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Inspection of
Brimmer, Burek, Keelan LLP

Issued by the

Public Company Accounting Oversight Board

April 19, 2007

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2007-047

PCAOB
Public Company Accounting Oversight Board

Notes Concerning this Report

1. Portions of this report may describe deficiencies or potential deficiencies in the systems, policies, procedures, practices, or conduct of the firm that is the subject of this report. The express inclusion of certain deficiencies and potential deficiencies, however, should not be construed to support any negative inference that any other aspect of the firm's systems, policies, procedures, practices, or conduct is approved or condoned by the Board or judged by the Board to comply with laws, rules, and professional standards.

2. Any references in this report to violations or potential violations of law, rules, or professional standards should be understood in the supervisory context in which this report was prepared. Any such references are not a result of an adversarial adjudicative process and do not constitute conclusive findings of fact or of violations for purposes of imposing legal liability. Similarly, any description herein of a firm's cooperation in addressing issues constructively should not be construed, and is not construed by the Board, as an admission, for purposes of potential legal liability, of any violation.

3. Board inspections encompass, among other things, whether the firm has failed to identify departures from U.S. Generally Accepted Accounting Principles ("GAAP") or Securities and Exchange Commission ("SEC" or "Commission") disclosure requirements in its audits of financial statements. This report's descriptions of any such auditing failures necessarily involve descriptions of the related GAAP or disclosure departures. The Board, however, has no authority to prescribe the form or content of an issuer's financial statements. That authority, and the authority to make binding determinations concerning an issuer's compliance with GAAP or Commission disclosure requirements, rests with the Commission. Any description, in this report, of perceived departures from GAAP or Commission disclosure requirements should not be understood as an indication that the Commission has considered or made any determination regarding these issues unless otherwise expressly stated.

PCAOB
Public Company Accounting Oversight Board

INSPECTION OF BRIMMER, BUREK, KEELAN LLP

The Public Company Accounting Oversight Board ("PCAOB" or "the Board") has conducted an inspection of the registered public accounting firm Brimmer, Burek, Keelan LLP[1/] ("the Firm"). The Board is issuing this report of that inspection in accordance with the requirements of the Sarbanes-Oxley Act of 2002 ("the Act").

The Board is making portions of the report publicly available. Specifically, the Board is releasing to the public Part I of the report and portions of Part IV of the report. Part IV of the report consists of the Firm's comments, if any, on a draft of the report.[2/]

The Board has elsewhere described in detail its approach to making inspection-related information publicly available consistent with legal restrictions.[3/] A substantial portion of the Board's criticisms of a firm (specifically criticisms of the firm's quality control system), and the Board's dialogue with the firm about those criticisms, occurs out of public view, unless the firm fails to make progress to the Board's satisfaction in addressing those criticisms. In addition, the Board generally does not disclose otherwise nonpublic information, learned through inspections, about the firm or its clients. Accordingly, information in those categories generally does not appear in the publicly available portion of an inspection report.

[1/] The Firm has issued audit reports under the name of Brimmer, Burek & Keelan LLP.

[2/] The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In addition, pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report at all. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

[3/] See Statement Concerning the Issuance of Inspection Reports, PCAOB Release No. 104-2004-001 (August 26, 2004).

PART I

INSPECTION PROCEDURES AND CERTAIN OBSERVATIONS

Members of the Board's inspection staff ("the inspection team") conducted fieldwork for the inspection from July 17, 2006 to July 20, 2006. The fieldwork included procedures tailored to the nature of the Firm, certain aspects of which the inspection team understood at the outset of the inspection to be as follows:

Number of offices	1 (Tampa, Florida)
Ownership structure	Limited liability partnership
Number of partners	5
Number of professional staff[4/]	18
Number of issuer audit clients[5/]	7

Board inspections are designed to identify and address weaknesses and deficiencies related to how a firm conducts audits. To achieve that goal, Board inspections include reviews of certain aspects of selected audits performed by the firm and reviews of other matters related to the firm's quality control system.

[4/] "Professional staff" includes all personnel of the Firm, except partners or shareholders and administrative support personnel. The number of partners and professional staff is provided here as an indication of the size of the Firm, and does not necessarily represent the number of the Firm's professionals who participate in audits of issuers or are "associated persons" (as defined in the Act) of the Firm.

