CleanTech Innovations, Inc.
Form DEF 14C
September 04, 2014
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the

Securities Exchange Act of 1934

Check the appropriate box:

¨ Preliminary Information Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

x Definitive Information Statement

CLEANTECH INNOVATIONS, INC.

(Name of Registrant As Specified in Charter)

Payment of Filing Fee (Check the appropriate box):

x No Fee required.

¨ Fee computed on table below per Exchange Act Rules 14c-5(g) 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:

(4) Date Filed:

Copies to:

Neal Beaton, Esq.	William W. Uchimoto, Esq.
Holland & Knight LLP	Stevens & Lee, P.C.

31 West 52nd Street

New York, New York 10019

Tel: 212-513-3470

Fax: 212-341-7103

1818 Market Street, 29th FL

Philadelphia, Pennsylvania 19103

Tel: 215-525-0100

Fax: 215-851-0214

Table of Contents

TABLE OF CONTENTS

Table of Contents

CLEANTECH INNOVATIONS, INC.

C District, Maoshan Industry Park,

Tieling Economic Development Zone,

Tieling, Liaoning Province, China 112616

+(86) 0410-6129922

INFORMATION STATEMENT REGARDING

ACTION TO BE TAKEN BY WRITTEN CONSENT OF

MAJORITY SHAREHOLDER

IN LIEU OF A SPECIAL MEETING

PURSUANT TO SECTION 14(C) OF THE SECURITIES EXCHANGE ACT OF 1934

WE ARE NOT ASKING YOU FOR A PROXY,

AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

GENERAL

This Information Statement is being furnished to the shareholders of CleanTech Innovations, Inc. (the Company) on or about September 4, 2014 in connection with: (i) the proposed share exchange (the Exchange) with Six Dimensions, Inc., a Nevada corporation (Six Dimensions) for 88,929,203 shares (the Exchange Shares) of the Company s common stock, par value $0.00001 per share (the Common Stock); (ii) amendments to the Articles of Incorporation of the Company to (A) change the name of the Company to 6D Global Technologies, Inc. (the Name Change) and (B) increase the number of the Company s authorized shares of capital stock to 400,000,000 shares of Common Stock (the Authorized Stock Increase , and together with the Name Change, the Amendments); (iii) effectuate the spin-off of all the Company s China-based operations in exchange for the return of the shares of Common Stock held by certain shareholders and the satisfaction or assumption of the liabilities of the Company (the Spin-Off); (iv) the conversion of all of the notes, debts, advances and other liabilities of the Company s largest creditor NYGG (Asia) Ltd. in the aggregate approximate amount of $16,000,000 into 80,844,730 shares of Common Stock (the Debt Conversion); and (v) conversion of the Company from a Nevada corporation to a Delaware corporation (the Reincorporation , and collectively with the Amendments, the Spin-Off, and the Debt Conversion, the Actions).

Pursuant to the Agreement and Plan of Share Exchange by and among the Company, Six Dimensions and the shareholders of Six Dimensions dated June 13, 2014 (Exchange Agreement), the Company agreed to obtain approval of the Amendments and the Reincorporation from a majority of the Company s shareholders and to file the Amendments and consummate the Reincorporation as soon as practicable following the closing of the transactions contemplated by the Exchange Agreement. Pursuant to the terms of the Exchange Agreement, the Company will acquire Six Dimensions in exchange for the Exchange Shares issued to Six Dimensions shareholders in accordance with their pro rata ownership of Six Dimensions capital stock (the Exchange). As a result of the Exchange, Six Dimensions will become a wholly-owned subsidiary of the Company. A copy of the Exchange Agreement is attached

as Exhibit C to the accompanying Information Statement. We expect that the Spin-Off and the Debt Conversion will occur immediately following the consummation of the Exchange, and that the other Actions will occur simultaneously with the consummation of the Exchange.

The Actions were approved by Mr. Terry McEwen, the sole member of our Board of Directors and holder of proxies constituting approximately sixty-one percent (61%) of the outstanding voting capital stock of the Company. This Information Statement has been prepared by our management.

