

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

EMAILTHATPAYS COM INC  
Form PRE 14A  
March 15, 2002

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission  
Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

EMAILTHATPAYS.COM, INC.

-----  
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

4) Date Filed:

1

emailthatpays.com, Inc.  
428 west 6th Avenue  
Vancouver, BC V5Y 1L2

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of emailthatpays.com, Inc. (the "Company") to be held on May 2, 2002 at 10:00 a.m. local time at 428 West 6th Avenue, Vancouver BC.

The matters expected to be acted upon at the meeting are described in detail in the following Notice of the Annual Meeting of Stockholders and Proxy Statement.

Whether you plan to attend the Annual Meeting or not, it is important that you promptly complete, sign, date and return the enclosed proxy card. This will ensure your proper representation at the Annual Meeting.

Sincerely,

/s/ Daniel Hunter

Daniel Hunter  
Chief Executive Officer

2

emailthatpays.com, Inc.  
428 West 6th Avenue  
Vancouver BC V5Y 1L2

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 2, 2002

To the Stockholders of emailthatpays.com, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of emailthatpays.com, Inc., a Florida corporation (the "Company"), will be held on May 2, 2002 at 10:00 a.m. local time at 428 West 6th Avenue, Vancouver BC, for the following purpose:

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

1. To elect 3 directors to serve for the ensuing year and until their successors are elected.
2. To ratify the selection of KPMG as independent auditors of the Company for the fiscal year ending December 31, 2002.
3. To approve the merger of the Company with and into Forge, Inc. a wholly-owned Delaware subsidiary of the Company, the effect of which will be to:
  - o change the Company's name from emailthatpays.com, Inc. to Forge, Inc.;
  - o change the Company's state of incorporation from Florida to Delaware; and
  - o effect a reverse stock split of the Company's outstanding common stock by setting an exchange ratio, as determined by the Company's Board of Directors, in the merger of up to 20 shares of the Company's common stock for one share of Forge, Inc.'s common stock.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. The Board of Directors has fixed the close of business on April 8, 2002 as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof. A list of such stockholders will be available for inspection at the principal office of the Company.

All stockholders are cordially invited to attend the Annual Meeting. However, to ensure your representation, you are requested to complete, sign, date and return the enclosed proxy as soon as possible in accordance with the instructions on the proxy card. A return addressed envelope is enclosed for your convenience. Any stockholder attending the Annual Meeting may vote in person even though the stockholder has returned a proxy previously. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

By Order of the Board of Directors

/s/ Donald James MacKenzie

Donald James MacKenzie  
President and Secretary

Vancouver, British Columbia  
April \_\_, 2002

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Annual Meeting of Stockholders to be held on May 2, 2002, at 10:00 a.m. local time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting.

The Annual Meeting will be held at the Company's principal executive offices at 428 West 6th Avenue, Vancouver BC V5Y 1L2. The Company intends to mail this Proxy Statement and accompanying proxy card on or about April \_\_\_\_ 2002 to all stockholders entitled to vote at the Annual Meeting.

### Voting Rights and Outstanding Shares

Only holders of record of the Company's common stock (the "Company's Common Stock") at the close of business on April 8, 2002, the record date, will be entitled to notice of and to vote at the Annual Meeting. The required quorum for the transaction of business at the Annual Meeting is a majority of the shares of the Company's Common Stock issued and outstanding on the record date. At the close of business on April 8, 2002, the record date, [\_\_\_\_\_] shares of the Company's Common Stock were issued and outstanding.

Each holder of record of the Company's Common Stock on such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting.

The inspector of elections appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes, will tabulate all votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether a matter has been approved.

### Revocability of Proxies

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of the Company at the Company's principal executive office, 428 West 6th Avenue, Vancouver BC V5Y 1L2, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The following table sets forth information as of [\_\_\_\_\_] 2002 concerning the ownership of the Company's Common Stock by (i) each stockholder of the Company known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Company's Common Stock, (ii) each person who has been a Director or "Named Executive Officer" of the Company since the beginning of the last fiscal year and (iii) all current Directors and Named Executive Officers of the Company as a group. Except as otherwise noted, each

4

person listed below is the sole beneficial owner of the shares and has sole investment and voting power of such shares. No person listed below has any option, warrant or other right to acquire additional securities of the Company except as otherwise noted.

### Security Ownership Table

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Owner	Percent of Class
---	--	------------------

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Daniel Hunter (2)	2,568,055 (3)	24.8
Donald James MacKenzie	1,568,056 (3)	15.1
Brian Cobbe	20,000 (3)	*
All named executive officers and directors as a group	4,156,111	39.8

- (1) Unless otherwise indicated, the business address of all beneficial owners is 428 West 6th Avenue, Vancouver, BC V5Y 1L2.
- (2) Includes 1,749,999 shares held by Camino Enterprises Ltd. Mr. Hunter is the sole shareholder of Camino Enterprises Ltd.
- (3) Includes 68,056 shares which the holder has the right to acquire within 60 days upon the exercise of stock options.
- \* Represents less than one percent of the class.

### PROPOSAL NO. 1: ELECTION OF DIRECTORS

At the meeting, three directors will be elected to hold office until the 2003 Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified. The Board of Directors has nominated each of the persons set forth below to serve as members of the Board of Directors. Each of the nominees is currently serving as a Director, and each has indicated a willingness to continue serving as a Director. Should any nominee become unavailable to accept election as a Director, the persons named in the enclosed proxy will vote the shares which they represent for the election of such other person as the Board of Directors may recommend, unless the Board of Directors otherwise reduces the number of Directors.

5

#### Nominees

The names of the nominees and certain information about them are set forth below:

Name	Age	Position Held with the Company
Daniel Hunter	43	Chief Executive Officer, Director
Donald James MacKenzie	45	President and Secretary, Director
Brian Cobbe	46	Vice-President, Director

Mr. Hunter was appointed the Company's Chief Executive Officer and a Director in October 1999. In July 1999, Mr. Hunter was appointed Chief Executive Officer and a Director of emailthatpays.com, a Nevada company, ("email Nevada") which became a subsidiary of the Company in October 1999. Since September 1998, Mr. Hunter has been the Chief Executive Officer and a Director of Coastal Media Group Ltd., a 100% owned subsidiary of the Company. From 1993 to 1998, Mr. Hunter was an account executive and Partner at Canaccord Capital and has participated in the financing of numerous private and public companies.

Mr. MacKenzie was appointed the Company's President, Secretary, and a Director in October 1999. Mr. MacKenzie has been the Secretary, Treasurer, and a Director of email Nevada since its inception in June 1998. From 1990 to 1998, Mr.

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

MacKenzie was a senior account executive at BCTV, a major local television station in Vancouver.

Mr. Cobbe was appointed the Company's Vice-President and a Director on December 17, 2001. Since August 2001, Mr. Cobbe has been the President of Coastal Media Group Ltd., a subsidiary of the Company. Mr. Cobbe has over 20 years experience as an advertising executive, the last twelve years with Palmer Jarvis DDB.

### Vote Required

A plurality of the votes cast at the meeting is required to elect each nominee as a Director. Unless authority to vote for any of the nominees named above is withheld, the shares represented by the enclosed proxy will be voted FOR the election as Directors of such nominees.

Proxies cannot be voted for more than the three named nominees. The three candidates receiving the highest number of affirmative votes cast at the meeting will be elected Directors of the Company.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" EACH OF THE NOMINEES FOR DIRECTOR.

### Committees of the Board of Directors and Meetings

The Board of Directors currently performs the functions of the audit, nominating and compensation committees.

During the 2001 fiscal year, the Board of Directors held no meetings and took action by unanimous written consent on five occasions.

6

### Compensation of Directors

The Company's Directors do not receive compensation for their services as Directors or members of Committees of the Board of Directors.

### Executive Officers

The names of, and certain information regarding, executive officers of the Company are set forth below. The executive officers serve at the pleasure of the Board of Directors and the Chief Executive Officer.

Name ----	Age ---	Title -----
Daniel Hunter	43	Chief Executive Officer, Director
Donald James MacKenzie	45	President and Secretary, Director
Brian Cobbe	46	Vice-President, Director

The biographies of Messrs. Hunter, MacKenzie and Cobbe are set forth above under the heading Nominees in Proposal No. 1: Election of Directors.

### Executive Compensation

The following Summary Compensation Table sets forth the cash compensation and certain other components of the compensation received by the

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

person serving in the capacity as the Company's Chief Executive Officer and the two most highly compensated executive officer whose total compensation in 2001 exceeded \$100,000 (the "Named Executive Officers").

	Annual Compensation				Awards		Long
	Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Award	Secu	Unde
Daniel Hunter	2001	\$145,311 (2)	-	-	-		
Chief Executive Officer	2000	\$146,455	-	-	-		35,0
	1999	\$ 89,584					70,0
Donald James MacKenzie	2001	\$134,045 (2)	-	-	-		
President	2000	\$122,700	-	-	-		35,0
	1999	\$103,684					70,0

- (1) Term life insurance premium paid by the Company.
- (2) Mr. Hunter and Mr. MacKenzie have each voluntarily deferred payment of \$16,146 of salary pending receipt of additional funding from external sources.

7

### Stock Option Grants and Exercises

There were no stock options granted in this last completed fiscal year to the executive officers named in the Summary Compensation Table.

The following Aggregate Options / SAR Exercises in and Fiscal Year-End Option / SAR Value Table provides information concerning each exercise of stock options (or tandem SARs) and freestanding SARs during the last completed fiscal year by the executive officers named in the Summary Compensation Table and the fiscal year-end value of unexercised options and SARs.

### Aggregate Options / SAR Exercises in and Fiscal Year-End Option / SAR Value Table

Shares Acquired On Exercise	Value Realized	Number of Securities Underlying Unexercised Options/SARs At FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options/SARs at FY-End (Exercisable/Unexercisable)

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Daniel Hunter	-	-	62,223 / 42,777	0/0 (1)
Donald James MacKenzie	-	-	62,223 / 42,777	0/0 (1)

(1) FY-End Option/SAR Values based on exercise prices of \$5.75 per share for 70,000 options and \$1.35 per share for 35,000 options and 12-31-01 closing price of \$0.24 per share.

### Certain Relationships and Related Transactions

As presented in the following table, Mr. Hunter, our Chief Executive Officer, has advanced funds to us for working capital purposes through Camino Enterprises Ltd, a company of which he is the sole shareholder.

	December 31, 2001	December 31, 2000	December 31, 1999
Controlled company	\$129,549	\$60,020	\$146,804
Less: current portion	\$368,873		55,667
	-----	-----	-----
	\$498,422	\$60,020	\$ 91,137

8

The advances from Camino Enterprises Ltd. are unsecured, bears interest at an annual rate of 7% and have no set terms of repayment.

On July 4, 2001 the Company completed a private placement of five units. Camino Enterprises Ltd. purchased three units and two third-parties purchased the other two units. Each unit consisted of 333,333 shares of the Company's Common Stock and warrants to purchase 333,333 shares of the Company's Common Stock, at a price per unit of \$66,667.00. The aggregate purchase for the five units was \$333,335.00 and Camino Enterprise Ltd.'s aggregate purchase price for the three units was \$200,001.00. The warrants had a term of six months, expired on January 4, 2002 and were not exercised.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, certain of our officers and persons who own more than ten percent of the Company's Common Stock (collectively the "Reporting Persons") to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish us with copies of these reports.

Based on representations received from Reporting Persons and upon review of Form 3 and 4 filings, all filings required to be made by the Reporting Persons for the year 2001 were made in a timely manner, except for one filing by Mr. Cobbe with respect to him becoming a Reporting Person and one filing by Mr. Hunter with respect to one transaction which were filed late.

### PROPOSAL NO. 2: INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors has appointed KPMG LLP, independent public accountants, to audit the financial statements of the Company for the fiscal year ending December 31, 2002. The Board of Directors proposes that the stockholders ratify this appointment. KPMG LLP has audited the Company's



## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

financial statements annually since its inception in 1998. The Company expects that representatives of KPMG will be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

### Audit Fees

Audit fees billed or expected to be billed to the Company by KPMG for the audit of the Company's financial statements for the fiscal year ended December 31, 2001 and for reviews of the Company's financial statements included in the Company's quarterly reports on Form 10-Q for the last fiscal year totaled \$22,040.

9

### Financial Information Systems Design and Implementation Fees

No fees were billed or expected to be billed to the Company by KPMG for services provided during the last fiscal year for the design and implementation of financial information systems.

### All Other Fees

Fees billed or expected to be billed to the Company by KPMG for all other non-audit services, including tax-related services, provided during the last fiscal year totaled \$5,510.

The Board of Directors has considered whether the provision of the non-audit related services listed above is compatible with maintaining KPMG's independence.

In the event that stockholders fail to ratify the appointment, the Board of Directors will reconsider its selection. Even if the selection is ratified, the Board of Directors, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if the Board of Directors determines that such a change would be in the Company's and its stockholders' best interests.

### Vote Required

The affirmative vote of a majority of the votes cast affirmatively or negatively at the meeting, whether in person or by proxy, is required to ratify the appointment of the independent public accountants.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE PROPOSAL TO RATIFY THE SELECTION OF KPMG LLP TO SERVE AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2002.

10

PROPOSAL NO. 3:  
MERGER OF EMAILTHATPAYS.COM, INC. INTO FORGE, INC.

Introduction

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

For the reasons set forth below, the Board of Directors believes that the best interests of the Company and its shareholders will be served by changing the Company's state of incorporation from Florida to Delaware (the "Reincorporation"). The Board of Directors has approved the Reincorporation, which will be effected pursuant to the Merger Agreement described below (as described below, the Board of Directors has not yet set the exchange ratio). Under the Merger Agreement, the Company will be merged with and into its newly formed Delaware subsidiary, Forge, Inc. ("Forge"). Upon the effectiveness of the Reincorporation, Forge will continue to operate the Company's business, the Company's business under the name Forge, Inc., with the same directors and officers and the Company will cease to exist. Each shareholder of the Company will hold the same percentage interest in Forge as such shareholder holds in the Company.

The number of shares of Company Common Stock that shall be exchanged to receive one new share of Forge common stock ("Forge Common Stock") has not yet been determined. The Board of Directors is requesting that the shareholders of the Company grant the Board of Directors authority to establish an exchange ratio of up to twenty shares of Company Common Stock for each new share of Forge Common Stock. This means that the Reincorporation would effectively include up to a twenty for one reverse stock split. The Board of Directors may determine with discretion, that it is in the best interest of the Company and the shareholders to set the exchange ratio such that fewer shares of Company Common Stock shall be exchanged to receive one new share of Forge Common Stock. Following approval of the Reincorporation, the Board of Directors will determine the exact exchange ratio.

Under Florida law, the affirmative vote of a majority of the outstanding shares of the Company's Common Stock is required for approval of the Reincorporation. Approval of the Reincorporation proposal will constitute approval of the Plan of Merger between the Company and Forge (the "Merger Agreement"). A copy of the Merger Agreement is attached hereto as Exhibit A. The Merger Agreement (except for the final exchange ratio) has been approved by the Board of Directors of the Company and the Board of Directors of Forge. If approved by the shareholders, it is anticipated that the merger will become effective as soon as practicable (the "Effective Date") following the Annual Meeting. However, pursuant to the Merger Agreement, the merger may be abandoned or the Merger Agreement may be amended by the Board of Directors (except that the principal terms may not be amended without shareholder approval) either before or after shareholder approval has been obtained and prior to the Effective Date if, in the opinion of the Board of Directors of either the Company or Forge, circumstances arise which make it inadvisable to proceed under the original terms of the Merger Agreement.

11

Shareholders of the Company have the right under the Florida Business Corporation Act (the "FBCA") to dissent from the Reincorporation merger, as determined under the FBCA. See "Appraisal Rights of Dissenting Shareholders" below.

### Procedures for Proposed Reincorporation

Upon approval of the Reincorporation, each holder of an outstanding certificate theretofore representing Company Common Stock will be requested to surrender such certificate to StockTrans, Inc. as the exchange agent (the "Exchange Agent"). As soon as practicable after the surrender to the Exchange Agent of any certificate which prior to the Reincorporation represented shares of the Company's Common Stock, together with a duly executed transmittal letter and any other documents the Exchange Agent may specify, the Exchange Agent shall

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

deliver to the person in whose name such certificate has been issued certificates registered in the name of such person representing the number of full shares of Forge Common Stock into which the shares of Company Common Stock previously represented by the surrendered certificate shall have been reclassified. Until surrendered as contemplated by the preceding sentence, each certificate which immediately prior to the reverse stock split represented any shares of the Company's Common Stock shall be deemed at and after the Reincorporation to represent the number of full shares of Forge Common Stock contemplated by the preceding sentence.

No certificates or scrip representing fractional shares of Forge Common Stock shall be issued in connection with the Reincorporation. Instead, stockholders holding a number of shares of the Company's Common Stock not evenly divisible by the exchange ratio, and stockholders holding less than the exchange ratio of shares of the Company's Common Stock, upon surrender of their old certificates, will receive cash in lieu of fractional shares of Forge Common Stock. The price payable by the Company will be determined by multiplying the fraction of a share of new Forge Common Stock by the closing price for that number of shares as determined by the Board of Directors of the Company's Common Stock on the effective date of the Reincorporation for which transactions in the Company's Common Stock are reported, as reported by the Nasdaq Over the Counter Bulletin Board.

### Principal Reasons for the Proposed Reincorporation

As the Company plans for the future, the Board of Directors and management believe that it is essential to be able to draw upon well-established principles of corporate governance in making legal and business decisions. The prominence and predictability of Delaware corporate law provide a reliable foundation on which the Company's governance decisions can be based and the Company believes that shareholders will benefit from the responsiveness of Delaware corporate law to their needs and to those of the corporation they own.

12

Prominence, Predictability and Flexibility of Delaware Law.

Delaware has for many years followed a policy of encouraging incorporation in that state and has been a leader in adopting, construing and implementing comprehensive, flexible corporate laws responsive to the legal and business needs of corporations organized under its laws. Many corporations have chosen Delaware initially as a state of incorporation or have subsequently changed corporate domicile to Delaware in a manner similar to that proposed by the Company. The Delaware courts have developed considerable expertise in dealing with corporate law issues and a substantial body of case law has developed construing Delaware law and establishing public policies with respect to corporate legal affairs.

Reverse Stock Split

The Board of Directors believes that the current per-share market price of the existing Common Stock of the Company may impair the acceptability of the Company's Common Stock to certain institutional investors and other members of the investing public. Theoretically, the number of shares outstanding should not, by itself, affect the marketability of the stock, the type of investor who acquires it, or the Company's reputation in the financial community. In practice this is not necessarily the case, as certain investors view low-priced stock as unattractive or, as a matter of policy, are precluded from purchasing low-priced stock because of the greater trading volatility

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

sometimes associated with such securities. There can be no assurance that the reverse stock split will not adversely impact the market price of the Company's Common Stock, that the marketability of the Company's Common Stock will improve as a result of the reverse stock split or that the reverse stock split will otherwise have any of the effects described herein.

The Board of Directors may consider a variety of factors in determining the exchange ratio in the Reincorporation, including overall trends in the stock market, recent changes and anticipated trends in the per share market price of the Company's Common Stock, business developments and the Company's actual and projected financial performance.

Increased Ability to Attract and Retain Qualified Directors.

Both Florida and Delaware law permit a corporation to include a provision in its charter document which reduces or limits the monetary liability of directors for breaches of fiduciary duty in certain circumstances. The increasing frequency of claims and litigation directed against directors and officers has greatly expanded the risks facing directors and officers of corporations in exercising their respective duties. The amount of time and money required to respond to such claims and to defend such litigation can be substantial. It is the Company's desire to reduce these risks to its directors and officers and to limit situations in which monetary damages can be recovered against directors so that the Company may continue to attract and retain qualified directors who otherwise might be unwilling to serve because of the risks involved. The Company believes that, in general, Delaware law provides greater protection to directors than Florida law and that Delaware case law regarding a corporation's ability to limit director liability is more developed and provides more guidance than Florida law.

13

Well Established Principles of Corporate Governance.

There is substantial judicial precedent in the Delaware courts as to the legal principles applicable to measures that may be taken by a corporation and as to the conduct of the Board of Directors under the business judgment rule. The Company believes that its shareholders will benefit from the well established principles of corporate governance that Delaware law affords.

The Reincorporation proposal will effect a change in the Company's name, the legal domicile of the Company and certain other changes of a legal nature, certain of which are described in this Proxy Statement. The directors who are elected at this Annual Meeting will become the directors of Forge.

Prior to the Effective Date of the merger, the Company will obtain any requisite consents to such merger from parties with whom it may have contractual arrangements. As a result, the Company's rights and obligations under such contractual arrangements will continue and be assumed by Forge

Vote Required

Approval of the Reincorporation proposal will require the affirmative vote of the majority of outstanding shares of the Company on the Record Date entitled to vote on the proposal. Approval of the Reincorporation proposal will also constitute approval of (i) the Merger Agreement, (ii) the name change of the Company from emailthatpays.com, Inc. to Forge, Inc., (iii) the effective reverse stock split of up to twenty shares of Company Common Stock for each new share of Forge Common Stock, (iv) the Certificate of Incorporation and Bylaws of Forge, (iii) the assumption by Forge of all of the rights and

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

obligations of the Company.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE PROPOSED REINCORPORATION IN DELAWARE

### Comparative Rights Of Shareholders

The following is only a summary of the differences between the rights of a shareholder under the FBCA and the Delaware General Corporation Law ("DGCL") and is qualified in its entirety by the FBCA, DGCL, the Articles of Incorporation (the "Articles") and Bylaws of the Company and the Certificate of Incorporation (the "Certificate"), a copy of which is attached hereto as Exhibit B and Bylaws, a copy of which is attached hereto as Exhibit C, of Forge, which may be modified by the Board of Directors prior to adoption at the Annual Meeting.