[5/] The number of issuer audit clients shown here is based on the Firm's self-reporting and the inspection team's review of certain information for inspection planning purposes. It does not reflect any Board determination concerning which, or how many, of the Firm's audit clients are "issuers" as defined in the Act. In some circumstances, a Board inspection may include a review of a firm's audit of financial statements of an issuer that ceased to be an audit client before the inspection, and any such former clients are not included in the number shown here.

In the course of reviewing aspects of selected audits, an inspection may identify ways in which a particular audit is deficient, including failures by the firm to identify, or to address appropriately, respects in which an issuer's financial statements do not present fairly the financial position, results of operations, or cash flows of the issuer in conformity with GAAP.[6/] It is not the purpose of an inspection, however, to review all of a firm's audits or to identify every respect in which a reviewed audit is deficient. Accordingly, a Board inspection report should not be understood to provide any assurance that the firm's audits, or its issuer clients' financial statements, are free of any deficiencies not specifically described in an inspection report.

A. Review of Audit Engagements

The inspection procedures included a review of aspects of the Firm's auditing of financial statements of four issuers. The scope of this review was determined according to the Board's criteria, and the Firm was not allowed an opportunity to limit or influence the scope.

The inspection team identified what it considered to be audit deficiencies.[7/] The deficiencies identified in one of the audits reviewed included a deficiency of such significance that it appeared to the inspection team that the Firm did not obtain sufficient competent evidential matter to support its opinion on the issuer's financial statements.[8/]

6/ When it comes to the Board's attention that an issuer's financial statements appear not to present fairly, in a material respect, the financial position, results of operations, or cash flows of the issuer in conformity with GAAP, the Board's practice is to report that information to the SEC, which has jurisdiction to determine proper accounting in issuers' financial statements.

7/ PCAOB standards require a firm to take appropriate actions to assess the importance of audit deficiencies identified after the date of the audit report to the firm's present ability to support its previously expressed opinions. See AU 390, *Consideration of Omitted Procedures After the Report Date,* and AU 561, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report* (both included among the PCAOB's interim auditing standards, pursuant to PCAOB Rule 3200T). Failure to comply with these PCAOB standards could be a basis for Board disciplinary sanctions.

8/ In some cases, an inspection team's observation that a firm failed to perform a procedure may be based on the absence of documentation and the absence

That deficiency was the failure to perform sufficient audit procedures related to the valuation of acquired intangible assets.

B. Review of Quality Control System

In addition to evaluating the quality of the audit work performed on specific audits, the inspection included review of certain of the Firm's practices, policies, and procedures related to audit quality. This review addressed practices, policies, and procedures concerning audit performance, training, compliance with independence standards, client acceptance and retention, and the establishment of policies and procedures. As described above, any defects in, or criticisms of, the Firm's quality control system are discussed in the nonpublic portion of this report and will remain nonpublic unless the Firm fails to address them to the Board's satisfaction within 12 months of the date of this report.

END OF PART I

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of persuasive other evidence, even if a firm claims to have performed the procedure. PCAOB Auditing Standard No. 3, *Audit Documentation* ("AS No. 3"), provides that, in various circumstances including PCAOB inspections, a firm that has not adequately documented that it performed a procedure, obtained evidence, or reached an appropriate conclusion must demonstrate with persuasive other evidence that it did so, and that oral assertions and explanations alone do not constitute persuasive other evidence. See AS No. 3, paragraph 9; Appendix A to AS No. 3, paragraph A28. For purposes of the inspection, an observation that the Firm did not perform a procedure, obtain evidence, or reach an appropriate conclusion may be based on the absence of such documentation and the absence of persuasive other evidence.

