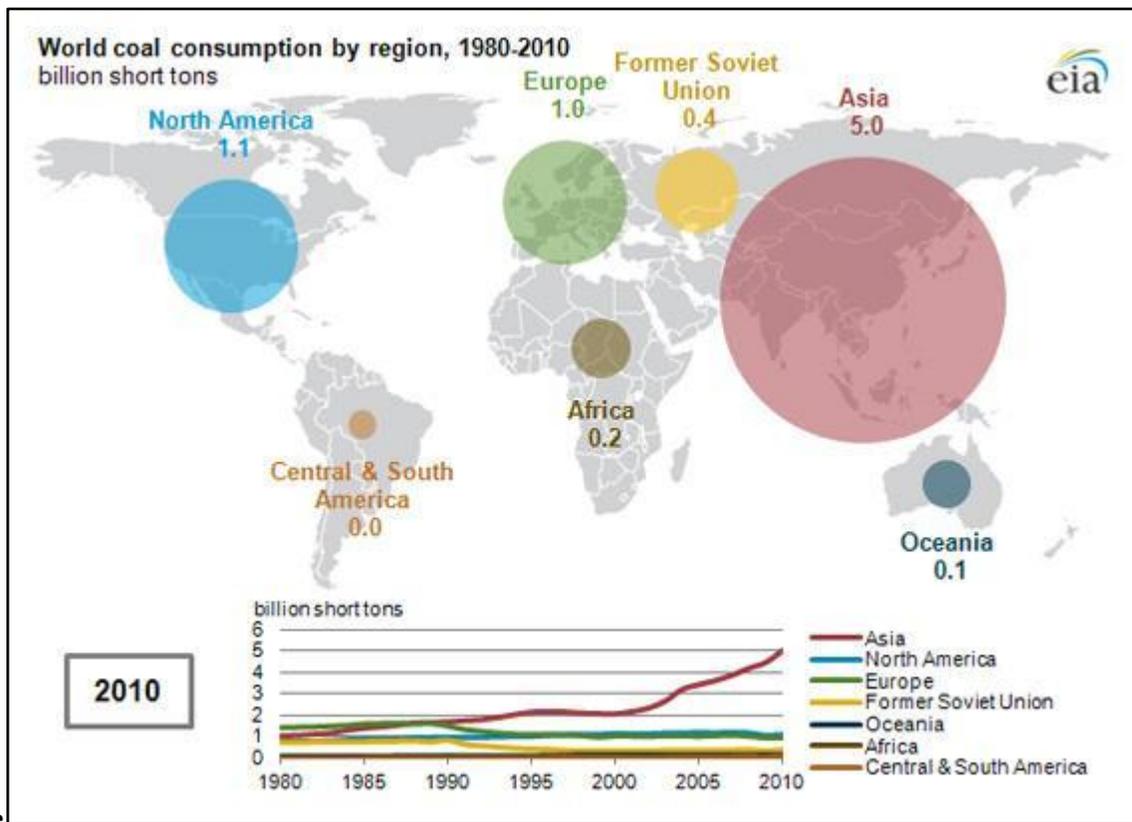
On July 6, 2004, EMHI's Air Emissions Control Technology (AECT) was introduced to the consortium of members interested in the combustion of subbituminous coal. The Consortium, organized by the Energy and Environmental Research Center (EERC) consists of and is funded by the Department of Energy (DOE) National Energy Technology Laboratory. EERC conducted and has evaluated EMHI's AECT technology, a cost effective mercury control technology for utility power plants emitting mercury. The AECT core technology has been successfully proven in the treatment of the mercury and other heavy metals in contaminated soils, sludges and other solid waste streams. The overall objective of EERC was to identify, test and evaluate applicability of this and other innovative mercury control technologies to subbituminous coal-fired power plants. EMHI received the draft of the report from the testing on December 31, 2004. The final report was issued June 30, 2005. As a result of the very positive and promising results from the pilot test of AECT, EMHI's technology has caught the attention of major energy conglomerates in the multi-billion dollar industry, resulting in bench scale testing of the mercury emission control technology.