14

Under the Plan of Merger, the Company's shareholders whose rights are currently governed by Florida law will, upon the exchange of their shares pursuant to the merger, become holders of shares in Forge and their rights as such will be governed by Delaware law, under Forge's Certificate and Bylaws. The material differences between the rights of holders of the shares in the Company and shares in Forge, which result from differences in their governing corporate documents and differences in Delaware and Florida corporate law, are summarized below.

### Appraisal Rights Of Dissenting Shareholders

The FBCA provides that any shareholder of a corporation generally has the right to dissent from, and obtain payment of the fair value of their shares in the event of a merger, share exchange, a sale or exchange of all or substantially all the property of the corporation other than in the ordinary course of its business, or any amendment to the corporation's articles of incorporation that adversely affects such shareholder, provided such shareholder otherwise complies with the requirements of Florida law and does not vote in favor of the proposed action.

Unless the articles of incorporation otherwise provide (which the Company's do not), a shareholder does not have dissenters' rights with respect to a plan of merger or share exchange or a proposed sale or exchange of property where shares of the Company's stock are either (i) registered on a national securities exchange or designated as a national market system security on an interdealer quotation system by National Association of Securities Dealers, Inc. (the "NASD") or (ii) held of record by not fewer than 2,000 shareholders.

As the Company does not qualify for such an exception, the Company's shareholders will be entitled to dissenters' rights pursuant to the merger.

Under the DGCL, a stockholder of a Delaware corporation is generally entitled to demand appraisal and obtain payment of the judicially-determined fair value of his or her shares in the event of any plan of merger or consolidation to which the corporation, is a party, provided such stockholder continuously holds such shares through the effective date of the merger and otherwise complies with the requirements of Delaware law for the perfection of appraisal rights and does not vote in favor of the merger.

Such appraisal rights are not available, however, when shares of the corporation's stock are either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

system by the NASD or (ii) held of record by more than 2,000 holders. In addition, appraisal rights are not available for any shares of stock of the constituent corporation surviving the merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation. Notwithstanding the above, appraisal rights are available for the shares of any class or series of stock of a Delaware corporation if the holders thereof are required by the terms of an agreement of merger or consolidation to accept for their stock anything except: (i) shares of stock of the corporation surviving or

15

resulting from the merger or consolidation; (ii) shares of stock of any other corporation, or depository receipts in respect thereof, which at the effective date of the merger or consolidation will be listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the NASD or held of record by more than 2,000 stockholders; (iii) cash in lieu of fractional shares of the corporations described in (i) and (ii); or (iv) any combination of the shares of stock, depository receipts and cash in lieu of fractional shares described in (i), (ii) and (iii).

Forge's Certificate does not contain any provision relating to stockholder appraisal rights. As Forge does not qualify for an exception to appraisal rights, its stockholders are generally entitled to appraisal rights under the DGCL.

### Authorized Capital

The Company's Articles provide for authorized stock consisting of 100,000,000 shares of common stock, \$0.005 par value and 2,000,000 shares of preferred stock, \$0.01 par value.

Forge's Certificate provides for authorized stock consisting of 18,000,000 shares of common stock, \$0.001 par value and 2,000,000 shares of preferred stock, \$0.001 par value.

### Election And Size Of Board Of Directors

The FBCA requires that a board of directors consist of one or more natural persons, with the number specified in or in accordance with the corporation's articles of incorporation or Bylaws, that are elected at each annual shareholder meeting, unless their terms are staggered. The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the articles of incorporation or the Bylaws. If authorized in the articles of incorporation, the FBCA permits staggered boards of directors of up to three (3) separate classes. Under Florida law, shareholders do not have cumulative voting unless the articles of incorporation so provide.

The Company's Articles state that it will have not less than one (1) Director and the number of Directors may be increased from time to time by Bylaws adopted by the Directors or the Shareholders, and do not provide for cumulative voting. The Company's Bylaws provide that the number of Directors may be increased or decreased from time to time by amendment to the Bylaws. Directors must also be natural persons who are 18 years of age or older, but need not be residents of the State of Florida.

Under the DGCL, directors, unless their terms are staggered in the form of a classified board of directors, are elected at each annual stockholder meeting. The certificate of incorporation may authorize the election of certain directors by one (1) or more classes or series of shares, and the certificate of

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

incorporation, an initial Bylaw or a Bylaw adopted by a vote of the stockholders may provide for staggered terms for the directors. The certificate of

16

incorporation or the Bylaws also may allow the stockholders or the board of directors to fix or change the number of directors, but a corporation must have at least one (1) director. Under Delaware law, stockholders do not have cumulative voting rights unless the certificate of incorporation so provides.

Forge's Certificate provides that the board of directors will be comprised of three (3) initial directors and does not provide for cumulative voting. The initial directors will serve until the first annual meeting of the stockholders and until their successors are elected and qualified. Forge Inc.'s Bylaws provide that the board of directors will consist initially of three (3) directors, who need not be stockholders, and, thereafter, will consist of such number as may be fixed from time to time by resolution of the board of directors. The directors will also be elected at the annual meeting of the stockholders and will hold office until their successors are elected and qualified or until their earlier resignation or removal.

### Removal Of Directors

The FBCA entitles shareholders to remove directors either for cause or without cause, unless the articles of incorporation provide that removal may be for cause only. Directors elected by a particular voting group may only be removed by the shareholders of that voting group. The Company's Articles and Bylaws do not contain any statements relating to the removal of directors either for cause or without cause.

Under the DGCL, a director of a corporation that does not have a classified board of directors or cumulative voting may be removed with or without cause with the approval of a majority of the outstanding shares entitled to vote. Whenever the holders of a class or series of stock are entitled to elect one (1) or more directors by the certificate of incorporation, however, a vote of the holders of outstanding shares of that class or series of stock will be entitled to remove the director or directors so elected and not a vote of all outstanding shares as a whole. Forge's Bylaws provide that any director may be removed, with or without cause, by the holders of a majority of the shares of capital stock entitled to vote at an election of directors, either by written consent or at any special meeting of the stockholders called for that purpose, and the office of such director will become vacant.

### Vacancies On The Board Of Directors

The FBCA provides that, unless the articles provide otherwise, vacancies arising on the board of directors may be filled by a majority of the remaining directors, even if no quorum remains, or by the shareholders. When directors are divided into classes, vacancies may be filled by the shareholders or, if at least one (1) director remains in the class, by the remaining directors of that class. Where a vacancy will be known to occur at some point in the future, it may be filled in advance, although the new director will not take office until the vacancy actually occurs. The Company's Articles do not contain any additions to these statutory provisions. The Company's Bylaws state that whenever a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors, it may be filled by the affirmative vote of a majority of the remaining directors.

17

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Under the DGCL, a majority of the directors of a corporation then in office, although less than a quorum, may fill any vacancy on the board of directors, including vacancies resulting from an increase in the number of directors. Forge's Bylaws also provide that vacancies on the board of directors will be filled by a majority of the directors then in office though less than a quorum. The stockholders removing any director, however, may at the time fill any such vacancy caused by such removal. Furthermore, if the directors fail to fill any vacancy, the stockholders may at any special meeting called for that purpose fill such vacancy. Any person elected to fill a vacancy will hold office, subject to the right of removal as provided for in the Bylaws, until his or her successor is elected and qualified.

### Action By Written Consent

The FBCA allows shareholders or all of the directors to take action without a meeting through the use of a written consent, unless provided otherwise in the article of incorporation. The FBCA provides that actions of shareholders required or permitted to be at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, if a consent or consents in writing, setting forth the action so taken, is dated and signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted with respect to the subject matter thereof and such consent is delivered to the Company within 60 days of the earliest dated consent. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those shareholders who have not consented in writing or who are not entitled to vote on the action. The FBCA also allows that any action required or permitted to be taken at a meeting of the board of directors or committee thereof to be taken without a meeting if a consent in writing, setting forth the action taken, is signed by all the members of the board of directors or the committee. The Company's Articles or Bylaws do not contain any additions to these statutory provisions.

DGCL provides that, unless limited by the certificate of incorporation, any action that could be taken by stockholders at any annual or special meeting of such stockholders may be taken without a meeting if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and delivered to the corporation. Prompt notice of an action taken by written consent which is not unanimous is required to be given to those stockholders who have not consented in writing. Delaware law also provides that any action required or permitted to be taken at any meeting of the board of directors, or at any committee thereof, may be taken without a meeting if all the members of the board of directors or committee, as the case may be, consent thereto, in writing, and the writing or writings are filed with the minutes of the proceedings of the board of directors or committee. Forge's Certificate and Bylaws do not contain any additions to these statutory provisions.

18

### Amendments To Charter

Under the FBCA, amendments to the corporate charter require the approval of a majority of the shareholders entitled to vote thereon. The Company's Articles do not contain any additions to these statutory provisions.



## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Under the DGCL, unless a higher vote is required in the certificate of incorporation, an amendment to the certificate of incorporation of a corporation may be approved by a majority of the outstanding shares entitled to vote upon the proposed amendment.

### Amendments To Bylaws

Under the FBCA, Bylaws may be amended by the directors or the shareholders unless (i) the articles of incorporation expressly provide that only shareholders may do so, or (ii) the shareholders provide that they may not be amended or repealed by the directors. The Company's Articles do not contain any additions to these statutory provisions. The Company's Bylaws provide that the directors may amend or repeal the Company's Bylaws unless the FBCA reserves the power to amend a particular bylaw provision exclusively to the shareholders.

+

The DGCL provides that a corporation's Bylaws may be amended by that corporation's stockholders, or, if so provided in the corporation's certificate of incorporation, the power to amend the corporation's Bylaws may also be conferred on the corporation's directors. Forge's Certificate gives its directors the authority to make, alter or repeal the Bylaws of the corporation. Forge's Bylaws provide that the board of directors will have the power to make, rescind, alter, amend and repeal the Bylaws, provided however, that the stockholders will have the power to rescind, alter, amend or repeal any Bylaws made by the board of directors and to enact Bylaws, which if so expressed, will not be rescinded, altered, amended or repealed by the Board of Directors.

### Quorum for Shareholder Meetings and Shareholder Voting Requirements

Under the FBCA, unless otherwise provided in a corporation's certificate of incorporation, a majority of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter. If a quorum exists, action on a matter by a voting group (other than the election of directors) is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or this act requires a greater number of affirmative votes. The Company's Articles do not contain any additions to these statutory provisions.

19

Under the DGCL, unless otherwise provided in a corporation's certificate of incorporation or its Bylaws, a majority of shares entitled to vote on a matter constitutes a quorum at a meeting of stockholders, but in no event may a quorum consist of less than one-third (1/3) of the shares entitled to vote on such matter. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter will be the act of the stockholder. Forge's Bylaws state that any number of stockholders, together holding at least one-third (1/3) of the capital stock of the corporation issued and outstanding and entitled to vote, who are present in person or represented by proxy at any meeting duly called, constitute a quorum for the transaction of business. At all meetings of stockholders, all matters, except as otherwise provided by statute, will be determined by the affirmative vote of the majority of shares present in person or by proxy and entitled to vote on the subject matter.

### Proxies

Under the FBCA, a proxy is effective only for a period of eleven

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

(11) months, unless otherwise provided in the proxy. The Company's Articles and Bylaws do not contain any additions to these statutory provisions.

Under the DGCL, a proxy executed by a stockholder will remain valid for a period of three (3) years, unless the proxy provides for a longer period. Forge's Certificate and Bylaws do not contain any additions to these statutory provisions.

### Special Meetings Of Shareholders

Under the FBCA, a special meeting of shareholders may be called by a corporation's board of directors or any other person authorized to do so in the articles of incorporation or Bylaws. Special meetings may also be called on demand of at least 10% of all shares eligible to vote on the matter to be considered, although this percentage may be increased in the articles of incorporation to a maximum of 50%. Only business within the purpose of the special meeting notice may be conducted at such meeting. The Company's Articles and Bylaws do not provide any additions to these statutory provisions.

The DGCL provides that special meetings of the stockholders of a corporation may be called by the corporation's board of directors or by such other persons as may be authorized in the corporation's certificate of incorporation or Bylaws. Forge's Bylaws provide that special meetings of stockholders for any purpose may be called at any time by the board of directors or by the chief executive officer, and will be called by the chief executive officer at the request of the holders of a majority of the outstanding shares of capital stock entitled to vote. Also, at a special meeting, no business will be transacted and no corporate action will be taken other than that stated in the notice of the meeting.

20

### Vote On Extraordinary Corporate Transactions

Under the FBCA, and subject to certain exceptions (including those described in "Business Combination Restrictions"), the approval of a merger or share exchange, plan of liquidation or sale of all or substantially all of a corporation's assets other than in the regular course of business requires the recommendation of the corporation's board of directors and an affirmative vote of a majority of the shareholders eligible to vote thereon. The foregoing provisions apply to the Company. The Company's Articles and Bylaws do not contain any additions to these statutory provisions.

The DGCL provides that, unless otherwise specified in a corporation's certificate of incorporation or unless the provisions of Delaware law relating to business combinations discussed below under "Business Combination Restrictions" are applicable, a sale or other disposition of all or substantially all of the corporation's assets, a merger or consolidation of the corporation with another corporation or a dissolution of the corporation requires the affirmative vote of the board of directors, except in certain limited circumstances, in addition to, with certain exceptions, the affirmative vote of a majority of the outstanding stock entitled to vote thereon. The foregoing provisions apply to Forge. Forge's Certificate does not contain any additions to these statutory provisions.

### Inspection Of Documents

Under the FBCA, a shareholder is entitled to (i) inspect and copy the articles of incorporation, (ii) Bylaws, (iii) certain board and shareholder

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

resolutions, (iv) certain written communications to shareholders, (v) a list of the names and business addresses of the corporation's directors and officers, and (vi) the corporation's most recent annual report during regular business hours, if the shareholder gives at least five (5) business days prior written notice to the corporation before the date he or she wishes to inspect and copy. In addition, a shareholder of a Florida corporation is entitled to inspect and copy other books and records of the corporation during regular business hours if the shareholder gives at least five (5) business days prior written notice to the corporation and (i) the shareholder's demand is made in good faith and for a proper purpose, (ii) the demand describes with particularity its purpose and the records to be inspected or copied and (iii) the requested records are directly connected with such purpose. The FBCA also provides that a corporation may deny any demand for inspection if the demand was made for an improper purpose or if the demanding shareholder (i) has, within two (2) years preceding such demand, sold or offered for sale any list of shareholders of the corporation or any other corporation, (ii) has aided or abetted any person in procuring a list of shareholders for such purpose or (iii) has improperly used any information secured through any prior examination of the records of the corporation or any other corporation. The Company's Articles does not contain any additions to these statutory provisions.

The DGCL allows any stockholder, upon written demand under oath stating the purpose thereof, the right during the usual hours for business to inspect for any proper purpose the corporation's (i) stock ledger, (ii) a list

21

of its stockholders, and (iii) its other books and records, and to make copies or extracts therefrom. A proper purpose means a purpose reasonably related to such person's interest as a stockholder. If the corporation refuses to permit inspection sought by a stockholder or does not reply to the demand within five (5) business days after the demand has been made, the stockholder may apply to a court for an order to compel inspection. Forge's Articles or Bylaws do not contain any additions to these statutory provisions.

### Dividends

The FBCA permits a corporation's board of directors to make distributions to its shareholders as long as (i) the corporation is able to pay its debts as they become due in the ordinary course of business or (ii) its total assets are greater than the sum of its total liabilities plus the amount that would be necessary to satisfy the preferred shareholders upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. Under the FBCA, a corporation's redemption of its own capital stock is deemed to be a distribution. The Company's Bylaws provide that the Board of Directors may authorize and the Company may make distributions to its shareholders subject to restriction by the Company's Articles.

Subject to any restrictions contained in a corporation's certificate of incorporation, the DGCL generally provides that a corporation may declare and pay dividends out of "surplus" (defined as the excess, if any, of net assets (total assets less total liabilities) over capital) or, when no surplus exists, out of net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, except that dividends may not be paid out of net profits if the capital of the corporation is less than the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In accordance with the DGCL, "capital" is determined by the board of directors and will not be less than the aggregate par value of the outstanding capital stock of the corporation having

par value.

Forge's Certificate states that subject to any preferential rights granted for any series of preferred stock, the holders of shares of Forge Common Stock will be entitled to receive dividends, out of the funds of the corporation legally available therefor, at the rate and at the time or times, whether cumulative or noncumulative, as may be provided by the board of directors. The holders of shares of the preferred stock will be entitled to receive dividends to the extent provided in Forge's Certificate or by the board of directors in designating the particular series of preferred stock, and the holders of shares of Forge Common Stock will not be entitled to receive any dividends other than the dividends referred to in Forge's Certificate. Forge's Bylaws state that the board of directors has the power to fix and vary the amount to be set aside or reserved as working capital of the corporation or as reserves and, subject to the requirements of Forge's Certificate, to determine whether any part of the surplus or net profits of the corporation will be declared as dividends and paid to the stockholders as well as to fix the date or dates for such payment or dividends.

22

#### Indemnification Of Directors And Officers

The FBCA permits a corporation to indemnify any person who was or is a party to any proceeding, by the reason of the fact that he or she is or was an officer or director, employee and agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of the corporation or another entity, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal action, which they had no reasonable cause to believe was unlawful. The FBCA provides that a corporation may advance reasonable expenses of defense upon receipt of an undertaking to reimburse the corporation if indemnification is ultimately not to be appropriate. A corporation must reimburse a successful defendant, however, for expenses, including attorneys' fees, actually and reasonably incurred in connection with such defense. The FBCA also provides that indemnification may not be made for any claim, issue or matter as to which a person has been adjudged by a court of competent jurisdiction to be liable to the corporation, unless and only to the extent a court determines that the person is entitled to indemnity for such expenses as the court deems proper. The Company's Articles provide that the Company, to the fullest extent permitted by the FBCA, shall indemnify any and all persons whom it shall have power to indemnify under the FBCA from and against any and all expenses, liabilities or other matters referred to in or covered by the FBCA, and indemnification provided for in the Company's Articles shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Bylaws, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, office, employee or agent, and shall inure to the benefit of the heir, executors and administrators of such a person.

Under the DGCL, a corporation may indemnify any person made a party or threatened to be made a party to any type of proceeding (other than an action by or in the right of the corporation) because he is or was an officer, director, employee or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or entity, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such proceeding: (i) if he acted in good faith and in a manner he reasonably believed to be in or not

opposed to the best interests of the corporation and (ii) in the case of a criminal proceeding, he had no reasonable cause to believe that his conduct was unlawful. A corporation may indemnify any person made a party or threatened to be made a party to any threatened, pending or completed action or suit brought by or in the right of the corporation because he was an officer, director, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other entity, against expenses actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. There may be no such indemnification, however, if the person is found liable to the corporation unless, and only to the extent that, the court determines the person is entitled thereto. A corporation must also indemnify a present or former director or officer agent against expenses

23

actually and reasonably incurred by him who successfully defends himself in a proceeding to which he was a party because he was a director or officer of the corporation. In addition, expenses incurred by an officer or director (or former director or officer, employee or agent as deemed appropriate by the board of directors) in defending a proceeding may be paid by the corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it will ultimately be determined that he is not entitled to be indemnified by the corporation. The Delaware law indemnification and expense advancement provisions are not exclusive of any other rights which may be granted by the Bylaws, a vote of stockholders or disinterested directors, agreement or otherwise. Forge's Certificate and Bylaws do not contain any additions to these statutory provisions.

#### Limitation Of Liability

The FBCA provides that a director is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision, or failure to act, regarding corporate management or policy unless the director breached or failed to perform his statutory duties as a director and such breach or failure (i) constitutes a violation of criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (ii) constitutes a transaction from which the director derived an improper personal benefit, (iii) results in an unlawful distribution, (iv) in a derivative action or an action by a shareholder, constitutes conscious disregard for the best interests of the corporation or willful misconduct or (v) in a proceeding other than a derivative action or an action by a shareholder, constitutes recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property. The Company's Articles provide that no director of the Company shall be personally liable to the Company or its shareholders for monetary damages or for breach of fiduciary duty as a Director except for liability (i) for any breach of the Director's duty of loyalty to the Company or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under the FBCA, or (iv) for any transaction from which the director derived any improper personal benefit.

The DGCL permits a corporation to adopt a provision in its certificate of incorporation (and Forge's Certificate has adopted such a provision) eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except that such provision will not limit the liability of a

director for (i) any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) liability under Section 174 of the DGCL for unlawful payment of dividends or stock purchases or redemptions, or (iv) any transaction from which the director derived an improper personal benefit. Forge's Certificate also adds the statement that if the DGCL is amended after the effective date of this article to authorize corporate

24

action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation will be eliminated or limited to the fullest extent permitted by the DGCL as so amended. Furthermore, any repeal or modification of the foregoing limitation of director liability by the stockholders of the corporation will not adversely affect the right or protection of a director of the corporation existing at the time of such repeal or modification.