We, us, our, the Registrant, CleanTech and the Company refers to CleanTech Innovations, Inc., a Nevada cor

THE AMENDMENTS AND OTHER ACTIONS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE

Table of Contents

COMMISSION PASSED UPON THE FAIRNESS OR MERIT OF THE AMENDMENTS, OR THE OTHER ACTIONS NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PLEASE NOTE THAT THIS IS NEITHER A REQUEST FOR YOUR VOTE NOR A PROXY STATEMENT, BUT RATHER AN INFORMATION STATEMENT DESIGNED TO INFORM YOU OF THE CHANGES THAT WILL OCCUR IF THE AMENDMENTS ARE COMPLETED AND TO PROVIDE YOU WITH INFORMATION ABOUT THE AMENDMENTS, THE OTHER ACTIONS AND THE BACKGROUND OF THESE TRANSACTIONS.

The entire cost of furnishing this Information Statement will be borne by the Company. We will request brokerage houses, nominees, custodians, fiduciaries and other like parties to forward this Information Statement to the beneficial owners of our voting securities held of record by them and we will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

DELIVERY OF DOCUMENTS TO SECURITY HOLDERS SHARING AN ADDRESS

Only one Information Statement is being delivered to multiple shareholders sharing an address unless we received contrary instructions from one or more of the shareholders. We shall deliver promptly, upon written or oral request, a separate copy of the Information Statement to a shareholder at a shared address to which a single copy of the document was delivered. A shareholder can notify us that the security holder wishes to receive a separate copy of the Information Statement by sending a written request to us at c/o CleanTech Innovations, Inc., C District, Maoshan Industry Park, Tieling Economic Development Zone, Tieling, Liaoning Province, China 112616. A shareholder may utilize the same address and telephone number to request either separate copies or a single copy for a single address for all future information statements and proxy statements, if any, and annual reports of the Company.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ACTIONS

Q. Why did I receive this Information Statement?

A. Applicable laws require us to provide you information regarding the Actions even though your vote is neither required nor requested for the Actions to become effective.

Q. Why am I not being asked to vote on the Amendments?

A. The holder of proxies comprising a majority of the issued and outstanding shares of Common Stock has already approved the Amendments pursuant to a written consent in lieu of a meeting. Such approval, together with the approval of the Company s Board of Directors, is sufficient under Nevada law, and no further approval by our shareholders is required.

Q. Why am I not being asked to vote on the other Actions?

A. The adoption of the Exchange and the Debt Conversion has been approved by written consent of holders of a majority of the outstanding shares of Common Stock of the Company. Our sole Director unanimously voted, approved and recommended the adoption of the Exchange Agreement and determined that the Exchange and the other Actions are advisable to and in the best interests of the Company and its shareholders. Such approval is sufficient under Nevada law, and no further approval by our shareholders is required. Therefore, your vote is not required and is not being sought. We are not asking you for a proxy and you are requested not to send us a proxy.

Q. What is the Exchange?

A. The transaction is by and among CleanTech Innovations, Inc. (the Company), Six Dimensions, Inc., a Nevada corporation (Six Dimensions), and the shareholders of Six Dimensions (the Six Dimensions Shareholders) in accordance with an Agreement and Plan of Share Exchange (the Exchange Agreement) dated June 13, 2014, whereby the Company will acquire all of the issued and outstanding capital stock of Six Dimensions in exchange for 88,929,203 newly issued shares of the Company s Common Stock (the Exchange Shares). Following the issuance of the Exchange Shares, Six Dimensions will become a wholly-owned subsidiary of the Company and Six Dimensions shareholders will own approximately fifty percent (50%) of the Company s outstanding Common Stock. Accordingly, the Exchange will represent a change in control of the Company, although the Exchange will not be a reverse merger .