Two different bench scale tests were performed over a period of 60 days. Both tests were successful. AECT was able to consistently remove greater than 40% elemental mercury, with levels reaching as high as 52%. The Company subsequently performed on site testing at a working power plant resulting in a full report by Babcock-Wilcox Company who supervised the test. Babcock-Wilcox Company featured the technology at the International Conference on Air Quality VI, held at Arlington, VA., September 2007. The event was organized by EERC and sponsored by, The Department of Energy, National Energy Technology Lab, and The Center for Air Toxic Metals, EPA, Electric Power Research Institute.

Hazardous Ash, Sludge and Effluent

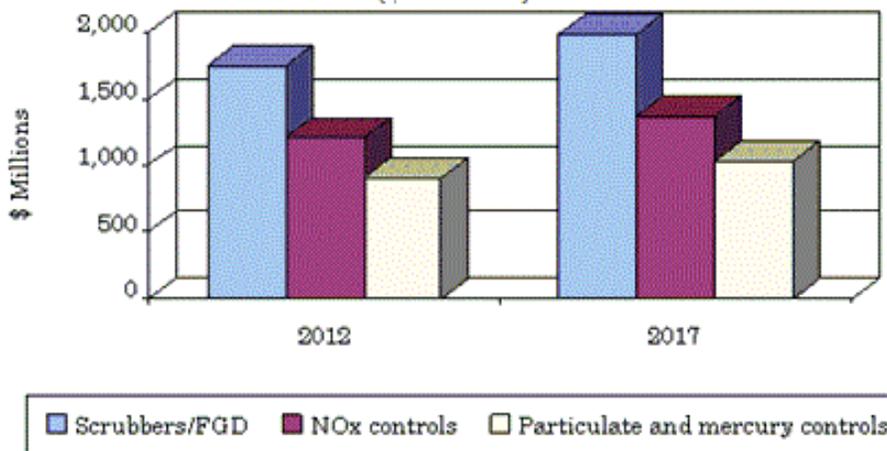


AECT when injected into the scrubbers of manufacturing facilities also simultaneously remediates the ash, sludge and effluent by-products rendering them non-hazardous. This process allows the by-products to be removed to a less costly, non-hazardous landfill, eliminating the use of costly Special Use-Permitted landfills. Most importantly the historic challenge of hazardous power plant ash disposal and containment can be resolved. The massive and costly spill at the Tennessee Valley Authority (TVA) ash disposal site which resulted in mercury pollution from this ash can be resolved and concerns regarding waste ash accumulation can be addressed.



Market Size

SUMMARY FIGURE
U.S. MARKET ESTIMATE FOR AIR POLLUTION CONTROL TECHNOLOGIES FOR COAL-FIRED POWER PLANTS, OPTIMISTIC SCENARIO, 2012 AND 2017
(\$ MILLIONS)



