THE FLORIDA REFINING COMPANY

(A Florida Corporation to be formed at Miami, Florida)
(With Units to be Installed at Miami and Jacksonville)

CAPITALIZATION

Common Shares (no par value), 1200

Preferred Shares ($100.00 par value), 400

(a) 400 Common Shares no par value will be without voting power so long as any of the Preferred Stock remains outstanding and will be known as non-voting. When all of the Preferred Stock shall have been redeemed, then full voting privileges attach to the non-voting Common.

(b) No dividends shall be paid on any of the Common Stock so long as any Preferred Stock remains outstanding.

(c) Any part or all of the Preferred Stock may be redeemed at any time upon call of the Board of Directors at 103, plus any unpaid dividends, which shall be 8% cumulative, payable quarterly.

NATURE OF BUSINESS

The above Company will own the Franchise rights throughout the State of Florida, which are herein referred to as "The Florida Franchise", for the patented oil refining machinery, appliances and process known as the Universal Oil Refiners.

By this patented process reduced crude oil and other oils are re-refined and re-claimed. This Florida Franchise is now owned by Messrs. Glenn K. Frazell and Raymond A. Norwood.

DISPOSITION OF STOCK

It is proposed to have the Company purchase the Florida Franchise by the issuance to the owners, Norwood and Frazell, all of the no-par Common Capital Stock; they to retain the 400 Shares of non-voting Common Stock and 400 Shares of voting Common Stock, and return to the Treasurer of the Company, as Treasury Stock, 400 Shares of the voting Common Stock, which will be given away by the Company or sold to the purchasers of the Preferred Stock.

The 400 Shares of Preferred Stock of the par value of $100.00 per share to be sold for cash, along with the Treasury Stock in units of one share of Preferred Stock with each share of the Treasury Stock, at the proposed price of $100.00 per unit.

COST OF REFINERY UNIT

The cost of machinery and equipment comprising one refining unit will not exceed $10,000.00. The balance of the proceeds of the sale of Preferred Stock will be sufficient for all other expenses, including necessary working capital, tankage, piping and bulk station equipment.

ESTIMATED EARNINGS

Monthly net earnings of the Company are estimated on the basis of a selling price of 38¢ per gallon for the refined oil, as follows:

15000 gal. of finished oil product and by-products per month net profit $3352.60

DETAILED MONTHLY ESTIMATE OF OPERATING COST

We give the following detailed estimate of operating cost based upon a production of 15000 gallons of finished product per month, as follows:

Fixed Monthly Charges		Monthly Production Cost	
Labor	$150.00	20000 gal. reduced crude oil @ 2¢	$400.00
1 Driver	$100.00	2½¢ Royalty	$500.00
Bookkeeper	$ 60.00	15000 lbs. clay @ 2¢	$300.00
Electricity, water, gas	$120.00	264 Gal. acid @ 35¢	$ 92.40
Rent	$100.00		
Salaries	$900.00		
Total	$1430.00	Total	$1292.40
			$1430.00
		Total cost of production	$2722.40

(75% Recovery)

15,000 gal. finished product @ 38¢	$5700.00
10% used for fuel - 2000 gal.	
5% loss	
10% Recovery for the penetrating oil retail value $2.00 per gal. based on selling out put 1500 gal. @ 25¢	$ 375.00
	$6075.00
Less Cost of Production	$2722.40
	$3352.60

SALARY OF OFFICERS AND MANAGEMENT

The management of the Company will be in the hands of Glenn K. Frazell and Raymond A. Norwood. The actual voting control of the company during the time any Preferred Stock remains outstanding will be equally divided between the above named managers and the owners and holders of the Preferred Stock, who shall have received the other half of the voting Shares as Treasury Stock. After the Preferred Stock shall have been redeemed then the voting control will be in the hands of the management.

Since Messrs. Norwood and Frazell will own two-thirds of the Common Stock, they propose to enter into a contract with the Company fixing their combined salaries which they are to receive from the Company as officers, managers, salesmen, or otherwise, at such sum as shall equal a commission of 6 2/3¢ per gallon per month on each gallon of finished product sold and paid for during the month, with a minimum salary of $100.00 each per month. Should the Company sell only 3000 gallons of finished product per month, each of said parties, Norwood and Frazell would receive the monthly salary of $100.00 per month. Should the Company produce and sell 4500 gallons of finished product per month, their salary would be $150.00 per month each. Should the Company produce and sell 6000 gallons of finished product per month, their salary shall be $200.00 each per month, etc.

RAW MATERIAL

It is estimated that all available reduced crude oil and other similar oils can be acquired at a maximum cost of 2¢ per gallon.

This Company will also manufacture a transmission and differential grease from used crank case oil, at as large if not greater profit.

GREASE

Cost of Production:

300 gal. crank case oil at 2¢	$6.00
2½¢ Royalty	$7.50
225 Lbs. clay @ 1¢	$2.25
4 gal. acid @ 35¢	$1.40
	$17.15
40% Recovery - 120 Gal. Grease, or 7½ Lb. to Gal. - 900 Lb. @ 10¢	$90.00
30% Recovery Finished Oil, 90 Gal. @ 38¢	$34.20
10% Recovery Penetrating Oil, 30 Gal. @ 20¢	$ 6.00
10% used for fuel	
10% loss	
	$130.20
Less cost of production	$ 17.15
	$113.05

No overhead cost is figured in the manufacture of grease for the reason that grease can be manufactured by the same personnel that operates the Refinery in the production of the 7500 gallons of re-refined Oil per month; the capacity of one refining unit being 30000 gallons per month, and the maximum amount which one man can handle at one refining Unit per month is estimated at 15000 gallons of finished product.