PARTS II AND III OF THIS REPORT ARE NONPUBLIC
AND ARE OMITTED FROM THIS PUBLIC DOCUMENT

PART IV

RESPONSE OF THE FIRM TO DRAFT INSPECTION REPORT

Pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the Firm provided a written response to a draft of this report. Pursuant to section 104(f) of the Act and PCAOB Rule 4007(b), the Firm's response, minus any portion granted confidential treatment, is attached hereto and made part of this final inspection report.[9/]

9/ In any version of this report that the Board makes publicly available, any portions of the Firm's response that address nonpublic portions of the report are omitted unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

PART II

DETAILED DISCUSSION AND RESPONSE TO INSPECTION RESULTS REGARDING ISSUER A VALUATION OF INTELLECTUAL PROPERTY CERTIFICATIONS

SUMMARY OF DRAFT REPORT COMMENTS

Redacted. Confidential Treatment Request Granted by the Board Pursuant to PCAOB Rule 4007(b)

B. The draft report also states that there was no evidence in the audit documentation, and no persuasive other evidence, that the Firm had tested the initial valuation of the acquired entity and, in particular, whether the issuers allocation of substantially all of the purchase price to the intellectual property was appropriate. It goes on to say that regarding the impairment, the Firm discussed with the issuer the 2006 to 2008 sales forecasts that the issuer asserted supported the revised value ascribed to the intellectual property. There was, however, no evidence in the audit documentation, and no persuasive other evidence, that the Firm had tested management's assertion or considered how the intellectual property could have become impaired so soon after it was acquired. For purposes of a response, these will be categorized as:

B1 There was no evidence in the audit documentation that the Firm had tested the initial valuation of the acquired entity

B2 There was no evidence in the audit documentation that the Firm had determined that the allocation of substantially all of the purchase price to the intellectual property was appropriate.

B3 There was no evidence in the audit documentation that the Firm had considered how the intellectual property could have become impaired so soon after it was acquired.

PART II (Continued)

SUMMARY OF FIRM'S POSITION AND RESPONSE

It is the Firm's contention that the issuer did prepare an analysis to test the recoverability of the intellectual property and an explanation of the facts and circumstances was included in the financial statement footnotes that led to the impairment. It is also the Firms' contention that there was evidence of audit documentation that tested the initial valuation of the acquired entity and the allocation to the intellectual property. However, we are submitting herewith additional documentation of that work that was performed at the time of the audit (and during the year) and additional analysis that was done at the time of the audit but not included in the work papers as part of the documentation at the time.

The acquisition of subsidiary "S" was consummated July 1, 2005 and was initially addressed during the review of the quarterly report Form 10QSB for the period ending September 30, 2005. In addition, certain audit procedures were performed in a separate audit file for that company (S) that was not included in the year end audit file of the registrant. This additional work is referred to and referenced in the attached exhibits for you consideration of our response to the draft inspection report.

EXHIBIT A-1

MEMO REGARDING AUDIT APPROACH TO REMAINING VALUE OF INTANGIBLE ASSET

GENERAL

The initial allocation as detailed in our response labeled "B-2" outlines that the allocation was based upon the contract revenues associated with some certifications that the company had at the time of acquisition. The testing of the initial allocation centered around the contracts since those were the measurements of the value of the specific intangible components. The largest element of the allocation was the contract with NY and comprised approximately 85% of the value. The contract with NY (Exhibit B-2.5) was through a vehicle dealer and had not started by year end and was dependent on the dealer order of the related vehicles for which conversions would be performed by S. The contract did not stipulate a start date but it was the expectation by the company that it would start as soon as the dealers took delivery of the vehicles. The contract had been signed in February 2005 to be effective in April 2005 and therefore it was not deemed to be impaired at July 1, 2005. As time continued over the course of the year end audit, it was determined that there was still no concrete start date and with that uncertainty was deemed to impair the intangible asset value pertaining to the NY Contract as of year end.

Testing of the contracts and related revenue that was performed at the initial allocation was continued and extended at year-end to evaluate the remaining balances of the contracts to verify the remaining balance of the intangible assets.

The audit work identified below was performed on those remaining balances.

A1 The remaining balance was then tested by reviewing the client's estimate of future revenues from the remaining contracts and independently doing a calculation of projected cash flows. The client did not prepare a written cash flow projection, (other than the revenue projection and analysis) but rather described their projection methodology and factors regarding cash flow expectations and engine life verbally to the auditors. Consequently, the firm did a cash flow computation which was not included in the work papers. We are submitting that computation herewith labeled as work paper 2930 and 2930.01. (Exhibits A-1.1 and A-1.2) The client's verbal estimate of gross/net cash flow from the projects was tested by comparing the component costs of the conversions to the expected sale price to dealers that would then do the installing without incurring labor and overhead costs to the company. The approximate cost of a conversion kit was $1,900 plus supplies and connectors bringing the estimated total hard cost to approximately $2,400 and compared to a projected sale price of $3,500 resulted in a gross profit/cash flow in excess of 32%.