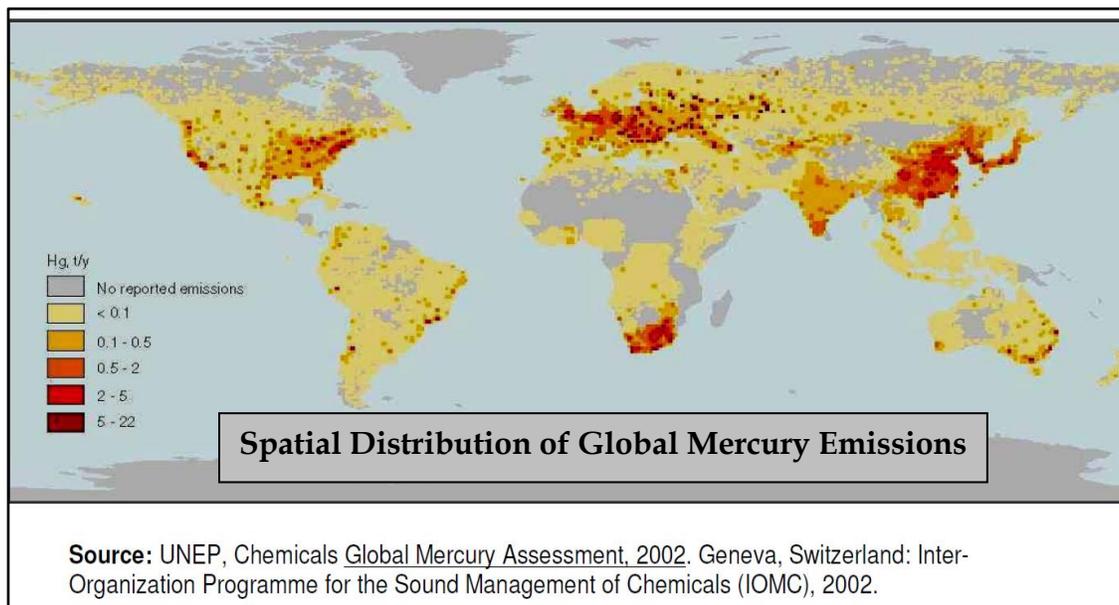
Source: BCC Research

According to Global Information Inc. an international market research report company, the U.S. market for air pollution control technologies for coal fired power plants will reach \$44 billion in 2017

(December 13, 2012 report. The market for particulate and mercury control technologies was approximately \$1 billion dollars in 2012 with a 5-year growth rate of 2.5%.

The Global Air Pollution Control Market should grow even more significantly once utility, oil and gas companies comply with increasingly stringent worldwide environmental regulations issued by the Regulatory bodies such as the Environmental Protection Agency in the United States.

China and India are now the prominent users of coal generated energy and offer a substantial market which when combined with the U.S. and Europe increases the annual market significantly. Worldwide markets are estimated at 30 billion per year.



Two sets of variables affect the market of air pollution controls for coal-fired power plants in the U.S. specifically.

Economic and political factors affect a market that is presently investigating options to meet regulatory guidelines. The declining position of coal as the dominant source of energy; providers may switch to other sources of fuel due to fears of pollution that include mercury, arsenic, cadmium and their effects on the environment and humans.

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MAJOR HEALTH CONSEQUENCES OF COAL GENERATED POLLUTION

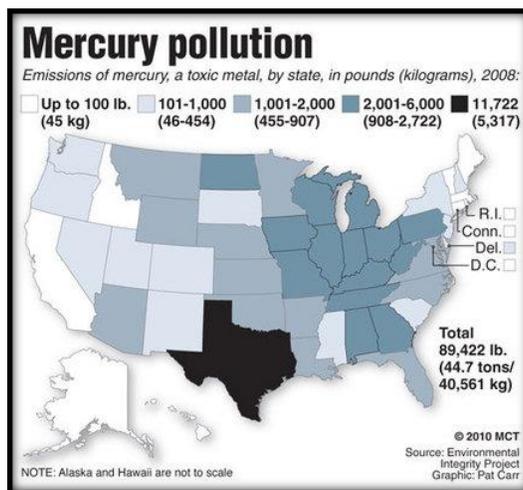
| Source Category | 1999 Estimated Emissions (tons/year) | Percent of Total U.S. Inventory (%) |
|--------------------------------------|--------------------------------------|-------------------------------------|
| Utility Boilers | 48.7 | 41.6 |
| <i>Coal</i> | 47.8 | 40.8 |
| <i>Oil</i> | 0.50 | 0.4 |
| <i>Natural gas</i> | 0.44 | 0.4 |
| Municipal waste combustors | 5.1 | 4.3 |
| Commercial/Industrial boilers | 9.73 | 8.3 |
| Medical waste incinerators | 2.84 | 2.4 |
| Hazardous waste combustors | 2.94 | 2.5 |
| Residential boilers | 1.23 | 1.1 |
| <i>Coal</i> | 0.08 | 0.1 |
| <i>Oil</i> | 1.15 | 1.0 |
| Wood-fired boilers | 0.69 | 0.6 |
| Crematories | 0.13 | 0.1 |
| Chlorine manufacturing | 6.53 | 5.6 |
| Portland cement | 2.36 | 2.0 |
| Pulp and paper | 1.69 | 1.4 |
| All Other | 35.36 | 30 |
| TOTAL | 117.3 | 100 |

Source: U.S. EPA, Office of Air Quality Planning and Standards. 1999 National Emissions Inventory for Hazardous Air Pollutants.
<http://www.epa.gov/ttn/chief/net/1999inventory.html#final3haps>.