Q. Once the Exchange is completed, what will I receive?

A. Nothing. The Exchange Shares were issued solely to shareholders of Six Dimensions. However, the Company s Board of Directors believes the Exchange is in the best interests of the Company and its shareholders.

Q. What will I receive if the Amendments are completed?

A. Nothing. The Company is increasing it authorized capital stock to issue the Exchange Shares and effectuating the Name Change to reflect the Company s operations following the Exchange.

Q. What is the Reincorporation?

A. The Reincorporation will convert the Company from a Nevada corporation to a Delaware corporation.

Q. What do I need to do now?

A. Nothing. This information statement is purely for your information and does not require or request you to do anything.

Table of Contents

FORWARD-LOOKING STATEMENTS

This Information Statement contains or incorporates both historical and forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Words such as anticipates, believes, expects, intends, future and simil expressions identify forward-looking statements. Any such forward-looking statements in this report reflect our and Six Dimension s current views with respect to future events and financial performance and are subject to a variety of factors that could cause our actual results to differ materially from historical results or from anticipated results expressed or implied by such forward-looking statements. There may be events in the future that cannot be accurately predicted or over which the Company has no control. Stockholders should be aware that the occurrence of the events described in this Information Statement or in the documents incorporated herein by reference could have a material adverse effect on our business, operating results and financial condition or ability to consummate the transaction. Examples of these risks include, without limitation:

- the risk factors disclosed in this Information Statement under Risks and in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2013; and

- the risk that, even though the Company has incurred the costs and expenses related to the Exchange, the Exchange may not be completed.

The forward-looking statements are not guarantees of future performance, events or circumstances, and actual results may differ materially from those contemplated by the forward-looking statements. Forward-looking statements herein or in documents incorporated herein by reference speak only as of the date of this Information Statement or the applicable document incorporated herein by reference (or such earlier date as may be specified therein), as applicable, are based on current assumptions and expectations or assumptions and expectations as of the date of the document incorporated herein by reference, and are subject to the factors above, among other things, and involve risks, events, circumstances, uncertainties and assumptions, many of which are beyond our ability to control or predict. You should not place undue reliance on these forward-looking statements. We do not intend to, and do not undertake an obligation to, update these forward-looking statements in the future to reflect future events or circumstances, except as required by applicable securities laws and regulations. For more information, see the section entitled Where You Can Obtain More Information beginning on page 43. The results presented for any period may not be reflective of results for any subsequent period.

You should carefully read and consider the cautionary statements contained or referred to in this section in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf, and all future written and oral forward-looking statements attributable to us, Six Dimensions, the combined company, the Exchange or any other matters, are expressly qualified in their entirety by the foregoing cautionary statements.

SUMMARY

The following summary highlights selected information from this information statement and may not contain all of the information that is important to you. Accordingly, we encourage you to read carefully this entire Information Statement, its annexes and the documents referred to in this information statement.

Unless we otherwise indicate or unless the context requires otherwise, all references in this information statement to Company, CleanTech, Registrant, we, our and us refer to CleanTech Innovations, Inc., a Nevada corporation.

Table of Contents

ACTION 1. THE AMENDMENTS

Required Approval of the Amendments

On June 12, 2014, our sole Director and the holder of shareholder proxies comprising approximately 61% of the Company s Common Stock (the Majority Shareholders), approved the Amendments to the Company s Articles of Incorporation. The Amendments were approved by written consent of the Majority Shareholders. Pursuant to the Nevada Revised Statutes, the Amendments are required to be approved by a majority of our shareholders. This approval could be obtained either by the written consent of the holders of a majority of our issued and outstanding voting securities, or it could be considered by our shareholders at a special shareholders meeting convened for the specific purpose of approving the Amendments. The Company s voting securities consist of Common Stock. Each share of Common Stock is entitled to one vote per share on any matter requiring shareholder vote. Pursuant to the Nevada Revised Statutes and our by laws, our Board of Directors amended our By-laws to provide that our shareholders may act by the written consent of the holders of a majority of the voting power required to approve such action. A copy of the Amended and Restated Bylaws is attached as Exhibit B to this Information Statement. In order to eliminate the costs and management time involved in holding a special meeting, our Board of Directors voted to utilize the written consent of the Majority Shareholders to approve the Amendments. The elimination of the need for a meeting of shareholders to approve this action is also made possible by Section 78.320 of the Nevada Revised Statutes, as may be amended, which provides that the written consent of the holders of a majority of the outstanding shares of voting capital stock, having no less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present.