EXHIBIT A-1 (Continued)

The conversion kit cost and related supplies was tested in conjunction with our inventory audit work on work paper 2610.13 (copy included herewith Exhibit A-1.3). The kits prior to the new dealer plan were selling for approximately $5,225 (see Exhibit A-1.4). The difference in sale price represented the labor cost to be born by the dealer and their profit margin. The cash flow analysis was performed assuming a 5% decrease in sales each year and the ten year life was compared to the certifications as being reasonable. The client assumed there would be no decrease in revenue. The remaining balance of the intangible assets after testing the original allocation and the impairment of remaining. unamortized balance of the $3,200,000 NY contract, was also tested by reviewing sales journals to verify that no sales on the NY contract had taken place and that sales that were taking place on the remaining other certifications/contracts and found to be reasonable (see work paper number 2530 from S file Exhibit A-1.4). Those tests were documented on work paper 2210 (Exhibit B-2.1.1 and A-2.1) together with accounts receivable audit procedures. The initial allocation was performed as part of the review of the September 30, 2005 quarterly financial statements. Therefore, the initial allocation was not audited until later in the year as part of the year end audit. Initially, the large contract with the State of NY had been in place since April 2005 but had not been started and had not generated revenue. Therefore, it was not until audit work was performed on the initial allocation and the remaining balance that it was determined that the NY contract had not started and was not estimated to start in the near future and resulted in the write off.

In conclusion, the methodology of allocation was tested and found reasonable. As part of the testing of the allocations as mentioned above, we reviewed the contract with NY State totaling approximately $3,200,000 or approximately 85% of the total allocations. Since the NY contract had not started by year end and also had not started by the end of field work, it was determined that the likelihood of it starting was very remote and resulted in the impairment.

Redacted. Confidential Treatment Request Granted by the Board Pursuant to PCAOB Rule 4007(b)

EXHIBIT B 1

MEMO RE B1 RESPONSE – AUDIT EVIDENCE FOR INITIAL VALUATION OF THE ACQUIRED ENTITY AND INITIAL ALLOCATION

GENERAL

The Firm initially addressed the acquisition accounting in the third quarter review of the registrant's September 30, 2005 Form 10QSB as the acquisition occurred July 1, 2005. The Firm started an acquisition audit file for the acquired company to audit the opening balances and evaluate the intangible assets acquired and the purchase price. As part of that process, some work papers were created in the quarterly review file and some in the acquisition file. The acquired company (S) had a September 30 year end. The audit work regarding the acquisition (S) took place over several months as information was gathered by the registrant and continued through to the end of the audit for the December 31, 2005 year end. The work generally involved a site visit by Firm staff, review and analysis of tax returns and other company records and trial balances and an observation of physical inventories at S's Oklahoma location and a job site in Dallas where a significant installation was in progress. The inventory observations were conducted in September 30, 2005 by two Firm staff for purposes of verifying the inventories at the September 30 2005 year end of S and the July 1, 2005 acquisition date. In addition, certain audit procedures were performed on the other balance sheet elements including cash, accounts receivable, fixed assets, accounts payable and notes payable. A summary of the purchase price, account balances and allocation for the acquisition is attached as Exhibit B-1.1

Initial purchase price audit work and allocation was performed as indicated below.

B-1 INITIAL VALUATION –PURCHASE PRICE - The firm did audit the acquisition of S by reviewing the contract for the acquisition and recalculating the total value by multiplying the number of shares issued for the acquisition by the trading price of the stock at the date of the acquisition. A summary of the purchase price and initial balances of the acquired company (S) is attached hereto as exhibit B-1.1. Firm work paper 5700.1 (copy included herewith as Exhibit B-1.2) is the contract for the purchase with notations of the work performed by the staff person and was signed off and dated as of April 6, 2006 which totaled $3,525,870. Work paper number 5427.02 (copy included herewith as Exhibit B-1.3) was a print out of the stock price of the registrant on July 1, 2005 as verification for the computation of purchase price. That work paper reflects a low stock price for the day of $.30 per share. The audit work papers at 5402 (copy included as Exhibit B-1.4) reflected the stock transfer agent's verification of the shares issued to the seller in the amount of 11,752,903. Those shares times the above stock price equaled $3,525,870 which comprised the stock portion of the purchase price of S.

