

Microcap Industry Trade Groups Optimistic About OTC Bulletin Board and Pink Sheet Stocks in New Year

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Plan to Push for Sarbanes-Oxley, SEC Rule 504 Government Reforms in '06

WEST PALM BEACH, Fla.--(BUSINESS WIRE)--Jan. 17, 2006--The economic outlook in 2006 for America's OTC Bulletin Board and Pink Sheet public companies will once again exceed Wall Street expectations, said Frank Speight, Chairman of American Capital Partners Ltd., Inc. and spokesman for the Microcap Company Political Alliance Corp. (MCPAC) and The National Small Public Company Leadership Council (Leadership Council) based in West Palm Beach, Fla. Speight is one of the nation's top financial and investment experts specializing in smaller "microcap" public companies and recently created and organized MCPAC as the first political action group representing microcap publicly-traded companies.

"Microcap companies (i.e., Pink Sheet and OTC Bulletin Board public companies worldwide) are buoyed by the strong U.S. economy of low inflation and low interest rates," said Speight. "Low-priced microcap stocks have outperformed so-called small cap stocks in three of the past four years and could do the same in '06. The recent launch of three promising exchange-traded funds (ETFs) targeting microcap stocks is another indicator that Wall Street sees this small business sector as a fast growing one," he added.

Speight stated that a recent research report by Roxbury Capital Management LLC entitled "Why Microcaps are the Preferred Alternative to Private Equity" finds that roughly 59 percent of all publicly-traded companies are "microcaps," these stocks have outperformed most market indexes and private equity alternatives over time, and microcaps provide much more liquidity than private equity vehicles. "There are thousands of microcap Pink Sheet and OTC Bulletin Board companies out there that are creating the jobs and potentially new products and technologies in our economy and it's time for our federal government to acknowledge this fact and begin to help these firms thrive and grow in '06 by reforming harmful and unfair government regulations," he added.

"In my opinion, smaller technology and biotech start-up companies look especially good in '06," said Speight. "We're seeing a large cadre of new investment money now flowing into these two sectors where the financial payoff could be tremendous. Pink Sheet public companies, in particular, are now gaining increasing respect and credibility as an efficient electronically quoted market worldwide."

Speight acknowledged that Pink Sheet companies (named for the pink newsprint on which quotations were published for over 101 years) continue to have a negative image as investment "scams." "Only a small percentage of Pink Sheet public companies are involved in these investor scams," commented Speight. "The vast majority of these microcap Pink Sheet companies are honest and law-abiding firms."

Speight pointed out that MCPAC and the Leadership Council intend to fight for fairer treatment of both Pink Sheet and OTC Bulletin Board public companies when the 109th U.S. Congress reconvenes in January. Pink Sheet companies have been under increasing

Securities and Exchange Commission (SEC) regulation because of a number of so-called "pump and dump" investor scams. "MCPAC and the Leadership Council want to work with Congress and the SEC to protect investors from illegal scams, but at the same time we need to protect the majority of Pink Sheet public companies that are part of the engine of economic growth in America," said Speight.

Speight concluded that the key government reforms needed in '06 to help OTC Bulletin Board and Pink Sheet public companies with the capital necessary to help grow the U.S. economy include the following:

- Reinstatement of SEC Rule 504 which would allow microcap companies to sell freely tradable securities to an unlimited number of both accredited and non-accredited investors; increase the \$1 million cap to \$2 or \$3 million.
- Reform the high cost of compliance with the Sarbanes-Oxley Act of '02, seeking exemptions for companies with less than \$100 million in annual revenue.

"The outlook in '06 has all the makings for the dawn of a new and exciting microcap investing age," Speight said, "but only if Congress and the SEC begin to open up the capital markets to Pink Sheet and OTC Bulletin Board public companies."

About Microcap Company Political Alliance Corp. (MCPAC)

Microcap Company Political Alliance Corp. (MCPAC) was formed in April 2005 as the first advocacy group representing the interests of the nation's microcap publicly-traded companies to securities regulators and policy makers in Washington. Please visit our website: <http://www.microcappac.org>.

About National Small Public Company Leadership Council

The National Small Public Company Leadership Council, which was formed in 2000, seeks to educate and inform the White house, U.S. congress, federal agencies, industry trade groups and political organizations based in Washington about the economic contributions of the nation's entrepreneurial public companies. Please visit our website: <http://www.nspclc.com>

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