Mercury is one of the most toxic pollutants coming from the smokestacks of coal-fired power plants. These power plants are responsible for **44.7 tons** of mercury spewed in the environment each year and represent **40 percent** of the total mercury pollution from industrial sources in the U.S.

Once mercury enters the environment, bacteria convert it into methyl mercury that plants and animals can absorb.

Public health studies show that mercury is a potent neurological toxin in humans, especially in unborn infants and young children. Mercury exposure can permanently damage the developing nervous systems in unborn and young children that later impairs the child’s learning and thinking abilities.



Arsenic is another heavy-metal toxic pollutant emitted from coal-fired power plants. Exposure to arsenic causes several types of organ cancers in humans. The World Health Organization (WHO) has recently found that trace amounts of arsenic in water leads to dramatic increases in organ cancers in local populations after only four years of exposure. Arsenic is now covered in the new EPA toxics-reduction standards.

Fine Particles or aerosols are important coal pollutant covered by the new EPA standards. Because of their tiny size (smaller than 10 microns), they easily penetrate our lungs and intestines to enter other organs. Some of the most serious consequences are acute asthma, lung cancer, heart disease, birth defects, and premature heart attack.

SEVERE U.S. HEALTH CONSEQUENCES FROM COAL

United States public health experts have testified that toxic emissions from coal-fired power plants are responsible for more than **10,000 premature deaths** each year in the general U.S. population.

The EPA has determined that the new Mercury and Air Toxics Standards will save the country **\$90 billion** in medical care costs and lost work time each year.

CLEANER AIR HELPS THE ECONOMY

Yes, cleaner helps the economy

Despite all the lobbyists' howls of "job-killing regulations", unreliable grid power, and higher electricity bills for U.S. consumers because of the EPA's new toxic emission limits, the country's top economists and energy professionals say the facts refute these scare tactics: clean air is good for the economy.

The health care savings outweigh the cost of compliance is one reason this is the case. The EPA estimates that it will cost about **\$11 billion** to retrofit those coal-fired power plants that do not comply with the new pollution standards. It is estimated that the reduced toxic emissions would save **\$90 billion** in health care costs and sick days annually.

In the manufacturing sector, top economists such as Paul Krugman state that historical data show that pollution regulations consistently lead to more manufacturing output, employment, and better overall economic performance. This is partly because a lot of pollution is due to inefficiencies. In being more efficient companies are more productive and pollute less. Efficiency in turn results from innovation and new products and equipment that boost manufacturing and employment.

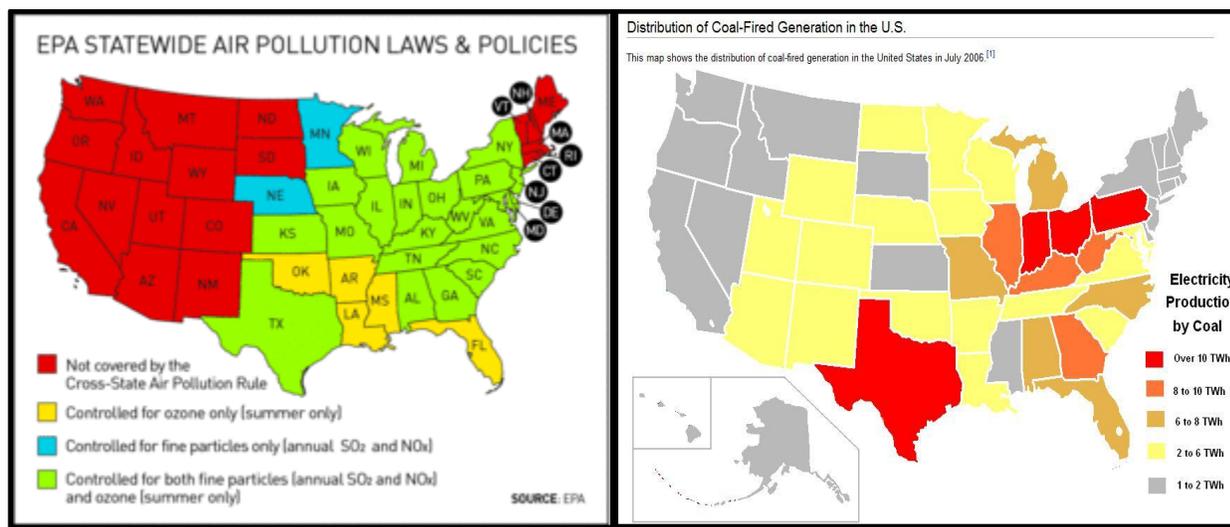
Many utilities with efficient operations now believe that regulations for pollution compliance "*promote economic growth, innovation, competitiveness, and job creation, all without compromising the reliability of electric system.*"