#### Preemptive Rights

Under the FBCA, shareholders of a corporation have no preemptive rights unless provided for in the articles of incorporation. The Company's Articles do not contain any additions to these statutory provisions.

The DGCL does not provide, except in limited instances, for preemptive rights to acquire a corporation's unissued stock. Such right may be expressly granted to the stockholders, however, in a corporation's certificate of incorporation. Forge's Certificate expressly states that no preemptive rights will exist with respect to shares of stock or securities convertible into shares of stock of Forge.

#### Special Redemption Provisions

The FBCA permits a corporation to acquire its own shares, unless the articles of incorporation do not permit it. The Company's Articles and Bylaws do not contain any additions to these statutory provisions.

Under the DGCL, a corporation may purchase or redeem shares of any class of its capital stock, but subject generally to the availability of sufficient lawful funds therefor and provided that at all times, at the time of any such redemption, the corporation will have outstanding shares of one (1) or more classes or series of capital stock which have full voting rights that are not subject to redemption. Forge's Certificate does not contain any additions to these statutory provisions.

#### Shareholder Suits

Under the FBCA, a person may not bring a derivative action unless the person was a shareholder of the corporation at the time of the challenged transaction or unless the person acquired such shares by operation of law from a person who was a shareholder at such time. The Company's Articles or Bylaws do not have any additions to these statutory provisions.

Under the DGCL, a stockholder may institute a lawsuit against one or more directors, either on his own behalf or derivatively on behalf of the corporation. An individual stockholder may also commence a lawsuit on behalf of himself and other similarly situated stockholders when the requirements for maintaining a class action under Delaware law have been met. Forge's Certificate and Bylaws do not contain any additions to these statutory provisions.

## Business Combination Restrictions

The FBCA provides that the approval of the holder of two-thirds (2/3) of the voting shares of a company, other than the shares beneficially owned by an Interested Stockholder (as defined below), would be required to effectuate certain transactions, including without limitation (i) a merger or consolidation, (ii) certain sales of assets, (iii) certain sales of shares, (iv) liquidation or dissolution of the corporation, (v) reclassification or recapitalization of securities or (vi) any loans or other financial assistance where an Invested Shareholder would benefit directly or indirectly involving a corporation and an Interested Stockholder (an "Affiliated Transaction"). An "Interested Stockholder" is defined as the beneficial owner of more than 10% of the voting shares outstanding. The foregoing special voting requirement is in addition to the vote required by any other provision of the FBCA.

The special voting requirement does not apply in any of the following circumstances: (i) the Affiliated Transaction is approved by a majority of the corporation's disinterested directors; (ii) the Interested Stockholder has owned at least 80% of the corporation's voting stock for five (5) years preceding the announcement of the event; (iii) the Interested Stockholder owns more than 90% of the corporation's voting shares; (iv) the corporation has not had more than 300 shareholders of record at any time during the three (3) years preceding the announcement of the event; (v) the corporation is an investment company registered under the Investment Company Act of 1940; or (vi) all of the following conditions are met: (a) the cash and fair market value of other consideration to be paid per share to all holders of voting shares equals the highest per share price as determined by statute; (b) the consideration to be paid in the Affiliated Transaction is in the same form as previously paid by the Interested Stockholder (or certain alternative benchmarks if higher); (c) during the portion of the three (3) years proceeding the announcement date that the Interested Stockholder has been an Interested Stockholder, except as approved by a majority of the disinterested directors, there will have been no default in payment of any full periodic dividends, no decrease in common stock dividends, and no increase in the voting shares owned by the Interested Stockholder, (d) during such three (3) year period no benefit to the Interested Stockholder in the form of loans, guaranties or other financial assistance or tax advantages has been provided by the corporation, and (e) unless approved by a majority of the disinterested directors, a proxy will have been mailed to holders of voting shares at least 25 days prior to the consummation of the Affiliated Transaction.

The Company's Articles do not contain any additions to these statutory provisions.

In general, the DGCL prevents an "Interested Stockholder" (defined generally as a person with 15% or more of a corporation's outstanding voting stock, with the exception of any person who owned and has continued to own shares in excess of the 15% limitation since December 23, 1987 or acquired the shares from an interested stockholder, by gift, inheritance or in a transaction where no consideration was exchanged) from engaging in a Business Combination with a Delaware corporation for three (3) years following the date such person

became an Interested Stockholder. The term "Business Combination" includes mergers or consolidations with an Interested Stockholder and certain other

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

transactions with an Interested Stockholder, including, without limitation: (i) any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with the Interested Stockholder or with any other entity if the merger or consolidation is caused by the Interested Stockholder; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) except proportionately as a stockholder of such corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets having an aggregate market value equal to 10% or more of the aggregate market value of all assets of the corporation or of certain subsidiaries thereof determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; (iii) any transaction which results in the issuance or transfer by the corporation or by certain subsidiaries thereof of stock of the corporation or such subsidiary to the Interested Stockholder, except pursuant to certain transfers in a conversion or exchange or pro rata distribution to all stockholders of the corporation or certain other transactions, none of which increase the Interested Stockholder's proportionate ownership of any class or series of the corporation's or such subsidiary's stock; (iv) any transaction involving the corporation or certain subsidiaries thereof which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into stock of the corporation or any subsidiary which is owned by the Interested Stockholder except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused directly or indirectly by the Interested Stockholder; or (v) any receipt by the Interested Stockholder of the benefit (except proportionately as a stockholder of such corporation) of any loans, advances, guarantees, pledges, or other financial benefits provided by or through the corporation or certain subsidiaries.

The three (3) year moratorium may be avoided if: (i) before such person became an Interested Stockholder, the board of directors of the corporation approved either the Business Combination or the transaction in which the Interested Stockholder became an Interested Stockholder, or (ii) upon consummation of the transaction which resulted in the stockholder becoming an Interested Stockholder, the Interested Stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding shares owned by directors who are also officers of the corporation and by employee stock ownership plans that do not provide employees with the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) at or subsequent to such time the Business Combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders (not by written consent) by the affirmative vote of the stockholders of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the Interested Stockholder.

27

The Business Combination restrictions described above do not apply if, among other things: (i) the corporation's original certificate of incorporation contains a provision expressly electing not to be governed by the statute; (ii) the corporation by action by the holders of a majority of the voting stock of the corporation approves an amendment to its certificate of incorporation or Bylaws expressly electing not to be governed by the statute (effective twelve (12) months after the amendment's adoption), which amendment will not be applicable to any business combination with a person who was an Interested Stockholder at or prior to the time of the amendment; or (iii) the corporation does not have a class of voting stock that is (a) listed on a national securities exchange, (b) authorized for quotation on Nasdaq or other market; or (c) held of record by more than 2,000 stockholders. The statute also



## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

does not apply to certain Business Combinations with an Interested Stockholder when such combination is proposed after the public announcement of, and before the consummation or abandonment of, a merger or consolidation, a sale or other disposition of 50% or more of the aggregate market value of the assets of the corporation on a consolidated basis or the aggregate market value of all outstanding shares of the corporation, or a tender or exchange offer for 50% or more of the outstanding voting shares of the corporation, if the triggering transaction is with or by a person who either was not an Interested Stockholder during the previous three (3) years or who became an Interested Stockholder with Board of Director approval, and if the transaction is approved or not opposed by a majority of the current directors who were also directors prior to any person becoming an Interested Stockholder during the previous three (3) years.

Forge is subject to the Business Combination restrictions described above, and Forge's Certificate does not contain a provision electing not to be governed by the Business Combination restrictions.

### Federal Tax Consequences

The following discussion summarizes the material anticipated United States federal income tax consequences relevant to the exchange of the Company Common Stock for Forge Common Stock pursuant to the merger. This discussion is based on currently existing provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Regulations thereunder and current administrative rulings and court decisions, all of which are subject to change and differing interpretation. Any such change, which may or may not be retroactive, could alter the United States federal income tax consequences to the Company, Forge and shareholders of the Company as described herein.

The Company's shareholders should be aware that this discussion does not deal with all United States federal income tax considerations that may be relevant to particular Company shareholders in light of their particular circumstances, such as shareholders who are dealers in securities, banks or other financial institutions, insurance companies, mutual funds or tax exempt organizations, shareholders who are subject to the alternative minimum tax provisions of the Code, who are foreign persons (i.e., persons other than (i) citizens or individual residents of the United States, (ii) corporations or partnerships created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) estates whose income is taxable in

28

the United States irrespective of source and (iv) trusts subject to the primary supervision of a court within the United States and control of a United States fiduciary as described Section 7701(a)(30) of the Code), who do not hold their Company Common Stock as capital assets within the meaning of Section 1221 of the Code, who acquired their Company Common Stock in connection with stock option or stock purchase plans or in other compensatory transactions or who hold their Company Common Stock as part of a hedging, straddle, conversion or other risk reduction transaction. Also, the following discussion does not address the tax consequences under Sections 1045 and 1202 of the Code with respect to shares of "qualified small business stock" (within the meaning of Section 1202 of the Code) or under Section 1244 of the Code with respect to shares of "section 1244 stock" (within the meaning of Section 1244 of the Code). In addition, the following discussion does not address the tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the merger (whether or not any such transactions are undertaken in connection with the merger), including without limitation any exercise of any Company stock option or any transaction in which shares of the Company or Forge capital stock are acquired or shares of Forge capital stock are disposed of. Nor does the following

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

discussion address the United States federal income tax consequences of the merger to holders of Company stock options, stock warrants or debt instruments. The following discussion does not address the tax consequences of the merger under foreign, state or local tax laws. ACCORDINGLY, HOLDERS OF THE COMPANY COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABLE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.

The merger is intended to qualify as a "reorganization" under Section 368(a)(1)(F) or 368(a)(1)(A) of the Code. Assuming the merger qualifies as a reorganization for purposes of the Code, then, subject to the assumptions, limitations and qualifications referred to herein, the merger will result in the following United States federal income tax consequences:

- o No gain or loss will be recognized for United States federal income tax purposes by holders of the Company Common Stock who exchange their Company Common Stock solely for Forge Common Stock in the merger.
- o The aggregate tax basis of the Forge Common Stock received by a holder of the Company Common Stock in the merger will be the same as aggregate tax basis of the Company Common Stock surrendered in the merger.
- o The holding period of the Forge Common Stock received by a of the Company Common Stock in the merger will include the for which the Company Common Stock surrendered therefor in the was held.
- o A holder of the Company Common Stock who exercises dissenters' rights is paid solely cash with respect to all of his Company Common generally will recognize capital gain or loss measured by the between the amount of cash received and the tax basis of shares

29

of the Company Common Stock. Such capital gain or loss will be long-term capital gain or loss if the shares of the Company Stock exchanged by such dissenting shareholder have been held for more than one year. Notwithstanding the foregoing, the amount of cash received in certain instances may be treated as ordinary dividend income under the rules of Sections 302 and 318 of the Code. Holders of the Company Common Stock who dissent from the merger and are paid cash for their shares of the Company Common Stock are urged to consult their own tax advisors regarding the potential application of these rules. Any amount received pursuant to the exercise of dissenters' rights which is treated as interest will be taxable as ordinary income.

- o The Company and Forge will not recognize any gain or loss solely as a result of the merger.

Holders of the Company Common Stock will also be required to file certain information with their United States federal income tax returns and to retain certain records with regard to the merger.

No ruling has been or will be obtained from the IRS in connection with the merger. A successful challenge by the IRS to the qualification of the merger as a "reorganization" within the meaning of Section 368(a) of the Code would result in holders of the Company Common Stock recognizing a taxable gain or loss for each share of the Company Common Stock surrendered, equal to the

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

difference between the shareholder's basis in that share and the fair market value, as of the effective date of the merger, of the Forge Common Stock received in exchange for the Company share. This gain or loss would generally be treated as capital gain or loss for each Company shareholder. In that event, a holder of the Company Common Stock would have an aggregate basis in Forge Common Stock received equal to its fair market value at the Effective Date of the merger and the holding period for such Forge Common Stock would begin on the day after the Effective Date of the merger. In addition, in the event that the merger does not qualify as a reorganization, the Company would be treated as selling all of its assets to Forge in a fully taxable transaction and the Company would recognize taxable gain or loss on such sale.

Amounts received by certain noncorporate shareholders of the Company may be subject to backup withholding at a rate of 31%. However, backup withholding will not apply to a shareholder who either (i) furnishes a correct taxpayer identification number and certifies that he or she is not subject to backup withholding by completing the substitute Form W-9 that will be included as part of the transmittal letter, or (ii) otherwise proves to Forge and its exchange agent that the shareholder is exempt from backup withholding.

THE PRECEDING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR DISCUSSION OF ALL POTENTIAL TAX EFFECTS RELEVANT THERETO. THUS, HOLDERS OF THE COMPANY COMMON STOCK ARE URGED TO CONSULT THEIR

30

OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING TAX RETURN REPORTING REQUIREMENTS, THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL, FOREIGN AND OTHER APPLICABLE TAX LAWS AND THE EFFECT OF ANY PROPOSED CHANGES IN THE LAW.

### Securities Act Consequences

The shares of Forge's Common Stock to be issued in exchange for shares of the Company's Common Stock are not being registered under the Securities Act of 1933, as amended (the "Securities Act"). In that regard, the Company is relying on Rule 145(a)(2) under the Securities Act, which provides that a merger which has "as its sole purpose" a change in the domicile of a corporation does not involve the sale of securities for purposes of the Securities Act, and on interpretations of the Rule by the Securities and Exchange Commission (the "SEC") which indicate that the making of certain changes in the surviving corporation's charter documents which could otherwise be made only with the approval of the shareholders of either corporation does not render Rule 145(a)(2) inapplicable.

After the merger, Forge will be a publicly-held company, Forge Common Stock will be listed for trading in the over-the-counter market, and Forge will file periodic reports and other documents with the SEC and provide to its stockholders the same types of information that the Company has previously filed and provided. Shareholders whose Company Common Stock is freely tradeable before the merger will have freely tradeable shares of Forge's Common Stock. Shareholders holding restricted shares of the Company's Common Stock will have shares of Forge Common Stock which are subject to the same restrictions on transfer as those to which their present shares of the Company's Common Stock are subject, and their stock certificates, if surrendered for replacement certificates representing shares of Forge's Common Stock, will bear the same restrictive legend as appears on their present stock certificates. For purposes of computing compliance with the holding period requirement of Rule 144 under the Securities Act, shareholders will be deemed to have acquired their shares of

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Forge's Common Stock on the date they acquired their shares of the Company's Common Stock. In summary, Forge and its stockholders will be in the same respective positions under the federal securities laws after the merger as were the Company and the shareholders prior to the merger.

### Dissenters' Rights

Sections 607.1301, 607.1302 and 607.1320 ("Dissenters' Rights Provisions") of the FBCA provide dissenters' rights to shareholders of Florida corporations in certain situations. Holders of record of Company Common Stock who comply with applicable statutory procedures summarized herein may be entitled to dissenters' rights under the Dissenters' Rights Provisions in connection with the Reincorporation proposal, because the Reincorporation must be effected through a merger or a sale of substantially all of the property of the corporation other than in the usual and regular course of business and none of the exceptions to dissenter rights set forth in the FBCA are applicable. If holders of a material number of shares exercise dissenters' rights, the Board of Directors anticipates that it will likely abandon the Reincorporation.

31

A person having a beneficial interest in shares of Company Common Stock held of record in the name of another person, such as a broker or nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect dissenters' rights.

The following discussion is not a complete statement of the law pertaining to dissenters' rights under the FBCA and is qualified in its entirety by the full text of Dissenter Rights Provisions, which are reprinted in their entirety as Exhibit D to this Proxy Statement. All references in the Dissenters' Rights Provisions and in this summary to a "shareholder" or "holder" are to the record holder of the shares of Company Common Stock as to which dissenters' rights may be asserted.

Under Dissenters' Rights Provisions, where a proposed merger or sale is to be submitted for approval at a meeting of shareholders, the corporation must notify each of its shareholders as of the record date for such meeting of the availability of dissenters' rights with respect to his or her shares of Company Common Stock, and must include in such notice a copy of the Dissenters' Rights Provisions and the materials, if any, that under the Dissenters' Rights Provisions are required to be given to the shareholders entitled to vote on the proposed merger or sale at the meeting.

This Proxy Statement constitutes such notice to the holders of Dissenting Shares (as defined below) and the applicable statutory provisions of the FBCA are attached to this Proxy Statement as Exhibit D. Any shareholder who wishes to assert such dissenters' right or who wishes to preserve his or her right to do so should review the following discussion carefully, because failure to timely and properly comply with the procedures specified will result in the loss of dissenter's rights under the FBCA.

If the Reincorporation, is approved by the required vote of the Company's shareholders and is not abandoned or terminated, each holder of shares of Company Common Stock who does not vote in favor of the Reincorporation and who follows the procedures set forth in the Dissenters' Rights Provisions will be entitled to have his or her shares of Company Common Stock purchased by the Company or Forge for cash at their Fair Value (as defined below). The "Fair Value" of shares of Company Common Stock will be determined as of the day before consummation of the merger by which the Reincorporation will be consummated, excluding any appreciation or depreciation in anticipation of the proposed

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Reincorporation. The shares of Company Common Stock with respect to which holders have perfected their purchase demand in accordance with the Dissenters' Rights Provisions and have not effectively withdrawn or lost such rights are referred to in this Proxy Statement as the "Dissenting Shares."

32

Under the Dissenters' Rights Provisions, a holder of Dissenting Shares wishing to exercise dissenters' rights must deliver to the Company, prior to the vote on the proposed Reincorporation at the Annual Meeting a properly executed written notice of intent to demand payment for shares if the proposed Reincorporation is effectuated. The dissenting shareholder may not vote in favor of the Reincorporation. A holder of Dissenting Shares wishing to exercise such holder's dissenters' rights must be the record holder of such Dissenting Shares on the date the proposed corporate action creating dissenters' rights under Dissenters' Rights Provisions are approved by the shareholders. Accordingly, a holder of Dissenting Shares who is the record holder of Dissenting Shares on the date the written demand for appraisal is made, but who thereafter transfers such Dissenting Shares prior to the vote on the proposed Reincorporation will lose any right to appraisal in respect of such Dissenting Shares.

Under the Dissenters' Rights Provisions, a shareholder who wishes to assert his dissenters' rights if the proposed Reincorporation is approved, must cause the Company to receive written notice of his intent to demand payment for shares prior to the vote taken to approve the proposal at the Annual Meeting. Within ten (10) days after approval of the Reincorporation, the Company (or Forge) must mail a notice of such approval (the "Approval Notice") to all shareholders who filed a notice of intent to demand payment for their shares under the Dissenters' Rights Provisions.

Within 10 days after the expiration of the period in which shareholders may file their notices of election to dissent, or within 10 days after such corporate action is effected, whichever is later, the Company, or Forge, shall make a written offer to each dissenting shareholder who has made demand as provided in this section to pay an amount the Company, or Forge estimates to be the fair value for such shares. If the Company, or Forge, fails to make such offer within the period specified in the Dissenters' Rights Provisions or if it makes the offer and any dissenting shareholder fails to accept the offer within the period of 30 days thereafter, the Company, or Forge, may file an action in any court of competent jurisdiction in Florida in the county in which the registered office is located requesting that the fair value of the shares be determined.

The district court will determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court and will assess the costs against the corporation unless the court finds that all or some of the dissenters acted arbitrarily, vexatiously, or not in good faith. The court may also make other allocations of attorney's fees among the parties.

Failure to follow the steps required by the dissenters' Rights Provisions as described above for perfecting dissenters' rights may result in the loss of such rights. If, after the Effective Time, a holder of Dissenting Shares has failed to perfect or has effectively withdrawn or lost his or her right to payment, such holder's shares will be deemed to have been converted into and to have become exchangeable for, at the Effective Time, the right to receive a corresponding number of shares of Forge Common Stock.

33

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

### OTHER MATTERS

The Board of Directors knows of no other matters to be presented for stockholder action at the Annual Meeting. However, if other matters do properly come before the Annual Meeting or any adjournments or postponements thereof, the Board of Directors intends that the persons named in the proxies will vote upon such matters in accordance with their best judgment.

Whether or not you intend to be present at the Annual Meeting, you are urged to fill out, sign, date and return the enclosed proxy at your earliest convenience.

### MISCELLANEOUS

#### Stockholder Proposals

The deadline for submitting a stockholder proposal for inclusion in the Company's proxy statement and form of proxy for the Company's 2003 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities and Exchange Commission is January 31, 2003.

#### Solicitation of Proxies

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this Proxy Statement, the proxy and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Company Common Stock beneficially owned by others to forward to such beneficial owners. The Company may reimburse persons representing beneficial owners of Company Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by directors, officers or other regular employees of the Company. No additional compensation will be paid to directors, officers or other regular employees for such services.

#### Annual Report

The Annual Report for the fiscal year ended December 31, 2001 is being mailed to the stockholders with this Proxy Statement.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Donald James MacKenzie

Donald James MacKenzie  
Secretary

Vancouver, British Columbia  
April , 2002

# Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

## AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (the "Merger Agreement") is made as of this \_\_\_ day of \_\_\_\_\_, 2002, by and between emailthatpays.com, Inc., a Florida corporation (the "Parent") and Forge, Inc., a Delaware corporation (the "Subsidiary").