The work paper (of all equity transactions number 5403 copy included herewith as Exhibit B-1.5) also tied into the stock issued to the seller and the stock transfer agent report. The remaining part of the purchase price was a payment of $200,000 which was traced to the bank statement and related records. An additional cash payment of $200,000 was to be made contingent upon achieving certain revenue goals by year end. Thus the total purchase price was approximately $3,925,870. An original amount was booked as intangible of 4,133,484 with the difference being the excess liabilities assumed. Since the contracted revenue projections had not been achieved by year end, the remaining cash payment was forfeited and the purchase price was accordingly reduced to $3,984,935.

B-2 INITIAL ALLOCATION - The testing of the allocation as described below verified the total initial allocation and the loss of the NY contract was tested as the basis for the impairment. The allocation of the purchase price was audited by the Firm.

First, a visit to the company by the Firms' audit personnel was made to review the operations and tax returns and books and records of S. A review of the tax returns and operations revealed that the company had not made any significant profits for several years and was of modest operations. (work paper 4800.1copy attached as Exhibit B-2.1) A review of the assets and liabilities listed in both tax returns and current records indicated that the net book value was approximately a negative $42,000 (Exhibit B-2.1A). A review was made of the initial trial balance components including receivables inventory, fixed assets and accounts payable. (see Exhibits B-2.1.1 and B-2.1.2) The stockholder loans were being cancelled as part of the acquisition.

Second, the firm observed the physical inventory (of S) being taken September 30, 2005 in Dallas where a significant installation contract was in progress and the main location in Oklahoma (work paper 2520 attached a Exhibit B-2.2) Also, see work paper 2210 evidencing examination of the Dallas Contract (Exhibit B-2.1.1) Also, see work paper 4110 evidencing audit work on the deposits on the Central Parking contract (Exhibit B-2.2.2) The Firm's inventory observation accomplished verification of the inventory value for asset allocation and the existence of the Dallas contract for validation of the allocation to that contract/certification. (see work paper number 2501 and related work papers from the S audit file).

A physical inventory was also observed in Okalahoma on September 30, 2005 by the firm (work paper 2601 and 2602 copy attached as Exhibit B-2.3). In addition, it was observed on the trip to Oklahoma that the company (S) did not have substantial fixed assets to which significant allocation of purchase price could be made nor did it have an in place workforce as the three installers were mechanics that could be replaced with little difficulty. The assets consisted mostly of tools for installation and some testing equipment together with a small amount of office furniture. The existing customer base of the company (other than the contracts) was not substantial. Most of the smaller customers would not repeat once the initial conversions were made. However there were contracts with municipalities and school districts that were expected to either repeat or expand over time. This visit enhanced the position taken by the company of allocating the purchase price to the intangible assets as represented by the contracts and certifications since there was no discernable goodwill as evidenced by the losses, no significant in place workforce and no significant other customer base.

During the visit and subsequent review of documents, the Firm was presented with a list of the certifications/contracts for various vehicle/engine types that S had obtained to the date of the acquisition (work paper 2700 attached as Exhibit B-2.4). Second, the company had initially grouped the purchase price to all certifications in one total amount. Upon inquiry by the Firm staff, it was determined that only some of the certifications currently had revenue contracts associated with them and the client revised their allocation to only include certifications that had revenue associated with them. The assumption was that the other certifications would potentially have value in the future but the only identifiable value was the certifications with current contracts. The revised certifications list was then matched to the projected revenues for each certification and that was the basis for the company's allocation of purchase price.

The firm selected contracts that were reviewed for determination of the amount of revenue compared to the allocations. (Exhibit B-2.5). Thus, the original purchase price and allocation was verified by the above methods and the intangible asset was verified as allocated to the certifications and measured by the revenue expectations as evidenced by the contracts that the Company had.