As of July 14, 2014, there were 8,327,607 issued and outstanding shares of our Common Stock.

The date on which this Information Statement was first sent to shareholders is on or about September 4, 2014 (the Mailing Date). Inasmuch as we will have provided this Information Statement to our shareholders of record as of the record date of June 23, 2014 (the Record Date) no additional action will be undertaken pursuant to such written consent. Shareholders of record on the Record Date who did not consent to the Actions are not entitled to dissenter s rights under Nevada law.

Reasons for the Amendments

Pursuant to the Exchange, the Company agreed to effectuate the Amendments in accordance with the Exchange. After careful consideration, our sole Director and Majority Shareholders (i) approved and declared advisable the Amendments and the other transactions contemplated by the Exchange, (ii) resolved that it was in the best interests of the Company s shareholders that the Company enter into the Exchange and consummate the Exchange and the other transactions contemplated by the Exchange, (iii) directed that the Amendments be submitted for adoption by the Company s shareholders and (iv) recommended to the Company s shareholders that they adopt the Amendments and approve the Exchange and Debt Conversion. The adoption of the other Actions did not require the affirmative vote or written consent of a majority of the shareholders of the Company.

AMENDMENT TO OUR ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY

The change of the Company s name to 6D Global Technologies, Inc. will better reflect the Company s business plan following its proposed acquisition of Six Dimensions, pursuant to the Exchange Agreement.

AMENDMENT TO OUR ARTICLES OF INCORPORATION TO INCREASE OUR AUTHORIZED SHARES OF COMMON STOCK FROM 66,666,667 TO 400,000,000

The Amendment authorizes the increase of the number of the Company s authorized shares of Common Stock, par value $0.00001 per share, from 66,666,667 to 400,000,000. Pursuant to the Exchange Agreement,

Table of Contents

we are required to issue 88,929,203 shares of Common Stock to Six Dimensions. In addition, in order to consummate the Debt Conversion, we are required to issue an additional 80,844,730 shares of common stock to NYGG (Asia) Ltd. in connection with the Debt Conversion. Our current authorized shares of Common Stock of 66,666,667 shares, less the 8,327,607 shares of Common Stock currently issued and outstanding, is insufficient to issue such shares. Our Board of Directors believes it is in the Company s best interests and the best interests of our shareholders to increase the number of authorized shares of our Common Stock to allow for the issuance of shares of our Common Stock or other securities in connection with the Exchange and Debt Conversion, as well as such potential issuances and such other purposes as our Board of Directors determines.

The increase in the authorized number of shares of our Common Stock will permit our Board of Directors to consummate the Exchange and the Debt Conversion, and to issue additional shares of our Common Stock without further approval of our shareholders, and our Board of Directors does not intend to seek shareholder approval prior to any issuance of the authorized capital stock unless shareholder approval is required by applicable law or stock market or exchange requirements. Although from time to time we review various other transactions that could result in the issuance of shares of our Common Stock, we have not reviewed any other transactions to date.

Possible Anti-Takeover Effects.

Release No. 34-15230 of the staff of the Securities and Exchange Commission requires disclosure and discussion of the effects of any shareholder proposal that may be used as an anti-takeover device. The actions are not intended to construct or enable any anti-takeover defense or mechanism on behalf of the Company. The purpose of the increase in authorized capital is to increase the number of shares available to consummate the Exchange and Debt Conversion and for future issuance. While the increase of our authorized capital stock could, under certain circumstances, have an anti-takeover effect, we do not have in place anti-takeover mechanisms or defenses which may have an anti-takeover effect. The increase in the authorized number of shares of our Common Stock did not result from our knowledge of any specific effort to accumulate our securities or to obtain control of us by means of a merger, tender offer, proxy solicitation in opposition to management or otherwise, and we did not take such action to increase the authorized shares of our Common Stock to enable us to frustrate any efforts by another party to acquire a controlling interest or to seek representation on our Board of Directors.