### RECITALS:

WHEREAS, the Parent is a corporation organized and existing under the laws of the State of Florida;

WHEREAS, the Subsidiary is a corporation organized and existing under the laws of the State of Delaware and is a wholly-owned subsidiary of the Parent;

WHEREAS, the parties hereto desire that the Parent merge with and into the Subsidiary and that the Subsidiary shall continue as the surviving corporation in such merger, which is intended to qualify as a tax-free reorganization under Section 368(a)(1)(F) or 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, upon the terms and subject to the conditions herein set forth and in accordance with the laws of the State of Florida and the laws of the State of Delaware (the "Merger").

NOW THEREFORE, the parties hereto hereby agree as follows:

### ARTICLE I

#### PRINCIPAL TERMS OF THE MERGER

Section 1.1 Merger of Parent into Subsidiary. At the Effective Time of the Merger (as defined in Section 1.2 hereof), the Parent shall merge with and into the Subsidiary in accordance with the Florida Business Corporation Act (the "FBCA") and the Delaware General Corporation Law (the "DGCL"). The separate existence of the Parent shall thereupon cease and the Subsidiary shall be the surviving corporation (hereinafter sometimes referred to as the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Delaware.

Section 1.2 Effective Time of the Merger. The Merger shall become effective as of the date and time (the "Effective Time of the Merger") the following actions are completed: (a) appropriate articles of merger are filed with the Secretary of State of the State of Florida, and a certificate of merger is issued by the Secretary of State of the State of Florida in accordance with the FBCA and (b) an appropriate certificate of merger is filed with the Secretary of the State of Delaware in accordance with the DGCL.

A-1

Section 1.3 Effects of the Merger. At the Effective Time of the Merger, the Merger shall have the effects specified in the FBCA, the DGCL and this Merger Agreement.

Section 1.4 Certificate of Incorporation and Bylaws. At the Effective Time of the Merger, the Certificate of Incorporation and bylaws of the Subsidiary, as in effect immediately prior to the Effective Time of the Merger, shall become the Certificate of Incorporation and bylaws of the Surviving Corporation until duly amended in accordance with their terms and as provided by the DGCL.

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Section 1.5 Directors and Officers. At the Effective Time of the Merger, the directors and officers of the Subsidiary in office at the Effective Time of the Merger shall become the directors and officers, respectively, of the Surviving Corporation, each of such directors and officers to hold office, subject to the applicable provisions of the Certificate of Incorporation and bylaws of the Surviving Corporation and the DGCL, until his or her successor is duly elected or appointed and qualified.

Section 1.6 Shareholders' Dissenters Rights. The Shareholders of the Parent are entitled to dissenters' rights under sections 607.1301, 607.1302 and 607.1320 of the FBCA. In the event that shareholders collectively owning more than one percent (1%) of the shares of the Parent exercise his, her or its dissenters' rights, the Parent's board of directors may abandon the Merger in its sole discretion.

### ARTICLE II

#### CONVERSION AND EXCHANGE OF STOCK

Section 2.1 Conversion. At the Effective Time of the Merger, each of the following transactions shall be deemed to occur simultaneously:

(a) Each share of the Parent's common stock, \$0.005 par value (the "Parent's Common Stock") issued and outstanding, immediately prior to the Effective Time of the Merger shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become [\_\_\_\_\_] validly issued, fully paid and nonassessable share[s] of the Surviving Corporation's common stock, par value \$0.001 per share (the "Surviving Corporation's Common Stock").

(b) Each option to purchase shares of the Parent's Common Stock outstanding immediately prior to the Effective Time of the Merger shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become an option to purchase, upon the same terms and conditions, the number of shares of the Surviving Corporation's Common Stock, which is [equal to] the number of shares of the Parent's Common Stock that the optionee would have received had the optionee exercised such option in full immediately prior to the Effective Time of the Merger (whether or not such option was then exercisable) and the exercise price per share under each of said options shall be [equal to] the exercise price per share thereunder immediately prior to the Effective Time of the Merger, unless otherwise provided in the instrument granting such option.

A-2

(c) Each warrant to purchase shares of the Parent's Common Stock outstanding immediately prior to the Effective Time of the Merger shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become a warrant to purchase, upon the same terms and conditions, the number of shares of the Surviving Corporation's Common Stock which is [equal to] the number of shares of the Parent's Common Stock that the warrant holder would have received had the warrant holder exercised such warrant in full immediately prior to the Effective Time of the Merger (whether or not such warrant was then exercisable) and the exercise price per share under each of said warrants shall be [equal to] the exercise price per share thereunder immediately prior to the Effective Time of the Merger, unless otherwise provided in the instrument granting such warrant.

(d) Each share of the Subsidiary's Common Stock issued and outstanding immediately prior to the Effective Time of the Merger and held by the Parent



## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

shall be canceled without any consideration being issued or paid therefor.

### Section 2.2 Exchange.

(a) After the Effective Time of the Merger, each certificate theretofore representing issued and outstanding shares of the Parent's Common Stock shall represent [\_\_\_\_] number of shares of the Surviving Corporation's Common Stock.

(b) At any time on or after the Effective Time of the Merger, each holder of an outstanding certificate theretofore representing the Parent's Common Stock will be requested to surrender such certificate to StockTrans, Inc. as the exchange agent (the "Exchange Agent"). As soon as practicable after the surrender to the Exchange Agent of any certificate which prior to the Merger represented shares of the Parent's Common Stock, together with a duly executed transmittal letter and any other documents the Exchange Agent may specify, the Exchange Agent shall deliver to the person in whose name such certificate has been issued certificates registered in the name of such person representing the number of full shares of the Surviving Corporation's Stock into which the shares of the Parent's Common Stock previously represented by the surrendered certificate shall have been reclassified.

(c) No certificates or scrip representing fractional shares of Surviving Corporation's Common Stock shall be issued in connection with the Merger. Instead, stockholders holding a number of shares of the Parent's Common Stock not evenly divisible by the exchange ratio, and stockholders holding less than the exchange ratio of shares of the Parent's Common Stock, upon surrender of their old certificates, will receive cash in lieu of fractional shares of Surviving Corporation's Common Stock. The price payable by the Parent will be determined by multiplying the fraction of a share of new Surviving Corporation's Common Stock by the closing price for that number of shares as determined by the Board of Directors of the Parent's Common Stock at the Effective Time of the Merger for which transactions in the Parent's Common Stock are reported, as reported by the Nasdaq Over the Counter Bulletin Board.

A-3

## ARTICLE III

### EMPLOYEE BENEFIT AND INCENTIVE COMPENSATION PLANS

At the Effective Time of the Merger, each employee benefit plan, incentive compensation plan and other similar plans to which the Parent is then a party shall be assumed by, and continue to be the plan of, the Surviving Corporation. To the extent any employee benefit plan, incentive compensation plan or other similar plan of the Parent provides for the issuance or purchase of, or otherwise relates to, the Parent's Common Stock, after the Effective Time of the Merger such plan shall be deemed to provide for the issuance or purchase of, or otherwise relate to, the Surviving Corporation's Common Stock.

## ARTICLE IV

### CONDITIONS

Consummation of the Merger is subject to the satisfaction at or prior to the Effective Time of the Merger of the following conditions:

Section 4.1 Shareholder Approval. This Merger Agreement and the Merger shall have been adopted and approved by the affirmative vote of a majority of the votes entitled to be cast by all shareholders of the Parent entitled to vote

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

on the record date fixed for determining the shareholders of the Parent entitled to vote thereon. This Agreement and the Merger shall also have been adopted and approved by the Parent as the holder of all the outstanding shares of the Subsidiary's Common Stock prior to the Effective Time of the Merger.

Section 4.2 Third Party Consents. The Parent shall have received all required consents to and approvals of the Merger.

### ARTICLE V

#### MISCELLANEOUS

Section 5.1 Amendment. This Merger Agreement may be amended, modified or supplemented in whole or in part, at any time prior to the Effective Time of the Merger with the mutual consent of the boards of directors of the parties hereto; provided, however, that the Merger Agreement may not be amended after it has been adopted by the shareholders of the Parent in any manner which, in the judgment of the board of directors of the Parent, would have a material adverse effect on the rights of such shareholders or in any manner not permitted under applicable law.

A-4

Section 5.2 Termination. This Merger Agreement may be terminated or abandoned by the parties hereto at any time prior to the filing of the certificate of merger notwithstanding approval of this Merger Agreement by the shareholders of either or both of the Parent or the Subsidiary.

Section 5.3 Necessary Actions, etc. If at any date after the Effective Time of the Merger, the Surviving Corporation shall consider that any assignments, transfers, deeds or other assurances in law are necessary or desirable to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, title to any property or rights of the Parent, the Parent and its officers and directors at the Effective Time of the Merger shall execute and deliver such documents and do all things necessary and proper to vest, perfect or confirm title to such property or rights in the Surviving Corporation, and the officers and directors of the Surviving Corporation are fully authorized in the name of the Parent or otherwise to take any and all such action.

Section 5.4 Counterparts. This Merger Agreement may be executed in any number of counterparts, each of which shall be considered to be an original instrument.

Section 5.5 Descriptive Headings. The descriptive headings are for convenience of reference only and shall not control or affect the meaning or construction of any provision of this Merger Agreement.

Section 5.6 Governing Law. This Merger Agreement shall be construed in accordance with the laws of the State of Delaware, except to the extent the laws of the State of Florida shall mandatorily apply to the Merger.

A-5

IN WITNESS WHEREOF, the undersigned officers of each of the parties to

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

this Merger Agreement, pursuant to authority duly given by their respective boards of directors, have caused this Merger Agreement to be duly executed on the date set forth above.

EMAILTHATPAYS.COM, INC.

By: \_\_\_\_\_  
Daniel Hunter  
Chief Executive Officer

Attest: \_\_\_\_\_  
Donald James MacKenzie  
President and Secretary

FORGE, INC.

By: \_\_\_\_\_  
Daniel Hunter  
Chief Executive Officer

Attest: \_\_\_\_\_  
Donald James MacKenzie  
President and Secretary

A-6

CERTIFICATES

The undersigned, Secretary of Forge, Inc. a Delaware corporation, hereby certifies, pursuant to Section 252(c) of the General Corporation Law of the State of Delaware, that the foregoing Agreement and Plan of Merger to which this Certificate is attached, after having been first duly signed on behalf of Forge, Inc. by its Chief Executive Officer and attested to by its Secretary, was duly submitted to the stockholders of Forge, Inc. for the purpose of considering and acting upon said Agreement and Plan of Merger, on the \_\_\_\_ day of \_\_\_\_\_, 2002, and at said meeting said Agreement and Plan of Merger was adopted by the sole stockholder of Forge, Inc., in accordance with the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the \_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Donald James MacKenzie, Secretary

The undersigned, Secretary of emailthatpays.com, Inc., a Florida corporation, hereby certifies, pursuant to Section 607.1103 of the Florida Statutes, that the foregoing Agreement and Plan of Merger to which this Certificate is attached, after having been first duly signed on behalf of emailthatpays.com, Inc. by its President and attested to by its Secretary, was duly submitted to the shareholders of emailthatpays.com, Inc. at a meeting thereof called for the purpose of considering and acting upon said Agreement and Plan of Merger, held after due notice on the \_\_\_\_ day of \_\_\_\_\_, 2002, and that at said meeting said Agreement and Plan of Merger was adopted by the shareholders of emailthatpays.com, Inc. in accordance with the Florida Business Corporation Act of 1989.

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the \_\_\_\_ day of \_\_\_\_\_, 2002.

-----  
Donald James MacKenzie, Secretary

A-7

EXHIBIT B

CERTIFICATE OF INCORPORATION

OF

FORGE, INC.

a Delaware stock corporation

ARTICLE I. NAME

The name of the corporation is Forge, Inc. (the "Corporation").

ARTICLE II. REGISTERED OFFICE AND REGISTERED AGENT

The address of its registered office in the State of Delaware is c/o CT Corporation Systems, Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, State of Delaware 19801. The name of the registered agent at such address is CT Corporation Systems.

ARTICLE III. PURPOSES

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

ARTICLE IV. STOCK

4.1 Authorized Shares

The Corporation is authorized to issue an aggregate of Twenty Million (20,000,000) shares of capital stock (the "Authorized Shares"), with each share having a par value of \$0.001. The capital stock shall consist of two classes of shares to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of Common Stock that the Corporation shall have authority to issue is Eighteen Million (18,000,000). The total number of shares of Preferred Stock that the Corporation shall have authority to issue is Two Million (2,000,000).

4.2 Common Stock

Subject to any preferential rights granted for any series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends, out of the funds of the Corporation legally available therefor, at the rate and at the time or times, whether cumulative or noncumulative, as may be provided by the Board of Directors. The holders of shares of the Common Stock

B-1

shall not be entitled to receive dividends thereon other than the dividends referred to in this section. The holders of shares of the Common Stock, on the basis of one vote per share, shall have the right to vote for the election of members of the Board of Directors and the right to vote on all other matters, except those matters on which a separate class of the stockholders of the Corporation vote by class or series to the exclusion of the shares of the Common Stock.

#### 4.3 Preferred Stock

The Preferred Stock may be issued from time to time in one or more series, the shares of each series to have such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed herein or in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, the determination or fixing of the following:

- (a) The number of shares of such series;
- (b) The designation of such series;
- (c) The dividends of such series, the conditions and dates upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock and whether such dividends shall be cumulative or noncumulative;
- (d) Whether the shares of such series shall be subject to redemption by the Corporation and, if made subject to such redemption, the times, prices, rates, adjustments, and other terms and conditions of such redemption;
- (e) The terms and amounts of any sinking fund provided for the purchase or redemption of the shares of such series;
- (f) Whether or not the shares of such series shall be convertible into or exchangeable for shares of any other class or classes or of any other series of any class or classes of stock of the Corporation and, if provision be made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;
- (g) The extent, if any, to which the holders of the shares of such series shall be entitled to vote with respect to the election of the members of the Board of Directors or otherwise, including the right to elect a specified number or class of directors, the number or percentage of votes required for certain actions, and the extent to which a vote by class or series shall be required for certain actions;

B-2

- (h) The restrictions, if any, on the issue or reissue of any Preferred Stock;

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

(i) The rights of the holders of the shares of such series upon the dissolution of, or upon the distribution of the assets of, the Corporation; and

(j) The extent, if any, to which any committee of the Board of Directors may fix the designations and any of the preferences or rights of the shares of such series relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into or exchange of such shares for shares of any other class or classes of stock of the Corporation or any other series of the same or any other class or classes of stock of the Corporation, or fix the number of shares of any such series or authorize the increase or decrease in the shares of such series.

### 4.4 Issuance of Shares

The Corporation may from time to time issue and dispose of any of the Authorized Shares for such consideration as may be fixed from time to time by the Board of Directors, without action by the stockholders. The Board of Directors may provide for payment therefor to be received by the Corporation in cash, property, services or such other consideration as is approved by the Board of Directors. Any and all Authorized Shares of the Corporation, the issuance of which has been so authorized, and for which consideration so fixed by the Board of Directors has been paid or delivered, shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon.

### ARTICLE V. ACTION WITHOUT A MEETING

Any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

B-3

### ARTICLE VI. NO CUMULATIVE VOTING

The right to cumulate votes in the election of members of the Board of Directors shall not exist with respect to shares of stock of the Corporation.

### ARTICLE VII. NO PREEMPTIVE RIGHTS

No preemptive rights shall exist with respect to shares of stock or securities convertible into shares of stock of the Corporation.

### ARTICLE VIII. INCORPORATOR

The name and mailing address of the incorporator is as follows:

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

Name	Mailing Address
[-----]	[-----]
	[-----]
	[-----]

ARTICLE IX. DIRECTORS

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors shall be specified in the Bylaws, except that the Corporation shall have three (3) initial directors, whose names and mailing addresses are as follows:

Name	Mailing Address
----	-----
Daniel Hunter	428 West 6th Avenue Vancouver, British Columbia Canada V5Y 1L2
Donald James MacKenzie	428 West 6th Avenue Vancouver, British Columbia Canada V5Y 1L2
Brian Cobbe	428 West 6th Avenue Vancouver, British Columbia Canada V5Y 1L2

The initial directors shall serve until the first annual meeting of stockholders and until their successors are elected and qualified. The directors need not be elected by ballot unless required by the Bylaws of the Corporation.

B-4

ARTICLE X. BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the Bylaws of the Corporation.

ARTICLE XI. PERPETUAL DURATION

The Corporation is to have perpetual existence.

ARTICLE XII. LIMITATION OF DIRECTOR LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after the effective date of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or

## Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

protection of a director of the Corporation existing at the time of such repeal or modification.

[Name] Incorporator

Date: \_\_\_\_\_

yle="margin-left:15px; text-indent:-15px">AT&T, Inc.

1,615,819 430

Brasil Telecom

32,087 15,830

BT Group PLC

994,599 10,700

Cbeyond, Inc., (2)

436,453 106,600

Chunghwa Telecom Co., Ltd., Sponsored ADR

1,969,968 19,700

France Telecom S.A., Sponsored ADR

658,768 145,650

KT Corporation, Sponsored ADR

3,648,533 389,550

Nippon Telegraph and Telephone Corporation, ADR

9,064,829 7,770

Portugal Telecom S.A.

109,091 14,940

Royal KPN Nederland PTT N.V

259,508 59,090

Telecom Argentina S.A., (2)

1,450,660 39,324

Telecom Corporation of New Zealand, Limited

666,942 39,031

Telecom Corporation of New Zealand, Limited

132,212 24,830

Telefonica S.A.

2,080,257 54,110

Telefonos de Mexico S.A. de C.V., Series L

1,778,596

Total Diversified Telecommunication Services

24,898,322

### **Electric Utilities 2.3%**

33,600

Ameren Corporation

1,764,000 6,390

Black Hills Corporation

262,118 263,700



Centrais Electricas Brasileiras S.A., ADR		
	3,698,393	1,080
CPFL Energia S.A.		
	62,888	11,450
DPL Inc.		
	300,677	40,600
E.ON AG		
	2,491,622	35,370
Edison International		
	1,961,267	9,640
El Paso Electric Company, (2)		
	222,973	9,940
Enel S.p.A, Sponsored ADR		
	560,318	15,810
FPL Group, Inc.		
	962,513	100,500
IDACORP, Inc.		
	3,290,370	245,500
Korea Electric Power Corporation, Sponsored ADR		
	5,683,325	34,370
PG&E Corporation		
	1,642,886	4,740
Pike Electric Corporation, (2)		
	88,922	148,600
PNM Resources Inc.		
	3,459,408	73,060
Progress Energy, Inc.		
	3,422,861	66,390
Reliant Energy Inc., (2)		
	1,699,584	
Total Electric Utilities		
	31,574,125	

**Electrical Equipment 0.4%**

	36,840	
ABB Limited		
	970,165	2,880
Acuity Brands Inc.		
	145,382	59,420
Emerson Electric Co.		
	3,162,332	18,930
Nikon Corporation		
	650,969	
Total Electrical Equipment		
	4,928,848	

**Electronic Equipment & Instruments 0.7%**

3,944  
 Itron Inc., (2)  
 367,068 4,390  
 LG Philips LCD Company Limited, Sponsored ADR, (2)  
 105,097 32,500  
 MEMC Electronic Materials, (2)  
 1,912,950 4,360  
 Mettler-Toledo International Inc., (2)  
 444,720 60,500  
 Tech Data Corporation, (2)  
 2,427,260 11,640  
 Tektronix Inc.  
 322,894 3,737  
 Teledyne Technologies Inc., (2)  
 199,518 69,070  
 Thermo Fisher Scientific, Inc., (2)  
 3,986,720  
 Total Electronic Equipment & Instruments  
 9,766,227

**Energy Equipment & Services 0.7%**

19,630  
 Dresser Rand Group, Inc., (2)  
 838,397 43,600  
 Global Industries, Limited, (2)  
 1,123,136 8,260  
 Matrix Service Company, (2)  
 173,047 30,850  
 National-Oilwell Varco Inc., (2)  
 4,457,825 10,600  
 Technip  
 947,715 23,110  
 Tidewater Inc.  
 1,452,232 4,250  
 Trico Marine Services Inc., (2)  
 126,650  
 Total Energy Equipment & Services  
 9,119,002

**Food & Staples Retailing 0.4%**

18,600  
 Casino Guichard-Perrachon S.A.  
 1,950,477 3,660

Koninklijke Ahold N.V., (2)  
 55,083 24,190  
 Kroger Co.  
 689,899 50,180  
 Marks and Spencer Group PLC  
 631,923 3,820  
 Nash Finch Company  
 152,151 38,820  
 Safeway Inc.  
 1,285,330  
 Total Food & Staples Retailing  
 4,764,863

**Food Products 1.2%**

52,490  
 ConAgra Foods, Inc.  
 1,371,564 17,555  
 Flowers Foods Inc.  
 382,699 33,350  
 H.J. Heinz Company  
 1,540,770 198,950  
 Jeronimo Martins SGPS  
 1,222,716 6,050  
 Kellogg Company  
 338,800 22,230  
 Monsanto Company  
 1,906,000 460  
 Nestle S.A.  
 51,486 147,000  
 Smithfield Foods, Inc., (2)  
 4,630,500 98,450  
 Tingyi Holding Corporation  
 151,971 166,000  
 Tyson Foods, Inc., Class A  
 2,963,100 70,840  
 Unilever PLC  
 2,243,503  
 Total Food Products  
 16,803,109

**Gas Utilities 0.3%**

1,440  
 BG PLC  
 124,452 4,850  
 E.ON AG

896,710 27,740  
 Energen Corporation  
 1,584,509 2,640  
 Gas Natural SDG  
 149,074 28,820  
 Questar Corporation  
 1,513,915  
 Total Gas Utilities  
 4,268,660