To determine if job growth is really linked to pollution regulation, the New York Times editorial staff did some fact checking regarding the new Mercury and Air Toxics Standards and published their findings in a lead editorial on January 2, 2012 saying:

“By even the most conservative estimates, the power plant upgrades required by the new rule governing mercury emissions are expected to create about **45,000 temporary construction jobs** over the next **five years**, and as many as **8,000 permanent jobs** as utilities install pollution control equipment.”

Economists are rightly assert that pollution regulation is related to increased manufacturing and employment.

FOCUS ON STATES REQUIRING STRICTER STANDARDS UNTIL FEDERAL REGULATIONS ARE INACTED



In spite of continued delays granted by the EPA, state requirements currently provide a ready market for EMHI’s tested and proven air emissions control technologies. Many of America’s coal-fired power plants lack widely available pollution controls for the highly toxic metal mercury, and mercury emissions recently increased at more than half of the country’s 50 largest mercury-emitting power plants, according to a recent report, the nonpartisan Environmental Integrity Project reported that five of the 10 plants with the highest amount of mercury emitted are in Texas. Plants in Georgia, Missouri, Alabama, Pennsylvania and Michigan are also in the top 10.

Eighteen states have established more stringent emission limits and four other states are developing regulations that would do so. The states with regulations already promulgated (or laws enacted) represent a broad cross-section of states, including Arizona, Colorado, Connecticut, Delaware, Florida, Illinois, Maryland, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania and Virginia. Together, these states have 177 coal-fired power plants, with a total of 414 electric generating units. The combined generation capacity of these units is estimated at 97,138 megawatts (Mw), 32% of total U.S. coal-fired electric generation.

The four states that have proposed but not yet finalized mercury standards (Georgia, Michigan, Washington, and Wisconsin) have an additional 51 plants. Their combined generation capacity is estimated at 33,968 Mw, an additional 11% of total U.S. coal-fired generation.

OVERCOMING COAL LOBBYIST DECEPTIONS

As one might expect, the lobbyists for a small group of utilities with the most polluting coal-fired power plants claim that the expense is too burdensome for them. Further, they state that the cost for the pollution controls would have to be passed on to customers, causing hardship and pain to the public.

To address this assertion, the Center for American Progress did some fact-checking on this group of polluters who say they can't pay the \$10 billion retrofits to comply with the new EPA toxics standards. What was found was that together these utilities possess \$17 billion in cash reserves. These utilities appear to have adequate cash reserves to pay for the pollution controls.

EMHI intends to inform the congress through interested environmental lobby groups, of the facts and most importantly educate congress that EMHI's technology exists today and can meet all Federal and State reduction standards now.

COMMENCE BUILDING OF MARKET SHARE: COAL GENERATED ENERGY AND OTHER MARKETS

Currently, powdered activated carbon is the leading technology utilized in the coal burning energy industry. The fact is activated carbon cannot meet many existing State and Federal standards.

EMHI has developed and proven, via independent testing, the technology and know-how that consistently meets the 98% requirement. This may be accomplished independent of activated carbon AND when combined with activated carbon. Cultivating working relationships with the activated carbon suppliers will allow EMHI to penetrate a large portion of the market in a short time frame. Timely progress may depend on the cooperation of the activated carbon suppliers.

Acting independent of activated carbon will require a much larger effort as sales marketing will be greatly expanded along with associated overhead costs. A new market base will need to be established and market share will depend on the success of these efforts. The revenue reward factor would also justify this action although market penetration would be lower with a target of 10% of world markets set for the first 3 years and 20% for the first 5 years. Of course, heavy enforcement of Federal Regulations and international agencies such as the European Union, the targeted percentage would increase dramatically.

East Morgan knows of no other technology that can meet the 98% requirement.