The issuance of additional shares of our Common Stock may have a dilutive effect on earnings per share and on the equity and voting power of existing security holders of our Common Stock, and such issuance may not require shareholder approval. It may also adversely affect the market price of our Common Stock. However, if additional shares are issued in transactions whereby favorable business opportunities are provided which allow us to pursue our business plans, the market price of our Common Stock may increase.

ACTION 2. THE EXCHANGE

Explanatory Note Regarding the Exchange Agreement

The Exchange Agreement has been included to provide investors and our shareholders with information regarding its terms. It is not intended to provide to any person not a party thereto any other factual information about the Company. The Exchange Agreement contains representations and warranties of the Company and Six Dimensions, negotiated between the parties and made as of specific dates solely for purposes of the Exchange, including setting forth the respective rights of the parties with respect to their obligations to complete the Exchange. This description of the representations and warranties is not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in the Exchange Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to

limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Exchange Agreement. The representations and warranties may have been made for the purposes of allocating

Table of Contents

contractual risk between the parties to the agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Exchange, which subsequent information may or may not be fully reflected in the Company s public disclosures. As a result, while investors are entitled to rely on disclosure in our publicly filed documents, no person should rely on the representations, warranties, covenants and agreements or any past descriptions thereof as characterizations of the current state of facts or condition of the Company, Six Dimensions or any of their respective subsidiaries or affiliates.

The foregoing descriptions of the Exchange Agreement and the exhibits thereto are qualified in their entirety by reference to the full text of the Exchange Agreement, which is attached as Exhibit C to this Information Statement, and which is incorporated in this Information Statement by reference. You are urged to read the entire Exchange Agreement.

Required Approval of the Exchange

Our sole Director determined that the Exchange and the other transactions contemplated by the Exchange Agreement are in the best interests of the shareholders of the Company. On June 12, 2014, our sole Director and Majority Shareholders approved the Exchange and Debt Conversion by written consent.

The Parties to the Exchange Agreement

CleanTech Innovations, Inc., a Nevada corporation, was incorporated as a for-profit company in the State of Nevada on May 9, 2006, under the name Everton Capital Corporation. On June 18, 2010, we changed our name to CleanTech Innovations, Inc. in connection with the acquisition of Creative Bellows Co, Ltd., a China based manufacturer of wind tower and other clean technology products.

Six Dimensions, Inc., is a corporation that was organized under the laws of the State of California on February 9, 2004 under the name Initial Koncepts, Inc. (d/b/a Six Dimensions). On June 27, 2014, Initial Koncepts converted to a Nevada corporation named Six Dimensions, Inc. Six Dimensions provides information technology (IT) and digital technology consulting services to the world s leading enterprises during periods of critical change and growth. Combining proven top-tier professional talent, relevant and deep experience, and comprehensive capabilities across all industries, Six Dimensions solves and executes complex technology implementations, integrations, and upgrades to help organizations accelerate their time to digital success.

Background of the Exchange

The Board of Directors and senior management of the Company periodically review the Company s long-term strategic plan with a goal of maximizing shareholder value. As part of the Company s ongoing strategic planning process, the Board and its executive officers have regularly reviewed and evaluated the Company s strategic direction and alternatives in light of the performance of its business and operations and market, economic, competitive and other conditions and developments.