**Health Care Equipment & Supplies 0.4%**

20,050  
 Alfresa Holdings Corporation  
 1,279,472 29,100  
 Baxter International Inc.  
 1,637,748 23,714  
 Express Scripts, Inc., (2)  
 1,323,715 2,970  
 Lifecell Corporation, (2)  
 111,583 109,400  
 Paramount Bed Company Limited  
 1,468,635 4,602  
 Surmodics Inc., (2)  
 225,544  
 Total Health Care Equipment & Supplies  
 6,046,697

**Health Care Providers & Services 0.4%**

6,060  
 Coventry Health Care, Inc., (2)  
 376,993 31,500  
 Humana Inc., (2)  
 2,201,220 6,570  
 Mentor Corporation  
 302,549 24,223  
 Wellcare Health Plans Inc., (2)  
 2,553,831  
 Total Health Care Providers & Services  
 5,434,593

**Hotels, Restaurants & Leisure 0.2%**

5,340

Bally Technologies, Inc., (2)  
189,196 15,300  
Choice Hotels International, Inc.  
576,351 24,360  
McDonald's Corporation  
1,326,889 13,910  
Multimedia Games, Inc., (2)  
118,513  
Total Hotels, Restaurants & Leisure  
2,210,949

**Household Durables 0.5%**

460  
Koninklijke Philips Electronics N.V.  
20,672 78,750  
Matsushita Electric Industrial Co., Ltd., ADR  
1,460,813 30,821  
Newell Rubbermaid Inc.  
888,261 24,940  
PPR  
4,692,207  
Total Household Durables  
7,061,953

**Household Products 0.6%**

39,640  
Colgate-Palmolive Company  
2,827,125 146,000  
KAO Corporation  
4,359,727 13,947  
Kimberly-Clark Corporation  
979,916  
Total Household Products  
8,166,768

**Independent Power Producers & Energy Traders 0.1%**

22,910  
NRG Energy Inc., (2)  
968,864

**Industrial Conglomerates 0.4%**

25,390  
 General Electric Company  
 1,051,146 250,340  
 Keppel Corporation  
 2,426,722 16,460  
 Siemens AG, Sponsored ADR  
 2,259,135 3,330  
 Teleflex Inc.  
 259,474  
 Total Industrial Conglomerates  
 5,996,477

**Insurance 1.1%**

1,830  
 Aegon N.V.  
 34,825 27,475  
 AFLAC Incorporated  
 1,567,174 11,160  
 Amtrust Financial Services, Inc.  
 169,297 17,180  
 Aon Corporation  
 769,836 13,440  
 Arch Capital Group Limited, (2)  
 1,000,070 25,770  
 AXA-UAP  
 1,149,600 8,910  
 Axis Capital Holdings Limited  
 346,688 254,800  
 Benfield Group, Limited  
 1,511,829 8,570  
 Delphi Financial Group, Inc.  
 346,399 3,970  
 Fairfax Financial Holdings Limited  
 968,680 24,490  
 HCC Insurance Holdings Inc.  
 701,394 48,197  
 Philadelphia Consolidated Holding Corporation, (2)  
 1,992,464 6,550  
 Power Financial Corporation  
 273,287 9,010  
 Seabright Insurance Holdings Inc., (2)  
 153,801 8,120  
 Security Capital Assurance Limited  
 185,461 22,140  
 Sun Life Financial Inc.  
 1,161,243 5,914

Tower Group Inc.  
154,829 3,870  
Universal American Financial Corporation, (2)  
88,555 66,930  
WR Berkley Corporation  
1,983,136 1,280  
ZURICH Financial Services AG  
383,973  
Total Insurance  
14,942,541

**Internet & Catalog Retail 0.1%**

20,450  
Amazon.com, Inc., (2)  
1,904,918

**Internet Software & Services 0.1%**

17,340  
Chordiant Software, Inc., (2)  
240,332 36,000  
eBay Inc., (2)  
1,404,720 4,110  
Open Text Corporation, (2)  
106,737  
Total Internet Software & Services  
1,751,789

**IT Services 0.2%**

34,150  
Accenture Limited  
1,374,538 12,400  
CGI Group Inc., (2)  
141,360 7,320  
Convergys Corporation, (2)  
127,075 12,710  
FactSet Research Systems Inc.  
871,271 11,820  
Savvis Inc., (2)  
458,380  
Total IT Services  
2,972,624

**Leisure Equipment & Products 0.3%**

	19,150
Canon Inc.	
	1,039,654 34,730
Fuji Photo Film Co., Ltd.	
	1,605,505 8,040
FujiFilm Holdings Corporation, ADR	
	368,714 16,550
Hasbro, Inc.	
	461,414 11,940
Marvel Entertainment Inc., (2)	
	279,874 7,890
Sturm, Ruger, & Company, (2)	
	141,310
Total Leisure Equipment & Products	
	3,896,471

**Life Sciences Tools & Services 0.0%**

	7,990
Illumina Inc., (2)	
	414,521

**Machinery 1.0%**

	58,130
ABB Limited	
	1,524,750 115,720
AGCO Corporation, (2)	
	5,875,104 20,646
Harsco Corporation	
	1,223,688 29,760
ITT Industries Inc.	
	2,021,597 30,760
Manitowoc Company Inc.	
	1,362,053 156,840
Mitsui Engineering & Shipbuilding Company Limited	
	888,894 3,727
Parker Hannifin Corporation	
	416,790 8,580
RBC Bearings Inc., (2)	
	329,043 3,300
Robbins & Myers, Inc.	
	189,057 1,780



Volvo AB  
 30,883  
 Total Machinery  
 13,861,859

**Marine 0.2%**

181,660  
 Kawasaki Kisen Kaisha Limited  
 2,668,005

**Media 0.8%**

56,590  
 DIRECTV Group, Inc., (2)  
 1,374,005 47,270  
 EchoStar Communications Corporation, (2)  
 2,212,709 42,860  
 McGraw-Hill Companies, Inc.  
 2,182,003 54,400  
 Scholastic Corporation, (2)  
 1,896,384 19,700  
 Shaw Communication Inc.  
 489,348 7,180  
 Thomson Corporation  
 301,057 46,460  
 Walt Disney Company  
 1,597,759 8,370  
 WPP Group PLC  
 564,975  
 Total Media  
 10,618,240

**Metals & Mining 4.4%**

770  
 Agnico-Eagle Mines, Limited  
 38,346 6,700  
 Alumina Limited, Sponsored ADR  
 169,510 67,765  
 Anglo American PLC, ADR  
 2,266,729 199,200  
 AngloGold Ashanti Limited, Sponsored ADR  
 9,340,488 204,700  
 Apex Silver Mines Limited, (2)

	3,981,415	213,500
Barrick Gold Corporation	8,599,780	9,290
BHP Billiton PLC	668,044	3,680
Compass Minerals International, Inc.	125,267	148,530
Cookson Group	2,318,697	235,600
Crystallex International Corporation, (2)	746,852	11,450
Freeport-McMoRan Copper & Gold, Inc.	1,200,991	169,800
Gabriel Resources, Limited, (2)	430,198	251,900
Gold Fields Limited	4,556,871	1,504,600
Lihir Gold Limited, (2)	5,260,321	500,810
Mitsubishi Materials	3,113,031	204,000
Moto Goldmines, Limited, (2)	607,088	183,700
Newmont Mining Corporation	8,216,901	58,800
NovaGold Resources Inc., (2)	970,788	496,500
Orezone Resources Inc., (2)	923,490	4,280
Rio Tinto PLC, Sponsored ADR	1,469,752	132,270
SSAB Svenskt Stal AB	4,895,392	
Total Metals & Mining	59,899,951	

**Multiline Retail 0.5%**

	15,850	
Big Lots, Inc., (2)	472,964	34,540
Costco Wholesale Corporation	2,119,720	39,520
Dollar Tree Stores Inc., (2)	1,602,141	19,060
Family Dollar Stores, Inc.	506,234	15,180
Kohl's Corporation, (2)	636,936	12,800

Target Corporation  
 813,696  
 Total Multiline Retail  
 6,151,691

**Multi-Utilities 0.3%**

47,210  
 National Grid Group PLC  
 757,278 138,900  
 Puget Energy, Inc.  
 3,398,883  
 Total Multi-Utilities  
 4,156,161

**Oil, Gas & Consumable Fuels 3.0%**

1,080  
 Acergy S.A., Sponsored ADR  
 32,076 60,500  
 Arch Coal Inc.  
 2,041,270 5,240  
 Bill Barrett Corporation, (2)  
 206,508 123,120  
 BP Amoco PLC  
 8,538,372 37,550  
 Chesapeake Energy Corporation  
 1,324,013 10,180  
 Chevron Corporation  
 952,644 9,410  
 China Petroleum and Chemical Corporation  
 1,158,465 30,200  
 Eni S.p.A., Sponsored ADR  
 2,227,552 9,980  
 EOG Resources, Inc.  
 721,853 15,280  
 Equitable Resources Inc.  
 792,574 21,410  
 Frontier Oil Corporation  
 891,512 10,910  
 Hess Corporation  
 725,842 13,530  
 Murphy Oil Corporation  
 945,612 52,600  
 Nexen Inc.  
 1,606,404 2,980  
 Norsk Hydro ASA

129,183	79,500
Peabody Energy Corporation	
3,805,665	8,656
Pioneer Drilling Company, (2)	
105,430	36,610
Repsol YPF S.A.	
1,299,655	98,080
Royal Dutch Shell PLC, Class B, Sponsored ADR	
8,052,368	8,090
St Mary Land and Exploration Company	
288,570	56,750
StatoilHydro ASA	
1,924,960	7,985
Sunoco, Inc.	
565,178	21,120
Total S.A., Sponsored ADR	
1,711,354	12,072
Valero Energy Corporation	
810,997	
Total Oil, Gas & Consumable Fuels	
40,858,057	

**Paper & Forest Products 0.3%**

10,520	
Aracruz Celulose S.A.	
774,167	6,570
Buckeye Technologies Inc., (2)	
99,470	7,730
Potlatch Corporation	
348,082	17,950
Rayonier Inc.	
862,318	8,400
Stora Enso Oyj, R Shares	
163,619	55,210
Votorantim Celulose e Papel S.A.	
1,580,110	
Total Paper & Forest Products	
3,827,766	

**Personal Products 0.0%**

9,430	
Herbalife, Limited	
428,688	3,400
Oriflame Cosmetics	
206,297	

Total Personal Products  
634,985

**Pharmaceuticals 1.3%**

9,650  
 Abraxis Bioscience Inc., (2)  
 220,310 17,900  
 Astellas Pharma Inc.  
 858,651 115,620  
 AstraZeneca Group  
 5,789,093 2,330  
 Doctor Reddy's Laboratories Limited, Sponsored ADR  
 38,119 6,790  
 Eli Lilly and Company  
 386,555 6,720  
 GlaxoSmithKline PLC, ADR  
 357,504 20,870  
 H. Lundbeck A/S  
 566,870 98,000  
 Kissei Pharmaceuticals Company Limited  
 1,774,605 34,110  
 Merck & Co. Inc.  
 1,763,146 1,480  
 Novo Nordisk A/S  
 178,634 189,800  
 Patheon Inc., (2)  
 591,545 9,310  
 Pozen Inc., (2)  
 102,969 88,770  
 Sanofi-Aventis, ADR  
 3,765,623 35,760  
 Shionogi & Company Limited  
 551,351 17,880  
 Warner Chilcott Limited, (2)  
 317,728  
 Total Pharmaceuticals  
 17,262,703

**Real Estate/Mortgage 0.5%**

119,090  
 CFX Retail Property Trust  
 252,562 548,950  
 DB RREEF Trust  
 979,093 3,180  
 Essex Property Trust Inc.

373,873 7,046  
LaSalle Hotel Properties  
296,496 8,480  
Lexington Corporate Properties Trust  
169,685 13,561  
SL Green Realty Corporation  
1,583,518 10,931  
Tanger Factory Outlet Centers  
443,689 21,703  
Taubman Centers Inc.  
1,188,239 719,470  
Wing Tai Holdings Limited  
1,869,508  
Total Real Estate/Mortgage  
7,156,663

**Real Estate Management & Development 0.0%**

11,430  
IMMOFINANZ AG  
142,613 94,390  
New World Development Company, Limited  
262,267  
Total Real Estate Management & Development  
404,880

**Road & Rail 0.4%**

31,360  
Canadian National Railways Company  
1,787,520 15,970  
Canadian Pacific Railway Limited  
1,122,531 33,430  
Hertz Global Holdings, Inc., (2)  
759,530 14,730  
Landstar System  
618,218 5,090  
Union Pacific Corporation  
575,475  
Total Road & Rail  
4,863,274

**Semiconductors & Equipment 0.9%**

14,310

ASM Lithography Holding N.V., (2)  
 474,424 86,010  
 ASM Lithography Holding N.V., (2)  
 2,826,289 14,960  
 Intel Corporation  
 386,866 243,470  
 Micron Technology, Inc., (2)  
 2,702,517 3,460  
 Monolithic Power Systems, Inc., (2)  
 87,884 67,920  
 National Semiconductor Corporation  
 1,841,990 10,730  
 Semtech Corporation, (2)  
 219,750 56,580  
 STMicroelectronics N.V.  
 947,715 161,720  
 Taiwan Semiconductor Manufacturing Company Ltd., Sponsored ADR  
 1,636,606 27,370  
 Teradyne Inc., (2)  
 377,706 23,050  
 Trident Microsystems Inc., (2)  
 366,265 9,040  
 Zoran Corporation, (2)  
 182,608  
 Total Semiconductors & Equipment  
 12,050,620

**Software 0.6%**

7,170  
 Ansys Inc., (2)  
 244,999 9,075  
 Aspen Technology Inc., (2)  
 129,954 43,550  
 Autodesk, Inc., (2)  
 2,176,194 12,378  
 Blackbaud, Inc.  
 312,421 6,270  
 Blackboard, Inc., (2)  
 287,417 32,650  
 Business Objects S.A., (2)  
 1,465,006 28,000  
 Cadence Design Systems, Inc., (2)  
 621,320 17,110  
 Cognos Inc., (2)  
 710,578 42,040  
 Intuit Inc., (2)  
 1,273,812 6,210  
 SPSS Inc., (2)

255,479 23,580  
 Synopsys Inc., (2)  
 638,546  
 Total Software  
 8,115,726

**Specialty Retail 0.3%**

6,865  
 Aeropostale, Inc., (2)  
 130,847 29,610  
 American Eagle Outfitters, Inc.  
 779,039 19,090  
 Gap, Inc.  
 352,020 5,430  
 Gymboree Corporation, (2)  
 191,353 2,610  
 Hennes & Mauritz AB  
 165,451 3,150  
 J. Crew Group Inc., (2)  
 130,725 5,210  
 Luxottica Group S.p.A.  
 176,619 10,780  
 PetSmart Inc.  
 343,882 53,180  
 RadioShack Corporation  
 1,098,699 19,620  
 Sony Corporation  
 942,937  
 Total Specialty Retail  
 4,311,572

**Textiles, Apparel & Luxury Goods 0.1%**

3,780  
 Deckers Outdoor Corporation, (2)  
 415,044 1,100  
 Gildan Activewear Inc, Sponsored ADR, (2)  
 43,329 8,258  
 Guess Inc.  
 404,887 7,640  
 VF Corporation  
 616,925  
 Total, Textiles Apparel & Luxury Goods  
 1,480,185



**Thriffs & Mortgage Finance 0.0%**

42,630  
Hudson City Bancorp, Inc.  
655,644

**Tobacco 0.3%**

10,640  
British American Tobacco PLC  
765,867 7,800  
Imperial Tobacco Group  
715,728 260  
Japan Tobacco, Inc.  
1,428,280 34,550  
UST Inc.  
1,713,675  
Total Tobacco  
4,623,550

**Trading Companies & Distributors 0.0%**

2,660  
W.W. Grainger, Inc.  
242,565

**Transportation Infrastructure 0.2%**

630,470  
Macquarie Airports  
2,433,592

**Wireless Telecommunication Services 0.0%**

7,200  
China Unicom Limited, WI/DD  
150,043 1,390  
Mobile Telesystems, Sponsored ADR  
96,341  
Total Wireless Telecommunication Services  
246,384  
**Total Common Stocks (cost \$496,896,485)**

**526,557,575**

---

**Table of Contents**

Shares	Description (1)	Coupon	Ratings (3)	Value
<b>Convertible Preferred Securities 1.8% (1.2% of Total Investments)</b>				
<b>Automobiles 0.4%</b>				
27,250	General Motors Corporation, Convertible Bonds	1.500%	B-	\$ 770,085
63,700	General Motors Corporation, Convertible Notes, Senior Debentures, Series B	5.250%	B-	1,356,173
119,500	General Motors Corporation	6.250%	B-	2,926,555
	Total Automobiles			5,052,813
<b>Capital Markets 0.0%</b>				
4,900	Affiliated Managers Group Inc., Convertible Bond	5.100%	BB	278,075
<b>Commercial Banks 0.1%</b>				
14,750	Sovereign Capital Trust IV, Convertible Security	4.375%	Baa1	632,775
8,250	Washington Mutual, Inc., Unit 1 Trust	5.375%	A3	396,083
	Total Commercial Banks			1,028,858
<b>Communications Equipment 0.7%</b>				
8,400	Lucent Technologies Capital Trust I	7.750%	B1	8,064,000
<b>Containers &amp; Packaging 0.0%</b>				
12,500	Owens-Illinois, Inc., Convertible Bonds	4.750%	B-	562,500
<b>Electric Utilities 0.1%</b>				
18,850	Centerpoint Energy Inc.	2.000%	BBB-	651,268
6,500	CMS Energy Corporation, Convertible Bonds	4.500%	Ba2	572,813
	Total Electric Utilities			1,224,081
<b>Food Products 0.0%</b>				

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

4,750	Bunge Limited, Convertible Bonds	4.875%	BB	637,094
<b>Independent Power Producers &amp; Energy Traders 0.1%</b>				
500	NRG Energy Inc., Convertible Bond	4.000%	B2	1,079,765
<b>Metals &amp; Mining 0.1%</b>				
800	Freeport McMoran Copper & Gold, Inc.	5.500%	B-	1,826,300
<b>Oil, Gas &amp; Consumable Fuels 0.1%</b>				
7,750	Chesapeake Energy Corporation	5.000%	B	862,358
550	El Paso Corporation	4.990%	B	777,631
Total Oil, Gas & Consumable Fuels				1,639,989
<b>Real Estate 0.1%</b>				
20,550	HRPT Properties Trust, Preferred Convertible Bonds	6.500%	BBB-	472,034
9,050	Simon Property Group, Inc., Series I	6.000%	BBB+	727,892
Total Real Estate				1,199,926
<b>U.S. Agency 0.1%</b>				
19	Federal National Mortgage Association	5.375%	AA-	1,862,986
<b>Total Convertible Preferred Securities (cost \$23,292,082)</b>				<b>24,456,387</b>
<b>Shares</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Ratings (3)</b>	<b>Value</b>
<b>\$25 Par (or similar) Preferred Securities 46.8% (30.2% of Total Investments)</b>				
<b>Capital Markets 6.2%</b>				
229,904	BNY Capital Trust V, Series F	5.950%	Aa3	\$ 5,248,708
148,300	Compass Capital Trust III	7.350%	A2	3,668,942
7,000	CSFB USA, Series 2002-10 (SATURNS)	7.000%	Aa1	172,480
946,417	Deutsche Bank Capital Funding Trust II	6.550%	Aa3	22,572,045
34,200	First Union Institutional Capital II (CORTS)	8.200%	A1	929,898
3,900	Goldman Sachs Capital I, Series A (CORTS)	6.000%	A1	85,449
4,400	Goldman Sachs Group Inc. (SATURNS)	5.750%	AA-	93,676

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

4,800	Goldman Sachs Group Inc., Series 2004-06 (SATURNS)	6.000%	A1	105,072
40,400	Goldman Sachs Group Inc., Series 2004-4 (CORTS)	6.000%	A1	869,004
7,400	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A1	160,432
521,588	Lehman Brothers Holdings Capital Trust III, Series K	6.375%	A2	11,730,514
3,300	Lehman Brothers Holdings Capital Trust IV, Series L	6.375%	A2	75,834
106,161	Merrill Lynch Preferred Capital Trust III	7.000%	A1	2,622,177
122,400	Merrill Lynch Preferred Capital Trust IV	7.120%	A1	3,051,432
346,000	Merrill Lynch Preferred Capital Trust V	7.280%	A1	8,615,400
314,334	Morgan Stanley Capital Trust III	6.250%	A1	7,204,535
456,907	Morgan Stanley Capital Trust IV	6.250%	A1	10,380,927
305,429	Morgan Stanley Capital Trust VII	6.600%	A2	7,000,433
	Total Capital Markets			84,586,958

**Commercial Banks 8.7%**

72,670	ABN AMRO Capital Fund Trust V	5.900%	A1	1,558,045
73,600	ASBC Capital I	7.625%	A3	1,832,640
28,685	BAC Capital Trust I	7.000%	Aa2	716,551
80,855	BAC Capital Trust II	7.000%	Aa2	2,006,821
281,200	BAC Capital Trust III	7.000%	Aa2	6,990,632
2,200	BAC Capital Trust IV	5.875%	Aa2	49,500
1,200	BAC Capital Trust VIII	6.000%	Aa2	27,072
5,000	BAC Capital Trust X	6.250%	Aa2	116,300
334,086	Banco Santander Series 144A	6.800%	Aa3	7,757,076
201,906	Banco Santander, 144A	6.500%	A	4,675,396
13,731	Banco Santander	6.410%	Aa3	304,691
9,100	BancorpSouth Capital Trust I	8.150%	Baa1	228,774
231,600	Banesto Holdings, Series A, 144A	10.500%	A1	6,984,199
81,700	Bank One Capital Trust VI	7.200%	Aa3	2,049,036
4,000,000	BNP Paribas	7.195%	AA-	3,990,604
300	Capital One Capital II Corporation	7.500%	Baa1	7,392
217,300	Citizens Funding Trust I	7.500%	Baa2	5,104,377
107,000	Cobank ABC, 144A, (8)	7.000%	A	5,257,231
338,400	Fleet Capital Trust VIII	7.200%	Aa2	8,487,072
759,620	HSBC Finance Corporation	6.875%	AA-	18,838,576
16,860	HSBC Holdings PLC, Series A	6.200%	A1	378,676
137,400	KeyCorp Capital Trust IX	6.750%	Baa1	3,233,022
539,400	National City Capital Trust II	6.625%	A3	11,408,310
47,900	National City Capital Trust IV	0.000%	A2	1,202,530
43,550	PNC Capital Trust	6.125%	A2	987,714
13,129	Royal Bank of Scotland Group PLC, Series L	5.750%	A1	277,022
91,395	Royal Bank of Scotland Group PLC, Series N	6.350%	A1	2,051,818
100,000	Royal Bank of Scotland PLC, Series T	7.250%	Aa3	2,510,000
192,827	USB Capital Trust XI	6.600%	A1	4,527,578
30,060	VNB Capital Trust I	7.750%	A3	754,205
130,248	Wachovia Capital Trust IX	6.375%	A1	3,004,821
169,217	Wachovia Trust IV	6.375%	A1	3,952,909
80,735	Wells Fargo Capital Trust V	7.000%	Aa2	2,011,109

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

86,002	Wells Fargo Capital Trust VII	5.850%	Aa2	1,952,245
81,400	Zions Capital Trust B	8.000%	BBB-	2,048,838
	Total Commercial Banks			117,282,782

**Computers & Peripherals 0.0%**

4,447	IBM Inc., Trust Certificates, Series 2001-2	7.100%	A+	111,019
-------	---	--------	----	---------

**Diversified Financial Services 4.1%**

63,130	BAC Capital Trust XII	6.875%	Aa3	1,590,876
70,400	Citigroup Capital Trust VII	7.125%	Aa2	1,761,408
241,654	Citigroup Capital Trust VIII	6.950%	Aa2	5,918,106
30,600	Citigroup Capital XIV	6.875%	Aa2	761,940
367,800	CitiGroup Capital XIX	7.250%	Aa2	9,412,002
68,755	Citigroup Capital XV	6.500%	Aa3	1,617,118
54,800	Citigroup Capital XVI	6.450%	Aa2	1,282,868
19,000	Citigroup Capital XVII	6.350%	Aa2	436,050
11,000	General Electric Capital Corporation	6.050%	AAA	266,640
564,518	ING Group N.V.	7.200%	A1	13,746,013
786,475	ING Group N.V.	7.050%	A	19,016,966
6,300	ING Group N.V.	6.200%	A1	136,143
	Total Diversified Financial Services			55,946,130

**Diversified Telecommunication Services 0.3%**

67,000	AT&T Inc.	6.375%	A	1,595,940
21,900	BellSouth Capital Funding (CORTS)	7.100%	A	470,850
18,300	BellSouth Corporation (CORTS)	7.000%	A	431,194
17,500	Verizon Communications (CORTS)	7.625%	A	441,875
22,600	Verizon Communications (CORTS)	7.375%	A	574,492
3,700	Verizon Communications, Series 2004-1 (SATURNS)	6.125%	A+	87,875
1,800	Verizon Global Funding Corporation Trust III, Series III (CORTS)	6.250%	A	42,345
13,900	Verizon New England Inc., Series B	7.000%	A3	345,415
	Total Diversified Telecommunication Services			3,989,986

**Electric Utilities 0.6%**

22,200	DTE Energy Trust I	7.800%	Baa3	563,658
40,670	Entergy Louisiana LLC	7.600%	A-	1,017,563
135,100	FPL Group Capital Inc.	6.600%	A3	3,261,314
500	Georgia Power Company	5.750%	A	11,255
6,600		6.100%	A3	149,490

	National Rural Utilities Cooperative Finance Corporation			
4,900	National Rural Utilities Cooperative Finance Corporation	5.950%	A3	112,602
134,400	Virginia Power Capital Trust	7.375%	Baa2	3,372,096
	Total Electric Utilities			8,487,978
	<b>Food Products 0.2%</b>			
27,100	Dairy Farmers of America Inc., 144A, (8)	7.875%	BBB-	2,834,492
	<b>Insurance 10.1%</b>			
556,210	Ace Ltd., Series C	7.800%	BBB	14,216,728
9,156	Aegon N.V.	6.875%	A-	218,554
976,600	Aegon N.V., (8)	6.375%	A-	21,729,350
1,000,000	AMBAC Finanacial Group Inc.	0.000%	Aa3	865,501
5,867	AMBAC Financial Group Inc.	5.950%	AA	130,541
25,700	Arch Capital Group Limited, Series B	7.785%	BBB-	643,785
408,100	Arch Capital Group Limited	8.000%	BBB-	10,426,955
14,700	Berkley WR Corporation, Capital Trust II	6.750%	BBB-	343,833
1,221,100	Delphi Financial Group, Inc.	8.000%	BBB+	31,174,683
3,000,000	Everest Reinsurance Holdings, Inc.	6.600%	Baa1	2,787,321
322,955	EverestRe Capital Trust II	6.200%	Baa1	7,017,812
113,400	EverestRe Group Limited	7.850%	Baa1	2,852,010
82,200	Financial Security Assurance Holdings	6.250%	AA	1,869,228
3,500	Lincoln National Capital Trust VI	6.750%	A-	84,350
1,800	Markel Corporation	7.500%	BBB-	45,324
809,050	PartnerRe Limited, Series C	6.750%	BBB+	18,689,055
82,200	PLC Capital Trust III	7.500%	BBB+	2,040,204
33,600	PLC Capital Trust IV	7.250%	BBB+	828,912
7,600	PLC Capital Trust V	6.125%	BBB+	166,440
47,900	Protective Life Corporation	7.250%	BBB	1,183,130
37,400	Prudential PLC	6.750%	A	897,600
377,051	RenaissanceRe Holdings Limited, Series B	7.300%	BBB	8,970,043
75,000	RenaissanceRe Holdings Ltd	6.600%	BBB	1,587,750
341,200	XL Capital Ltd, Series B	7.625%	Baa1	8,471,996
	Total Insurance			137,241,105
	<b>Media 2.9%</b>			
27,900	CBS Corporation	7.250%	BBB	696,663
410,172	CBS Corporation	6.750%	BBB	9,417,549
580,200	Comcast Corporation	7.000%	BBB+	14,475,990
605,900	Viacom Inc.	6.850%	BBB	14,444,656

Total Media				39,034,858
-------------	--	--	--	------------

**Oil, Gas & Consumable Fuels 0.9%**

477,800	Nexen Inc.	7.350%	Baa3	11,945,000
---------	------------	--------	------	------------

**Real Estate/Mortgage 10.8%**

10,300	AvalonBay Communities, Inc., Series H	8.700%	BBB	268,315
15,266	BRE Properties, Series C	6.750%	BBB-	343,027
658,185	Developers Diversified Realty Corporation, Series G	8.000%	BBB-	16,665,244
74,900	Developers Diversified Realty Corporation, Series H	7.375%	BBB-	1,801,345
73,000	Duke Realty Corporation, Series L	6.600%	BBB	1,661,480
36,828	Duke-Weeks Realty Corporation	6.950%	BBB	859,934
389,370	Equity Residential Properties Trust, Series N	6.480%	BBB	8,827,018
267,400	First Industrial Realty Trust, Inc., Series J	7.250%	BBB-	6,382,838
232,400	HRPT Properties Trust, Series B	8.750%	BBB-	5,884,368
652,100	HRPT Properties Trust, Series C	7.125%	BBB-	16,054,702
456,287	Kimco Realty Corporation, Series F	6.650%	BBB+	10,768,373
32,982	Prologis Trust, Series C	8.540%	BBB	1,957,277
12,500	Prologis Trust, Series G	6.750%	BBB	289,250
2,000	PS Business Parks, Inc., Series K	7.950%	BBB-	50,300
51,900	Public Storage, Inc., Series E	6.750%	BBB+	1,177,092
15,000	Public Storage, Inc., Series F	6.450%	BBB+	328,350
8,259	Public Storage, Inc., Series H	6.950%	BBB+	192,682
149,400	Public Storage, Inc., Series I	7.250%	BBB+	3,670,758
1,700	Public Storage, Inc., Series K	7.250%	BBB+	41,480
226,441	Public Storage, Inc., Series M	6.625%	BBB+	5,015,668
32,300	Public Storage, Inc., Series V	7.500%	BBB+	809,761
228,400	Public Storage, Inc.	6.750%	BBB+	5,184,680
319,900	Realty Income Corporation, Series E	6.750%	BBB-	7,517,650
216,495	Regency Centers Corporation	7.450%	BBB-	5,293,303
9,100	Regency Centers Corporation	7.250%	BBB-	221,767
7,000	Simon Property Group, Inc., Series G	7.890%	BBB	349,020
1,000	Vornado Realty Trust, Series F	6.750%	BBB-	22,260
16,800	Vornado Realty Trust, Series G	6.625%	BBB-	375,984
3,400	Vornado Realty Trust, Series H	6.750%	BBB-	76,364
54,200	Vornado Realty Trust, Series I	6.625%	BBB-	1,203,240
1,113,245	Wachovia Preferred Funding Corporation	7.250%	A2	28,988,900
628,830	Weingarten Realty Trust, Preferred Securities	6.750%	A-	14,714,622

Total Real Estate/Mortgage				146,997,052
----------------------------	--	--	--	-------------

**Thriffs & Mortgage Finance 1.9%**

99,700	Countrywide Capital Trust III (PPLUS)	8.050%	BBB	2,078,745
1,107,335	Countrywide Capital Trust IV	6.750%	BBB	21,316,199
121,978	Countrywide Capital Trust V	7.000%	BBB	2,348,077



Total Thrifts & Mortgage Finance 25,743,021

**Wireless Telecommunication Services 0.1%**

33,900 United States Cellular Corporation 8.750% A- 856,653

**Total \$25 Par (or similar) Preferred Securities (cost \$675,518,671) 635,057,034**

Principal Amount (000)	Description (1)	Weighted Average		Ratings (3)	Value
		Coupon	Maturity (5)		
<b>Variable Rate Senior Loan Interests 10.3% (6.6% of Total Investments) (4)</b>					
<b>Airlines 0.1%</b>					
\$ 995	American Airlines, Term Loan	7.414%	12/17/10	BB-	\$ 974,843
998	Delta Air Lines, Term Loan, WI/DD	TBD	TBD	B	969,238
1,993	Total Airlines				1,944,081
<b>Auto Components 0.1%</b>					
1,500	Federal Mogul Corporation, Term Loan A (11)	6.890%	12/31/07	N/R	1,494,375
<b>Building Products 0.6%</b>					
2,588	Building Materials Corporation of America	8.125%	2/22/14	BB	2,390,684
2,992	Nortek, Inc., Term Loan B	7.610%	8/27/11	Ba2	2,887,558
997	Stile Acquisition Corporation, Term Loan B	7.360%	4/05/13	BB	940,954
998	Stile Acquisition Corporation, Term Loan B	7.360%	4/05/13	BB	942,559
990	TFS Acquisition, Term Loan	8.698%	8/11/13	B+	965,250
8,565	Total Building Products				8,127,005
<b>Chemicals 0.2%</b>					
1,000	Celanese Corporation, Term Loan C, WI/DD	TBD	TBD	BB	981,953
2,000	Hercules Inc., Term Loan B	7.110%	7/11/13	BB	1,972,500
3,000	Total Chemicals				2,954,453

**Commercial Services & Supplies 0.2%**

2,509	Aramark Corporation, Term Loan	7.198%	1/24/14	BB-	2,468,965
179	Aramark, Letter of Credit	7.198%	1/24/14	BB-	176,459
2,688	Total Commercial Services & Supplies				2,645,424

**Containers & Packaging 0.1%**

342	Bluegrass Container Company LLC, 1st Lien Term Loan	7.617%	6/30/13	BB	340,504
1,143	Bluegrass Container Company, LLC, Term Loan B	7.581%	6/30/13	BB	1,137,999
1,485	Total Containers & Packaging				1,478,503

**Diversified Consumer Services 0.3%**

1,500	Laureate Education Inc., Term Loan, WI/DD	TBD	TBD	B1	1,456,875
2,000	Thomson Learning Center, Term Loan	7.950%	7/05/14	B+	1,943,334
3,500	Total Diversified Consumer Services				3,400,209

**Diversified Telecommunication Services 0.1%**

1,510	Intelsat, Ltd., Term Loan B	7.360%	7/01/13	BB+	1,494,126
-------	-----------------------------	--------	---------	-----	-----------

**Electric Utilities 0.3%**

4,478	Calpine Corporation	7.448%	3/29/09	N/R	4,425,729
-------	---------------------	--------	---------	-----	-----------

**Energy Equipment & Services 0.2%**

1,455	Kinder Morgan, Inc., Term Loan	6.639%	5/30/14	Ba2	1,429,182
1,995	Petroleum Geo-Services, Term Loan	6.950%	7/01/12	Ba2	1,955,516
3,450	Total Energy Equipment & Services				3,384,698

**Health Care Equipment & Supplies 0.3%**

4,000	Biomet Term Loan, WI/DD	TBD	TBD	BB-	3,959,286
-------	-------------------------	-----	-----	-----	-----------

**Health Care Providers & Services 1.6%**

371	Community Health Systems, Inc., Delayed Draw, Term Loan, (9) (10)	0.500%	7/25/14	BB	(5,870)
5,629	Community Health Systems, Inc., Term Loan	7.756%	7/25/14	BB	5,539,765
500	Concentra, Inc., Term Loan	7.448%	6/25/14	B+	485,000
5,960	HCA, Inc. Term Loan	7.448%	11/18/13	BB	5,855,688
995	Health Management Associates, Term Loan	6.947%	2/28/14	Ba2	948,048
477	IASIS Healthcare Corporation,	5.960%	3/14/14	Ba2	331,777
127	IASIS Healthcare Corporation	5.024%	3/14/14	Ba2	121,542
1,389	IASIS Healthcare LLC, Term Loan B	7.359%	3/14/14	Ba2	1,327,255
747	LifePoint Hospitals Holdings, Inc., Term Loan B	7.165%	4/18/12	BB	729,735
1,858	Select Medical Corporation, Term Loan	7.477%	2/24/12	Ba2	1,777,034
998	Select Medical Corporation, Term Loan	7.198%	2/24/12	Ba2	954,275
320	Sun Healthcare Group, Inc., Term Loan	5.047%	4/12/14	Ba2	193,863
1,808	Sun Healthcare Group, Inc., Term Loan	7.367%	4/19/14	Ba2	1,753,574
404	Sun Healthcare Group, Inc., Term Loan	7.229%	4/19/14	Ba2	392,056
995	Vanguard Health Holding Company, LLC, Replacement Term Loan	7.448%	9/23/11	Ba3	966,400
22,578	Total Health Care Providers & Services				21,370,142

**Hotels, Restaurants & Leisure 0.6%**

988	Cedar Fair LP, Term Loan	7.129%	8/30/12	BB	969,807
999	Intrawest Corporation, Term Loan	7.182%	4/24/08	N/R	988,877
669	Travelport, Term Loan	7.448%	8/23/13	BB-	653,615
134	Travelport, Term Loan	7.448%	8/23/13	BB-	131,148
1,167	Venetian Casino Resort, LLC, Delayed Draw, Term Loan, (9) (10)	0.750%	5/23/08	BB	(27,951)
4,821	Venetian Casino Resort, LLC, Term Loan, DD1	6.950%	5/23/14	BB	4,705,742
8,778	Total Hotels, Restaurants & Leisure				7,421,238

**Independent Power Producers & Energy Traders 0.3%**

800	NRG Energy Inc., Delayed Draw, Term Loan (9)(10)	0.500%	2/01/13	BB	(14,000)
2,603	NRG Energy Inc., Term Loan	6.948%	2/01/13	Ba1	2,560,284
1,084	NRG Energy Inc., Term Loan	6.848%	2/01/13	Ba1	1,065,571
4,487	Total Independent Power Producers & Energy Traders				3,611,855

**Insurance 0.1%**

1,998	Conseco, Inc., Term Loan	7.129%	10/10/13	Ba3	1,895,899
-------	--------------------------	--------	----------	-----	-----------

**Internet Software & Services 0.1%**

1,000	Sabre Group Holdings, Inc., Term Loan	7.358%	9/30/14	B+	952,875
-------	---------------------------------------	--------	---------	----	---------

**IT Services 0.1%**

2,000	First Data Term Loan, Tranche B, WI/DD	TBD	TBD	BB-	1,923,334
-------	--	-----	-----	-----	-----------

**Machinery 0.1%**

1,975	Oshkosh Truck Corporation, Term Loan	7.450%	12/06/13	BBB-	1,950,683
-------	--------------------------------------	--------	----------	------	-----------

**Media 2.5%**

1,993	Blockbuster, Inc., Term Loan B	9.623%	8/20/11	B	1,985,849
1,995	Cequel Communications LLC., Term Loan B	7.373%	11/05/13	B+	2,883,997
1,075	Charter Communications Operating, LLC, Term Loan	7.360%	3/06/14	B+	1,040,447
3,000	Charter Communications Operating, LLC, Term Loan	7.130%	3/06/14	B+	2,903,573
1,500	Citadel Broadcasting Company, Term Loan	6.794%	6/12/14	BB-	1,436,720
3,990	Discovery Communications, Term Loan	7.198%	5/14/14	N/R	3,925,163
983	Idearc Inc., Term Loan, WI/DD	TBD	TBD	BBB-	969,015
2,975	Neilsen Finance LLC, Term Loan B	7.360%	8/09/13	Ba3	2,896,886
954	Philadelphia Newspapers, Term Loan	8.860%	6/29/13	N/R	901,280
995	Readers Digest Association, Term Loan, WI/DD	TBD	TBD	B+	946,914
2,433	Tribune Company, Term Loan	7.860%	6/04/09	BB	2,390,750
6,000	Tribune Company, Term Loan	8.360%	6/04/14	BB	5,475,831
423	Univision Communications, Delayed Draw, Term Loan, (9) (10)	1.000%	9/29/14	B+	(19,644)
6,577	Univision Communications, Term Loan	7.610%	9/29/14	Ba3	6,271,615
34,893	Total Media				34,008,396

**Paper & Forest Products 0.3%**

2,982	Georgia-Pacific Corporation, Term Loan	7.383%	12/21/12	BB+	2,927,016
1,439	Ply Gem Industries Inc., Term Loan	7.950%	8/15/11	BB-	1,356,458
54	Ply Gem Industries Inc., Term Loan	7.950%	8/15/11	BB-	50,687
4,475	Total Paper & Forest Products				4,334,161

**Real Estate Management & Development 0.3%**

1,000	LNR Property Corporation, Term Loan B	8.110%	7/12/11	BB	970,834
3,000	Realogy Corporation, Term Loan, WI/DD	TBD	TBD	BB	2,817,000
4,000	Total Real Estate Management & Development				3,787,834
<b>Road &amp; Rail 0.4%</b>					
5,419	Swift Transportation, Term Loan	8.375%	5/10/14	BB-	4,945,444
<b>Software 0.3%</b>					
2,860	Dealer Computer Service, Term Loan	7.198%	10/26/12	BB	2,785,163
1,256	Intergraph Corporation, Term Loan	7.474%	5/29/13	B+	1,225,455
4,116	Total Software				4,010,618
<b>Specialty Retail 0.7%</b>					
4,442	Burlington Coat Factory Warehouse Corporation, Term Loan	7.760%	5/28/11	B2	4,274,505
3,468	Michaels Stores Inc., Term Loan	7.638%	10/31/13	B	3,370,790
1,500	Toys R Us, Inc., Term Loan	8.665%	12/08/08	B3	1,489,531
9,410	Total Specialty Retail				9,134,826
<b>Wireless Telecommunication Services 0.4%</b>					
4,000	Asurion Corporation, Term Loan	8.360%	7/03/14	N/R	3,893,334
997	Leap Wireless International Inc., Term Loan	7.448%	1/10/12	Ba2	987,084
4,997	Total Wireless Telecommunication Services				4,880,418
<b>\$ 146,295</b>	<b>Total Variable Rate Senior Loan Interests</b>				<b>139,535,612</b>
	<b>(cost \$142,360,980)</b>				