Prior to entering into discussions about the Spin-Off or the Exchange, the Company s largest creditor, NYGG (Asia) Ltd. (NYGG Asia), through Mr. Roger Li, NYGG Asia s Chief Executive Officer, had periodically engaged in discussions with Ms. Bei Lu, the Company s then-Chief Executive Officer and director, relating to the Company s ongoing default of its obligations under loans extended to the Company by NYGG Asia, and in particular, the Company s failure to pay principal or interest on these loans when due since 2010. In connection with these discussions, the Company, through Ms. Lu, had proposed from time to time that NYGG Asia convert this debt into

equity in the Company. NYGG Asia declined to pursue a debt-to-equity transaction due to the Company s poor financial performance and NYGG Asia s view of the Company s future business prospects and the overall declining industry outlook for the China Subsidiaries.

Table of Contents

NYGG Asia further stated its belief that the Company s financial performance could improve if it merged with a company with significant growth potential, and the Company agreed to explore the possibility of such a transaction. NYGG Asia and the Company began independently to seek out merger opportunities for CleanTech. NYGG Asia maintains a large network of contacts connected to emerging growth companies, and began to explore potential merger opportunities for CleanTech with companies in various industries. Similarly, the Company began exploring merger opportunities with a variety of businesses, both within and outside of the clean technology industry.

In March 2014, Six Dimensions was introduced to the Company by Mr. Albert Lee, a mutual acquaintance of both Mr. Tejune Kang, Six Dimensions founder and Chief Executive Officer, and Mr. William Uchimoto, Esq. of Stevens & Lee, the Company s legal counsel. Mr. Lee was engaged as a corporate advisor by Six Dimensions in November 2013 to identify potential merger candidates and strategic funding opportunities for Six Dimensions, and is not an employee or affiliate of NYGG Asia or the Company. The Company, through Mr. Uchimoto, informed NYGG Asia that Six Dimensions could be a potential candidate for a merger or other strategic transaction with the Company. On April 8, 2014, a meeting was held among the Company, represented by Mr. Uchimoto, Six Dimensions, represented by Mr. Kang and others from Six Dimensions and Mr. Peter Campitiello, Esq. of Kane Kessler, P.C. (Kane Kessler), counsel for Six Dimensions and NYGG Asia, represented by Mr. James Baxter, Esq., Mr. Benjamin Wey and Mr. Neal Beaton, Esq. from Holland & Knight LLP (Holland & Knight), counsel to NYGG Asia, for the purpose of exploring a possible merger of Six Dimensions and the Company. Prior to this meeting, Six Dimensions had pursued other mergers and funding opportunities with parties unrelated to the Company or NYGG Asia.

Six Dimensions expressed an interest in pursuing a transaction with the Company, but as a condition to any such transaction, Six Dimensions would require that the Company s debt be repaid and that the Company divest the China Subsidiaries. NYGG Asia expressed support for a transaction with Six Dimensions, but believed that any such strategic restructuring would be better conducted under the leadership of Mr. Terry McEwen, who was formerly the Chairman of the Company s Audit Committee and is currently its Chairman of the Board and Chief Executive Officer. Mr. McEwen had also previously served as the Director of Banking for the State of New Jersey Department of Banking and Insurance. The parties also discussed that as a condition to any such transaction, the Company would spin off all of its China-based operations so that following any such transaction, the business of the Company would be that of Six Dimensions only. NYGG Asia expressed support for such a transaction, as it believed that, given the Company s poor financial performance and business prospects, the business of Six Dimensions presented a better opportunity for growth and profitability.

After the meeting, representatives of NYGG Asia reported the results of the discussion, through Mr. Uchimoto to Mr. McEwen. Mr. McEwen discussed the terms of the potential transactions with CleanTech s counsel, Stevens & Lee, and the parties evaluated the factors weighing both in favor and against the transactions. For a discussion of these factors, see Reasons for the Spin-Off and Exchange below. After conducting a due diligence investigation into Six Dimensions, the Company and its legal counsel ultimately determined that a transaction with Six Dimensions provided better prospects for the Company s long-term growth as compared to maintaining its current business structure.