---

**Table of Contents**

<b>Principal Amount</b> <b>(000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (3)</b>	<b>Value</b>
<b>Convertible Bonds 10.1% (6.5% of Total Investments)</b>					
<b>Aerospace &amp; Defense 0.2%</b>					
\$ 400	Alliant Techsystems, Inc., Convertible Bonds	2.750%	2/15/24	B+	\$ 574,500
450	DRS Technologies, Inc., Convertible Bonds, 144A	2.000%	2/01/26	B+	486,000
800	L-3 Communications Corporation, Convertible Bond	3.000%	8/01/35	BB+	930,000
750	Lockheed Martin Corporation	5.325%	8/15/33	A-	1,144,200
2,400	Total Aerospace & Defense				3,134,700
<b>Auto Components 0.1%</b>					
300	Goodyear Tire & Rubber Company, Convertible Bonds	4.000%	6/15/34	B	767,250
<b>Biotechnology 0.5%</b>					
3,900	Amgen Inc., 144A	0.125%	2/01/11	A+	3,641,625
950	Amgen Inc.	0.375%	2/01/13	A+	868,063
650	Cephalon, Inc., Series B	2.000%	6/01/15	B-	1,096,063
1,000	Genzyme Corporation	1.250%	12/01/23	BBB	1,062,500
6,500	Total Biotechnology				6,668,251
<b>Capital Markets 0.0%</b>					
250	BlackRock Inc.	2.625%	2/15/35	A+	440,313
<b>Commercial Banks 0.2%</b>					
2,750	U.S. Bancorp, Convertible Bonds	3.606%	8/06/37	AA	2,740,925
<b>Communications Equipment 0.5%</b>					
750	Ciena Corporation, Convertible Bond	0.875%	6/15/17	B	847,500
2,750	Ciena Corporation	3.750%	2/01/08	B	2,743,125
200	CommScope Inc.	1.000%	3/15/24	Ba3	465,750

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

960	Liberty Media Corporation, Senior Debentures Exchangeable for Motorola Common Stock	3.500%	1/15/31	BB+	782,428
750	Lucent Technologies Inc.	2.750%	6/15/23	Ba2	719,063
469	Nortel Networks Corp.	4.250%	9/01/08	B-	462,551
450	Nortel Networks Corporation, Convertible Bonds, 144A	1.750%	4/15/12	B-	378,000
500	Nortel Networks Corporation, Convertible Bonds, 144A	2.125%	4/15/14	B-	408,750
6,829	Total Communications Equipment				6,807,167

**Computers & Peripherals 0.4%**

1,250	EMC Corporation, Convertible Bonds 144A	1.750%	12/01/11	BBB+	1,778,125
1,000	EMC Corporation, Convertible Bonds 144A	1.750%	12/01/13	BBB+	1,433,750
350	Maxtor Corporation, Convertible Bonds	2.375%	8/15/12	BB+	550,813
1,250	Sandisk Corporation, Convertible Bond	1.000%	5/15/13	BB-	1,193,750
3,850	Total Computers & Peripherals				4,956,438

**Construction & Engineering 0.1%**

250	Fluor Corporation, Convertible Bonds	1.500%	2/15/24	A3	644,688
350	Quanta Services, Inc., Convertible Bonds	4.500%	10/01/23	B+	847,000
600	Total Construction & Engineering				1,491,688

**Consumer Finance 0.0%**

250	Americredit Corp.	1.750%	11/15/23	B+	267,813
-----	-------------------	--------	----------	----	---------

**Containers & Packaging 0.0%**

550	Sealed Air Corporation, 144A	3.000%	6/30/33	BBB	528,000
-----	------------------------------	--------	---------	-----	---------

**Diversified Financial Services 0.0%**

250	Leucadia National Corporation, Convertible Bonds	3.750%	4/15/14	BB-	553,438
-----	--	--------	---------	-----	---------

**Diversified Telecommunication Services 0.1%**

1,000	Qwest Communications International Inc., Convertible Bond	3.500%	11/15/25	Ba3	1,660,000
-------	---	--------	----------	-----	-----------

**Electric Utilities 0.1%**

500	Centerpoint Energy Inc., Convertible Bond	3.750%	5/15/23	BBB-	724,375
500	Covanta Holding Corporation, Convertible Bonds	1.000%	2/01/27	B1	511,250
1,000	Total Electric Utilities				1,235,625

**Electrical Equipment 0.0%**

250	General Cable Corporation, Convertible Bonds	0.875%	11/15/13	B+	365,313
-----	--	--------	----------	----	---------

**Electronic Equipment & Instruments 0.2%**

500	Anixter International Inc., Convertible Bond	0.000%	7/07/33	BB-	624,375
700	Roper Industries Inc.	1.481%	1/15/34	BB+	579,250
500	Soletron Corporation, Series B	0.500%	2/15/34	BB-	492,500
500	Tech Data Corporation, Convertible Bonds	2.750%	12/15/26	BBB-	490,625
500	Vishay Intertechnology Inc.	3.625%	8/01/23	B+	500,625
2,700	Total Electronic Equipment & Instruments				2,687,375

**Energy Equipment & Services 1.2%**

750	Halliburton Company, Convertible Bond	3.125%	7/15/23	A	1,546,875
4,125	Nabors Industries Inc., Convertible Bond Series 144A	0.940%	5/15/11	A-	3,975,469
850	Nabors Industries Inc., Convertible Bond Series 144A	0.940%	5/15/11	A-	819,188
4,850	Nabors Industries Inc.	0.000%	6/15/23	NA	5,068,250
750	Schlumberger Limited, Convertible Bonds	1.500%	6/01/23	A+	2,177,813
550	Schlumberger Limited	2.125%	6/01/23	A+	1,444,438
600	Transocean Inc.	1.500%	5/15/21	BBB+	946,500
12,475	Total Energy Equipment & Services				15,978,533

**Food Products 0.1%**

900	Archer Daniels Midland Company, Convertible Bonds, 144A	0.875%	2/15/14	A	865,125
1,000	General Mills, Inc., Convertible Bonds (12)	5.733%	4/11/37	BBB+	1,006,926
1,900	Total Food Products				1,872,051

**Health Care Equipment & Supplies 0.4%**

550	Beckman Coulter Inc., Convertible Bonds, 144A	2.500%	12/15/36	BBB	644,188
2,350	Medtronic, Inc., Convertible Bond	1.500%	4/15/11	AA-	2,611,438
800	Medtronic, Inc., Convertible Bond	1.625%	4/15/13	AA-	905,000



Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

250	Medtronic, Inc.	1.500%	4/15/11	AA-	277,813
725	Saint Jude Medical, Inc., Convertible Bonds	1.220%	12/15/08	BBB+	740,406
4,675	Total Health Care Equipment & Supplies				5,178,845

**Health Care Providers & Services 0.7%**

450	AmeriGroup Corporation, Convertible Bond	2.000%	5/15/12	BB	463,500
900	Health Management Associates Inc.	1.500%	8/01/23	Baa3	885,375
250	Laboratory Corporation of America Holdings	0.000%	9/11/21	BBB-	263,750
950	Lifepoint Hospitals, Inc., Convertible Bonds	3.500%	5/15/14	B	850,250
250	Manor Care Inc., Convertible Bond	2.000%	6/01/36	BBB	329,063
600	Manor Care, Inc.	2.125%	8/01/35	BBB-	879,750
6,090	Omnicare, Inc.	3.250%	12/15/35	BB-	4,955,738
225	Saint Jude Medical, Inc., Convertible Bonds	1.220%	12/15/08	BBB+	229,781
9,715	Total Health Care Providers & Services				8,857,207

**Hotels, Restaurants & Leisure 0.5%**

2,750	Caesars Entertainment Inc.	5.360%	4/15/24	Baa3	3,718,000
750	Carnival Corporation	2.000%	4/15/21	A-	945,938
500	Hilton Hotels Corporation	3.375%	4/15/23	BB+	1,036,250
1,150	International Game Technology	2.600%	12/15/36	BBB	1,147,125
5,150	Total Hotels, Restaurants & Leisure				6,847,313

**Industrial Conglomerates 0.1%**

1,000	3M Company	0.000%	11/21/32	Aa1	930,000
-------	------------	--------	----------	-----	---------

**Insurance 0.4%**

250	American Equity Investment Life Holding Company	5.250%	12/06/24	BB+	264,063
750	American Financial Group Inc.	1.486%	6/02/33	BBB	379,688
500	Aon Corporation, Convertible Bonds	3.500%	11/15/12	BBB+	1,045,000
2,750	Prudential Financial, Inc., Convertible Bonds	3.325%	12/12/36	A+	2,829,283
4,250	Total Insurance				4,518,034

**Internet & Catalog Retail 0.1%**

500	Amazon.com Inc., Convertible Bonds	4.750%	2/01/09	Ba3	618,125
250	Priceline.com, Inc., Convertible Bonds	0.500%	9/30/11	B+	558,125
250	Priceline.com, Inc., Convertible Bonds	0.750%	9/30/13	B+	555,313

1,000	Total Internet & Catalog Retail					1,731,563
	<b>Internet Software &amp; Services</b>	<b>0.0%</b>				
500	Yahoo! Inc., Convertible Bond	0.000%	4/01/08	BBB-		662,500
	<b>IT Services</b>	<b>0.1%</b>				
1,000	Electronic Data Systems Corporation, Convertible Bonds	3.875%	7/15/23	BBB-		1,007,500
	<b>Leisure Equipment &amp; Products</b>	<b>0.1%</b>				
500	Eastman Kodak Company	3.375%	10/15/33	B		533,125
300	Hasbro Inc.	2.750%	12/01/21	BBB		397,875
800	Total Leisure Equipment & Products					931,000
	<b>Life Sciences Tools &amp; Services</b>	<b>0.1%</b>				
350	Apogent Technologies, Inc., Convertible Bonds	4.396%	12/15/33	BBB+		708,995
500	Charles River Laboratories International, Inc.	2.250%	6/15/13	BB-		642,500
250	Fisher Scientific International, Inc., Convertible Bonds	2.500%	10/01/23	BBB+		621,250
1,100	Total Life Sciences Tools & Services					1,972,745
	<b>Machinery</b>	<b>0.2%</b>				
1,000	Danaher Corporation, Convertible Bonds	0.000%	1/22/21	A+		1,208,750
250	Kaydon Corporation, Convertible Bonds	4.000%	5/23/23	BB-		449,063
500	Trinity Industries Inc., Convertible Bonds	3.875%	6/01/36	BB-		520,625
1,750	Total Machinery					2,178,438
	<b>Media</b>	<b>0.7%</b>				
200	ELF Special Financing Limited, Convertible Bonds, 144A	6.082%	6/15/09	Ba3		221,020
600	ELF Special Financing Limited, Convertible Bonds, 144A	6.044%	6/15/09	Ba3		650,820
400	Getty Images, Inc., Convertible Bonds	0.500%	6/09/23	Ba2		385,500
500	Interpublic Group Companies Inc.	4.500%	3/15/23	Ba3		540,625
500	Interpublic Group, Inc., Convertible Bonds	4.250%	3/15/23	Ba3		554,375
300	Lamar Advertising Company, Convertible	2.875%	12/31/10	B1		345,375

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

1,100	Liberty Media Corporation, Senior Debentures, Exchangeable for PCS Common Stock, Series 1	4.000%	11/15/29	BB+	715,000
1,500	Liberty Media Corporation	0.750%	3/30/23	BB+	1,663,125
750	Omnicom Group Inc.	0.000%	7/01/38	A-	808,125
1,250	Omnicom Group, Inc.	0.000%	2/07/31	A-	1,292,188
500	Sinclair Broadcast Group, Inc., Convertible Bonds	3.000%	5/15/27	B	471,250
1,500	Walt Disney Company, Convertible Senior Notes	2.125%	4/15/23	A2	1,835,625
9,100	Total Media				9,483,028

**Metals & Mining 0.2%**

1,511	Coeur d Alene Mines Corporation, Convertible Bond	1.250%	1/15/24	B-	1,359,900
650	Newmont Mining Corporation	1.625%	7/15/17	BBB+	741,813
2,161	Total Metals & Mining				2,101,713

**Multiline Retail 0.0%**

250	Saks, Inc., Convertible Bonds	2.000%	3/15/24	B+	375,938
-----	-------------------------------	--------	---------	----	---------

**Oil, Gas & Consumable Fuels 0.7%**

1,000	Chesapeake Energy Corporation, 144A	2.750%	11/15/35	BB	1,102,500
1,750	Chesapeake Energy Corporation, Convertible Bonds	2.500%	5/15/37	BB	1,795,938
250	Devon Energy Corporation	4.900%	8/15/08	Baa1	437,813
5,550	Peabody Energy Corp., Convertible Bond	4.750%	12/15/66	Ba3	5,855,250
8,550	Total Oil, Gas & Consumable Fuels				9,191,501

**Pharmaceuticals 0.4%**

500	Allergan Inc., Convertible Bond	1.500%	4/01/26	A	580,625
750	Bristol-Myers Squibb Company, Convertible Bond	5.194%	9/15/23	A+	756,600
650	Teva Pharmaceutical Finance, Series A	0.500%	2/01/24	BBB	788,938
800	Teva Pharmaceutical Finance, Series B	0.250%	2/01/24	BBB	1,041,000
750	Watson Pharmaceuticals Inc., Convertible Bond	1.750%	3/15/23	BB+	732,188
1,500	Wyeth, Convertible Bond	4.888%	1/15/24	A+	1,588,155
4,950	Total Pharmaceuticals				5,487,506

**Real Estate 0.7%**

550	Archstone-Smith Trust, Corporate Bond Convertible	4.000%	7/15/36	BBB+	576,125
1,250	Boston Properties Limited Partnership, Convertible Bonds, 144A	2.875%	2/15/37	BBB+	1,193,750

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

450	Brandywine Operating Partnership, Convertible Bonds	3.875%	10/15/26	BBB-	418,500
550	BRE Properties Inc., Convertible Bond	4.125%	8/15/26	BBB	559,625
750	Developers Diversified Realty Corporation, Convertible Bonds	3.000%	3/15/12	BBB	705,938
500	Duke Realty Corporation, Series D	3.750%	12/01/11	BBB+	474,375
250	Health Care REIT, Inc., Convertible Bonds	4.750%	12/01/26	Baa2	260,000
800	Hospitality Properties Trust, Convertible Bonds	3.800%	3/15/27	BBB	770,000
500	Host Hotels & Resorts Inc, Convertible Bonds, 144A	2.625%	4/15/27	BB	453,125
400	Host Marriot LP, Convertible Bonds, 144A	3.250%	4/15/24	Ba1	559,500
1,000	Prologis, Convertible Bonds, 144A	2.250%	4/01/37	BBB+	1,023,750
650	Vornado Realty Trust, Convertible Bonds	2.850%	4/01/27	BBB	611,813
700	Vornado Realty, Convertible Bond	3.875%	4/15/25	BBB	905,625
650	Weingarten Realty Investment Trust, Convertible Bonds	3.950%	8/01/26	A-	663,813
9,000	Total Real Estate				9,175,939

**Real Estate Management & Development 0.0%**

400	Forest City Enterprises, Inc., Convertible Bonds	3.625%	10/15/11	BB-	411,040
-----	--	--------	----------	-----	---------

**Road & Rail 0.0%**

250	CSX Corporation	0.000%	10/30/21	BBB-	380,000
-----	-----------------	--------	----------	------	---------

**Semiconductors & Equipment 0.5%**

500	Advanced Micro Devices Inc., Convertible Bond	5.750%	8/15/12	B	516,250
1,000	Advanced Micro Devices, Inc., Convertible Bonds	6.000%	5/01/15	B	903,750
1,750	Intel Corporation, Convertible Bond	2.950%	12/15/35	A-	1,820,000
1,250	Micron Technology, Inc.	1.875%	6/01/14	BB-	1,223,438
250	ON Semiconductor Corporation, Convertible Bonds	0.000%	4/15/24	B	342,188
500	ON Semiconductor Corporation	2.625%	12/15/26	B	693,750
750	Xilinx Inc., Convertible Bond, 144A	3.125%	3/15/37	BB	735,000
6,000	Total Semiconductors & Equipment				6,234,376

**Software 0.1%**

250	Amdocs Limited	0.500%	3/15/24	BBB-	264,375
250	Computer Associates International Inc., Convertible Bond, Series 144A	1.625%	12/15/09	Ba1	336,563
500	Red Hat Inc., Convertible Bond	0.500%	1/15/24	B+	505,625
1,000	Total Software				1,106,563

**Specialty Retail 0.1%**

750	TJX Companies, Inc.	0.000%	2/13/21	A-	735,938
500	United Auto Group, Inc., Convertible Bonds	3.500%	4/01/26	B	528,750
1,250	Total Specialty Retail				1,264,688

**Textiles, Apparel & Luxury Goods 0.0%**

250	Iconix Brand Group, Inc.	1.875%	6/30/12	B-	270,313
-----	--------------------------	--------	---------	----	---------

**Thriffs & Mortgage Finance 0.2%**

2,500	Countrywide Financial Corporation, Convertible Bonds, 144A	1.860%	4/15/37	A	2,294,000
-------	--	--------	---------	---	-----------

**Wireless Telecommunication Services 0.1%**

400	American Tower Corporation	3.000%	8/15/12	BB+	868,000
1,150	Liberty Media Corporation Convertible Bonds	3.750%	2/15/30	BB+	672,750
1,550	Total Wireless Telecommunication Services				1,540,750

**\$ 122,005 Total Convertible Bonds (cost \$131,777,954) 136,287,380**

---

**Table of Contents**

<b>Principal Amount (000)</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (3)</b>	<b>Value</b>
<b>Corporate Bonds 9.4% (6.0% of Total Investments)</b>					
<b>Aerospace &amp; Defense 0.1%</b>					
\$ 1,000	Hexcel Corporation, Term Loan	6.750%	2/01/15	B+	\$ 992,500
<b>Auto Components 0.0%</b>					
500	Keystone Automotive Operations Inc.	9.750%	11/01/13	CCC+	410,000
<b>Chemicals 0.2%</b>					
1,000	Nell AF Sarl	8.375%	8/15/15	B	917,500
1,500	Rockwood Specialties Group Inc., Series WI	7.500%	11/15/14	B-	1,503,750
2,500	Total Chemicals				2,421,250
<b>Commercial Services &amp; Supplies 0.0%</b>					
600	Williams Scotsman Inc.	8.500%	10/01/15	B+	663,000
<b>Containers &amp; Packaging 0.3%</b>					
2,000	Owens-Brockway Glass Containers, Guaranteed Senior Note	8.250%	5/15/13	B	2,080,000
2,000	Owens-Illinois Inc.	7.800%	5/15/18	B	1,980,000
4,000	Total Containers & Packaging				4,060,000
<b>Diversified Telecommunication Services 0.2%</b>					
2,000	Intelsat Subsidiary Holding Company Limited	8.500%	1/15/13	B	2,040,000
<b>Electric Utilities 0.1%</b>					
500	Mirant North America LLC	7.375%	12/31/13	B2	510,000
1,000	Sierra Pacific Resources, Series 2006	6.750%	8/15/17	B1	988,750

1,500	Total Electric Utilities				1,498,750
<b>Energy Equipment &amp; Services 0.1%</b>					
1,500	Pride International Inc.	7.375%	7/15/14	Ba2	1,545,000
<b>Food &amp; Staples Retailing 0.2%</b>					
2,000	Stater Brothers Holdings Inc.	8.125%	6/15/12	B+	2,047,500
<b>Food Products 0.2%</b>					
2,243	Dole Foods Company	7.875%	7/15/13	B-	2,198,140
<b>Health Care Providers &amp; Services 0.5%</b>					
2,000	Community Health Systems, Inc.	8.875%	7/15/15	B-	2,065,000
700	HCA Inc.	9.125%	11/15/14	BB-	740,250
700	HCA Inc.	9.250%	11/15/16	BB-	745,500
2,500	U.S. Oncology Inc.	10.750%	8/15/14	B3	2,593,750
5,900	Total Health Care Providers & Services				6,144,500
<b>Hotels, Restaurants &amp; Leisure 1.5%</b>					
2,000	Boyd Gaming Corporation	7.750%	12/15/12	Ba3	2,065,000
1,500	Herbst Gaming Inc.	7.000%	11/15/14	B-	1,237,500
1,400	Jacobs Entertainment Inc.	9.750%	6/15/14	B-	1,400,000
2,000	Landry's Restaurants Inc., Series B	7.500%	12/15/14	B3	2,000,000
1,600	Park Place Entertainment	8.125%	5/15/11	Ba1	1,640,000
2,500	Park Place Entertainment	7.000%	4/15/13	Baa3	2,609,235
2,000	Pinnacle Entertainment Inc.	8.250%	3/15/12	B-	2,035,000
750	Pinnacle Entertainment Inc.	8.750%	10/01/13	B-	776,250
1,750	Seminole Hard Rock Entertainment, Inc.	8.220%	3/15/14	BB	1,717,188
4,000	Universal City Development Partners	11.750%	4/01/10	B1	4,190,000
19,500	Total Hotels, Restaurants & Leisure				19,670,173
<b>Household Products 0.1%</b>					
1,650	Central Garden & Pet Company	9.125%	2/01/13	B	1,555,125
<b>Independent Power Producers &amp; Energy Traders 0.1%</b>					

400	NRG Energy Inc.	7.250%	2/01/14	B1	402,000
400	NRG Energy Inc.	7.375%	2/01/16	B1	402,000
800	Total Independent Power Producers & Energy Traders				804,000
<b>Insurance 0.7%</b>					
9,900	Progressive Corporation	6.700%		A2	9,621,652
<b>IT Services 0.5%</b>					
1,625	Global Cash Access LLC	8.750%	3/15/12	B-	1,690,000
4,750	Sungard Data Systems Inc.	9.125%	8/15/13	B-	4,963,750
6,375	Total IT Services				6,653,750
<b>Machinery 0.1%</b>					
2,000	Greenbrier Companies, Inc.	8.375%	5/15/15	B+	2,005,000
<b>Media 1.8%</b>					
4,000	Allbritton Communications Company, Series B	7.750%	12/15/12	B1	4,060,000
1,000	Cablevision Systems Corporation, Series B	8.125%	8/15/09	B+	1,020,000
5,000	Cablevision Systems Corporation	7.250%	7/15/08	B+	5,025,000
2,000	Charter Communications Operating LLC, 144A	8.000%	4/30/12	B+	2,000,000
1,975	Medianews Group Inc.	6.375%	4/01/14	B	1,471,375
1,950	Panamsat Corporation	9.000%	8/15/14	B2	2,018,250
4,550	Vertis Inc.	9.750%	4/01/09	B1	4,641,000
4,000	Young Broadcasting Inc., Senior Subordinated Note	10.000%	3/01/11	Caa1	3,710,000
24,475	Total Media				23,945,625
<b>Multi-Utilities 0.2%</b>					
1,400	Bon-Ton Department Stores Inc.	10.250%	3/15/14	B-	1,316,000
1,600	Dynegy Holdings Inc.	8.375%	5/01/16	B2	1,616,000
3,000	Total Multi-Utilities				2,932,000
<b>Oil, Gas &amp; Consumable Fuels 0.7%</b>					
2,400	Baytex Energy Ltd	9.625%	7/15/10	B-	2,484,000
400	Chaparral Energy Inc.	8.500%	12/01/15	CCC+	377,000
2,345	Chesapeake Energy Corporation	7.750%	1/15/15	BB	2,424,144



Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

1,000	Hilcorp Energy I LP/Hilcorp Finance Company, Series 144A	7.750%	11/01/15	B	982,500
2,000	SemGroup LP, 144A	8.750%	11/15/15	B1	1,965,000
1,000	Whiting Petroleum Corporation	7.000%	2/01/14	B1	965,000
9,145	Total Oil, Gas & Consumable Fuels				9,197,644

**Paper & Forest Products 0.5%**

5,000	Georgia-Pacific Corporation	8.125%	5/15/11	B	5,100,000
2,000	Georgia-Pacific Corporation	7.700%	6/15/15	B	2,000,000
7,000	Total Paper & Forest Products				7,100,000

**Personal Products 0.1%**

1,500	Prestige Brands Inc.	9.250%	4/15/12	B-	1,522,500
-------	----------------------	--------	---------	----	-----------

**Real Estate 0.3%**

3,000	Felcor Lodging Trust Inc., 144A	0.000%	12/01/11	Ba3	2,992,500
1,000	Trustreet Properties, Inc.	7.500%	4/01/15	AAA	1,072,585
500	Ventas Realty LP, Series WI	7.125%	6/01/15	BB+	512,500
4,500	Total Real Estate				4,577,585

**Semiconductors & Equipment 0.3%**

1,600	Avago Technologies Finance Pte Limited	10.375%	12/01/13	B	1,728,000
2,000	NXP BV	8.110%	10/15/13	BB	1,865,000
3,600	Total Semiconductors & Equipment				3,593,000

**Software 0.1%**

2,000	Telcorida Technologies, Inc.	9.396%	7/15/12	B	1,875,000
-------	------------------------------	--------	---------	---	-----------

**Specialty Retail 0.2%**

3,000	Warnaco Inc., Senior Notes	8.875%	6/15/13	BB-	3,157,500
-------	----------------------------	--------	---------	-----	-----------

**Textiles, Apparel & Luxury Goods 0.2%**

3,000	Jostens IH Corporation	7.625%	10/01/12	B1	3,067,500
-------	------------------------	--------	----------	----	-----------

**Wireless Telecommunication Services 0.1%**

1,500	IPCS, Inc.	7.485%	5/01/13	B1	1,462,500
<b>\$ 126,688</b>	<b>Total Corporate Bonds (cost \$128,882,721)</b>				<b>126,761,194</b>

---

**Table of Contents**

<b>Principal Amount (000)/ Shares</b>	<b>Description (1)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Ratings (3)</b>	<b>Value</b>
<b>Capital Preferred Securities 27.6% (17.8% of Total Investments)</b>					
<b>Capital Markets 3.8%</b>					
1,250	C.A. Preferred Fund Trust II	7.000%	10/30/49	A1 \$	1,234,545
26,000	C.A. Preferred Funding Trust	7.000%	1/30/49	A1	25,614,862
10,700	Dresdner Funding Trust I, 144A	8.151%	6/30/31	A1	11,637,427
1,600	Kleinwort Benson Group PLC	5.848%	12/31/99	NA	1,367,512
1,600	MUFG Capital Finance 2	4.850%	7/25/56	BBB+	2,020,559
8,000	UBS Preferred Funding Trust I	8.622%	10/29/49	Aa2	8,694,248
	Total Capital Markets				50,569,153
<b>Commercial Banks 16.3%</b>					
3,000	AB Svensk Exportkredit, 144A	6.375%	10/27/49	AA-	2,974,068
9,500	Abbey National Capital Trust I	8.963%	6/30/50	A+	11,626,376
2,155	AgFirst Farm Credit Bank	8.393%	12/15/16	A-	2,326,760
6,500	AgFirst Farm Credit Bank	7.300%	12/15/53	A-	6,408,721
3,000	Bank One Capital III	8.750%	9/01/30	Aa3	3,589,551
2,000	BanPonce Trust I, Series A	8.327%	2/01/27	A3	2,083,260
13,030	Barclays Bank PLC, 144A	8.550%	6/15/49	Aa3	14,100,206
1,500	Barclays Bank PLC	7.434%	12/15/57	Aa3	1,596,887
2,200	BBVA International Preferred SA, Unipersonal	5.919%	10/18/49	A1	1,972,157
700	Capital One Capital IV Corporation	6.745%	2/17/37	Baa1	625,976
8,000	CBG Florida REIT Corporation	7.114%	11/15/49	Baa3	7,732,528
3,000	Centura Capital Trust I, 144A	8.845%	6/01/27	A2	3,139,713
1,500	DBS Capital Funding Corporation, 144A	7.657%	3/15/49	Aa3	1,610,763
1,400	Den Norske Bank, 144A	7.729%	6/29/49	Aa3	1,482,011
6,200	First Empire Capital Trust I	8.234%	2/01/27	A3	6,466,495
2,000	First Midwest Bancorp Inc.	6.950%	12/01/33	Baa1	2,072,920
1,800	HBOS Capital Funding LP, Notes	6.850%	3/23/49	A1	1,719,158
16,200	HBOS PLC, Series 144A	6.413%	4/01/49	A1	14,384,336
2,400	HSBC Capital Funding LP, 144A	9.547%	12/31/49	A1	2,633,273
5,750	HSBC Capital Funding LP, Debt	10.176%	6/30/50	A1	7,719,617
11,000	KBC Bank Fund Trust III, 144A	9.860%	5/02/50	A1	12,060,939
6,800	Lloyds TSB Bank PLC, Subordinated Note	6.900%	11/22/49	Aa2	6,783,245
11,500	Mizuho Financial Group	8.375%	4/27/49	Aa3	11,981,689
5,000	NB Capital Trust IV	8.250%	4/15/27	Aa3	5,203,700
8,000	North Fork Capital Trust II	8.000%	12/15/27	Baa1	8,345,056
3,000	Northgroup Preferred Capital Corporation, 144A	6.378%	10/15/57	A1	2,794,806

Edgar Filing: EMAILTHATPAYS COM INC - Form PRE 14A

600	Reliance Capital Trust I, Series B	8.170%	5/01/28	N/R	632,938
2,000	Royal Bank of Scotland Group PLC, Series U, WI/DD	0.000%	3/31/49	A1	2,090,000
2,500	Shinsei Finance II Cayman Limited, Perpetual Maturity, 144A	7.160%	7/25/49	Baa2	2,226,563
8,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49	A2	7,774,288
4,000	Standard Chartered PLC, 144A	7.014%	1/30/58	BBB+	3,808,664
9,450	Swedbank ForeningsSparbanken AB, 144A	9.000%	9/17/50	Aa3	10,208,259
4,000	Unicredito Italiano Capital Trust, 144A	9.200%	4/05/51	A1	4,374,452
800	Union Bank of Norway	7.068%	11/19/49	A2	1,210,814
	Union Planters Preferred Fund, 144A	7.750%	7/15/53	A2	32,840,625
14,200	Washington Mutual Preferred Funding Cayman, Series A-1, 144A	7.250%	3/15/49	Baa1	12,635,870

Total Commercial Banks 221,236,684

**Diversified Financial Services 1.2%**

3,100	Fulton Capital Trust I	6.290%	2/01/36	A3	2,923,198
10,400	JPMorgan Chase Capital Trust XVIII	6.950%	8/17/36	Aa3	10,254,847
2,800	Old Mutual Capital Funding, Notes	8.000%	6/22/53	Baa2	2,848,720

Total Diversified Financial Services 16,026,765

**Diversified Telecommunication Services 0.8%**

10	Centaur Funding Corporation, Series B, 144A	9.080%	4/21/20	BBB	11,083,386
----	---	--------	---------	-----	------------

**Insurance 4.6%**

2,300	American General Capital II	8.500%	7/01/30	Aa3	2,837,970
2,300	American International Group, Inc.	6.250%	3/15/37	Aa3	2,172,375
13,000	AXA SA, 144A	6.463%	12/14/49	BBB+	12,031,630
2,000	Liberty Mutual Group	7.800%	3/15/37	Baa3	1,951,914
5,700	MetLife Inc.	6.400%	12/15/66	BBB+	5,437,196
1,150	Nationwide Financial Services Capital Trust	7.899%	3/01/37	Baa1	1,276,040
6,600	Nationwide Financial Services Inc.	6.750%	5/15/67	Baa1	6,383,936
5,500	Oil Insurance Limited, 144A	7.558%	12/30/49	Baa1	5,622,117
1,100	Prudential PLC	6.500%	6/29/49	A	1,037,643
9,900	QBE Capital Funding Trust II, 144A	0.000%	6/01/49	BBB	9,724,552
14,600	XL Capital, Limited	6.500%	10/15/57	BBB	13,660,359

Total Insurance 62,135,732

**Oil, Gas & Consumable Fuels 0.4%**

6,110	KN Capital Trust III	7.630%	4/15/28	B1	5,499,287
-------	----------------------	--------	---------	----	-----------

**Road & Rail 0.4%**

6,400	Burlington Northern Santa Fe Funding Trust I	6.613%	12/15/55	BBB	5,788,429
-------	--	--------	----------	-----	-----------

**Thriffs & Mortgage Finance 0.1%**

1,500	Washington Mutual Preferred Funding Trust II	6.665%	3/15/57	Baa1	1,294,844
-------	--	--------	---------	------	-----------

**Total Capital Preferred Securities (cost \$389,472,627) 373,634,280**

**Shares Description (1) Value**

**Investment Companies 2.4% (1.5% of Total Investments)**

65,094	Blackrock Preferred and Corporate Income Strategies Fund			\$	1,172,994
441,510	Blackrock Preferred Income Strategies Fund				7,792,652
57,893	Blackrock Preferred Opportunity Trust				1,196,648
542,663	Flaherty and Crumrine/Claymore Preferred Securities Income Fund Inc.				9,887,320
110,426	Flaherty and Crumrine/Claymore Total Return Fund Inc.				2,053,924
388,926	John Hancock Preferred Income Fund III				7,840,748
52,411	John Hancock Preferred Income Fund II				1,154,614
50,586	John Hancock Preferred Income Fund				1,119,468

**Total Investment Companies (cost \$35,406,896) 32,218,368**

**Principal Amount (000)**

**Description (1) Coupon Maturity Value**

**Short-Term Investments 7.8% (5.0% of Total Investments)****U.S. Government and Agency Obligations 0.6%**

\$ 8,000	United States of America Treasury Bills	4.860%	1/10/08	\$	7,891,257
----------	---	--------	---------	----	-----------

**Repurchase Agreements 7.2%**

55,262	Repurchase Agreement with Fixed Income Clearing Corporation, dated 9/28/07, repurchase price \$55,279,415, collateralized by: \$42,990,000	3.750%	10/01/07		55,262,146
--------	--	--------	----------	--	------------

	U.S. Treasury Bonds, 7.250%, due 8/15/22, value \$54,221,138, \$2,025,000 U.S. Treasury Bonds, 5.250%, due 2/15/29, value \$2,146,500		
42,579	Repurchase Agreement with Fixed Income Clearing Corporation, dated 9/28/07, repurchase price \$42,592,289 collateralized by \$43,925,000 U.S. Treasury Bonds, 4.000%, due 2/15/14, value \$43,430,844	3.750%	10/01/07
			42,578,983
97,841	Total Repurchase Agreements		97,841,129
<b>\$ 105,841</b>	<b>Total Short-Term Investments (cost \$105,732,386)</b>		<b>105,732,386</b>
	<b>Total Investments (cost \$2,129,340,802)</b>	<b>155.0</b>	<b>2,100,240,216</b>

Shares	Description		Value
	<b>Common Stocks Sold Short (0.6)%</b>		
	<b>Health Care Equipment &amp; Supplies (0.1)%</b>		
(8,000)	Alcon Inc.		\$ (1,151,360)
	<b>Internet Software &amp; Services (0.1)%</b>		
(23,200)	Bankrate Inc., (2)		(1,069,984)
	<b>Multiline Retail (0.0)%</b>		
(11,200)	Kohl's Corporation, (2)		(642,096)
	<b>Pharmaceuticals (0.2)%</b>		
(19,800)	Allergan, Inc.		(1,276,506)
(32,100)	Merck & Co. Inc.		(1,659,249)
	Total Pharmaceuticals		(2,935,755)
	<b>Specialty Retail (0.1)%</b>		
(8,600)	AutoZone, Inc., (2)		(998,804)
	<b>Textiles, Apparel &amp; Luxury Goods (0.1)%</b>		

(22,900) Coach, Inc., (2) (1,082,483)

**Thriffs & Mortgage Finance (0.0)%**

(200) FirstFed Financial Corporation, (2) (9,910)

**Total Common Stocks Sold Short (proceeds \$8,171,712) (7,890,392)**

Contracts	Type	Notional Amount (6)	Expiration Date	Strike Price	Value
<b>Call Options Written (0.6)% (7)</b>					
777	AGCO Corporation	\$ 3,108,000	1/19/08	\$ 40.0	\$ (936,285)
2,100	Allied Waste Industries	2,625,000	1/19/08	12.5	(231,000)
1,175	Allied Waste Industries	1,468,750	1/19/08	12.5	(129,250)
330	Ameren Corporation	1,650,000	12/22/07	50.0	(118,800)
330	Amgen, Inc.	1,897,500	1/19/08	57.5	(102,300)
249	Amgen, Inc.	1,245,000	4/19/08	50.0	(234,683)
990	Anglogold Limited	4,455,000	1/19/08	45.0	(509,850)
1,530	Apex Silver Mines Limited	3,060,000	1/19/08	20.0	(283,050)
450	Arch Coal Inc.	1,350,000	1/19/08	30.0	(238,500)
415	Astrazenica PLC	2,075,000	1/19/08	50.0	(125,538)
315	Astrazenica PLC	1,732,500	1/19/08	55.0	(31,500)
1,060	Barrick Gold Corporation	3,445,000	1/19/08	32.5	(922,200)
910	BP Amoco, PLC	6,825,000	1/19/08	75.0	(120,575)
1,060	Chunghwa Telecom Company Limited (12)	1,855,000	3/22/08	17.5	(201,815)
1,780	Crystallex International Corporation	890,000	10/20/07	5.0	(8,900)
360	EBay, Inc.	1,170,000	1/19/08	32.5	(273,600)
1,050	Gold Fields Limited	1,837,500	1/19/08	17.5	(207,375)
510	KT Corporation	1,275,000	1/19/08	25.0	(75,225)
770	Matsushita Electric Industrial Company, Limited	1,347,500	12/22/07	17.5	(128,975)
1,830	Newmont Mining Corporation	8,235,000	1/19/08	45.0	(585,600)
525	Nexen Inc.	1,575,000	12/22/07	30.0	(127,313)
2,900	Nipon Telegraph & Telephone Corporation	6,525,000	12/22/07	22.5	(456,750)
795	Peabody Energy Corporation	3,577,500	1/19/08	45.0	(477,000)
550	Progress Energy, Inc.	2,475,000	1/19/08	45.0	(171,875)
1,380	Puget Energy, Inc.	3,450,000	1/19/08	25.0	(110,400)
820	Royal Dutch Shell PLC	6,560,000	1/19/08	80.0	(438,700)
400	Sanofi Aventis	1,700,000	12/22/07	42.5	(75,000)
540	Scholastic Corporation	1,620,000	3/22/08	30.0	(337,500)
1,470	Smithfield Foods Inc.	4,410,000	1/19/08	30.0	(499,800)
450	Tech Data Corporation	1,800,000	1/17/09	40.0	(265,500)

1,660	Tyson Foods Inc.	3,735,000	1/19/08	22.5	(24,900)
29,481	<b>Total Call Options Written (premiums received \$6,918,435)</b>	<b>88,974,250</b>			<b>(8,449,759)</b>
	<b>Other Assets Less Liabilities (1.6)%</b>				<b>(20,869,479)</b>
	<b>Preferred Shares, at Liquidation Value (52.2)%</b>				<b>(708,000,000)</b>
	<b>Net Assets Applicable to Common Shares 100%</b>				<b>\$ 1,355,030,586</b>

**Interest Rate Swaps outstanding at September 30, 2007:**

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate Annualized Frequency	Termination Date	Unrealized Appreciation (Depreciation)
JPMorgan	\$ 71,000,000	Receive	1-Month USD-LIBOR	2.994% Monthly	1/22/08	\$ 519,857
Morgan Stanley	71,000,000	Receive	1-Month USD-LIBOR	3.406 Monthly	1/22/09	1,200,483
						\$ 1,720,340

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Non-income producing.
- (3) Ratings: Using the higher of Standard & Poor's Group (Standard & Poor's) or Moody's Investor Service, Inc. (Moody's) rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Senior Loans in which the Fund invests generally pay interest at rates which are periodically adjusted by reference to a base short-term, floating lending rate plus an assigned fixed rate. These floating lending rates are generally (i) the lending rate referenced by the London Inter-Bank Offered Rate (LIBOR), or (ii) the prime rate offered by one or more major United States banks.

Senior Loans may be considered restricted in that the Fund ordinarily is contractually obligated to receive approval from the Agent Bank and/or Borrower prior to the disposition of a Senior Loan.



- (5) Senior Loans generally are subject to mandatory and/or optional prepayment. Because of these mandatory prepayment conditions and because there may be significant economic incentives for a Borrower to prepay, prepayments of Senior Loans may occur. As a result, the actual remaining maturity of Senior Loans held may be substantially less than the stated maturities shown.
- (6) For disclosure purposes, Notional Amount is calculated by multiplying the number of Contracts by the Strike Price by 100.
- (7) The Fund may designate up to 100% of its Common Stock investments to cover outstanding Call Options Written.
- (8) Investment is eligible for the Dividends Received Deduction.
- (9) Position or portion of position represents an unfunded Senior Loan commitment outstanding at September 30, 2007.
- (10) Negative value represents unrealized depreciation on Senior Loan commitment at September 30, 2007.
- (11) At or subsequent to September 30, 2007, this issue was under the protection of the Federal Bankruptcy Court.
- (12) Investment valued at fair value using methods determined in good faith by, or at the discretion of, the Board of Trustees.

N/R Not rated.

WI/DD Purchased on a when-issued or delayed delivery basis.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

ADR American Depositary Receipt.

CORTS Corporate Backed Trust Securities.

DD1 Portion of investment purchased on a delayed delivery basis.

PPLUS PreferredPlus Trust.

SATURNS Structured Asset Trust Unit Repackaging.

TBD Senior Loan purchased on a when-issued or delayed-delivery basis. Certain details associated with this purchase are not known prior to the settlement date of the transaction. In addition, Senior Loans typically trade without accrued interest and therefore a weighted average coupon

rate is not available prior to settlement. At settlement, if still unknown, the Borrower or counterparty will provide the Fund with the final weighted average coupon rate and maturity date.

**Income Tax Information**

The following information is presented on an income tax basis based on the information currently available to the Funds. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, recognition of premium amortization, recognition of income on REIT investments, timing differences in the recognition of income and timing differences in recognizing certain gains and losses on investment transactions.

At September 30, 2007, the cost of investments was \$2,148,383,390.

Gross unrealized appreciation and gross unrealized depreciation of investments at September 30, 2007, were as follows:

Gross unrealized:	
Appreciation	\$ 61,194,992
Depreciation	(109,338,166)
Net unrealized appreciation (depreciation) of investments	\$ (48,143,174)

---

**Table of Contents**

**Item 2. Controls and Procedures.**

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

---

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Multi-Strategy Income & Growth Fund

By (Signature and Title)\* /s/ Kevin J. McCarthy  
Kevin J. McCarthy  
Vice President and Secretary

Date November 29, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Chief Administrative Officer (principal executive officer)

Date November 29, 2007

By (Signature and Title)\* /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller (principal financial officer)

Date November 29, 2007

\* Print the name and title of each signing officer under his or her signature.