On April 16, 2014, NYGG Asia and Six Dimensions signed a non-binding letter of intent describing the principal terms of the Exchange. The letter of intent contemplated that the Company would, separately, take the necessary actions to approve the Exchange and the transactions contemplated thereby.

In early May 2014, NYGG Asia informed the Company that it would agree to forbear from exercising certain of its rights and remedies related to the Company s debt obligations to NYGG Asia and certain events of default thereunder if (i) the Controlling Shareholders resigned as directors and officers of the Company and granted Mr. McEwen a proxy to vote the Common Stock held by the Controlling Shareholders and (ii) the Company and the Controlling

Shareholders agreed to the Spin-Off.

Table of Contents

To avoid a conflict of interest, the Controlling Shareholders who were also directors and officers of the Company, Ms. Lu, Mr. Dianfu Lu, Mr. Shuyuan Liu and Mr. Zili Zhao, recused themselves from board discussions and decisions relating to the Spin-Off, leaving Mr. McEwen as the only remaining director of the Company to act on behalf of the Board of Directors. In subsequent discussions among the Controlling Shareholders, NYGG Asia and the Company, the Controlling Shareholders acted in their capacities as individual shareholders, and not as officers or directors of the Company. Once the terms of the Spin-Off had been agreed to among the parties, the Controlling Shareholders agreed to, and did, resign from their positions as officers and directors of the Company prior to the Company approving the Spin-Off on June 11, 2014.

On June 10, 2014, CleanTech contacted Holland & Knight about engaging the firm as counsel to represent the Company in connection with the Exchange and other corporate matters. Holland & Knight s representation of NYGG Asia ceased on June 11, 2014 with the finalization of the Forbearance Agreement, Divesture Agreement and the Waiver Agreement described below under the heading Background of the Spin-off. Before executing an engagement letter with the Company, Holland & Knight advised the Company that a conflict of interest could potentially arise between its previous representation of NYGG Asia and its representation of the Company, as the parties could have potentially adverse interests. The Company obtained Holland & Knight s assurance that its professional judgment would not be affected by the representation of either party and waived any such conflict. On June 12, 2014 the Company executed a conflict waiver (NYGG Asia, similarly, executed its own conflict waiver) and an engagement letter with Holland & Knight.

On June 10, 2014, Kane Kessler provided a draft Exchange Agreement to the Company and Holland & Knight for review.

Multiple drafts of the Exchange Agreement were exchanged between Holland & Knight and Kane Kessler to finalize the terms of the transaction.

On June 12, 2014, our sole Director and the Majority Shareholders approved the Exchange and the other Actions.

On June 13, 2014, CleanTech and Six Dimensions executed the final Exchange Agreement. On June 17, 2014, CleanTech filed a Form 8-K with the SEC announcing the execution of the Exchange Agreement.

Background of the Spin-Off

This discussion of the Spin-Off of our wholly-owned Chinese subsidiary, Liaoning Creative Bellows Co., Ltd. (Creative Bellows) pursuant to the Divesture and Exchange Agreement (the Divesture Agreement) is qualified in its entirety by reference to the Company s Current Report on Form 8-K filed June 16, 2014, and incorporated into this Information Statement by reference. You should read the entire Divesture Agreement and all exhibits thereto carefully, as they are the legal documents that govern the Spin-Off.

On June 11, 2014, the Company entered into the Divesture Agreement with certain of the Company s controlling shareholders including Ping Chen, Shengfen Lin, Wenge Chen, Bei Lu and Dianfu Lu (collectively, the Controlling Shareholders). Bei Lu and Dianfu Lu were also officers and directors of the Company. The Controlling Shareholders collectively own 5,076,468 shares of our Common Stock (the Controlling Shares), or 61.0% of our issued and outstanding shares.

Pursuant to the Divesture Agreement, the Controlling Shareholders agreed to transfer all of the Controlling Shares to the Company in exchange for our transfer of our wholly-owned Chinese subsidiary, Creative Bellows, to the Controlling Shareholders or their designees. Creative Bellows wholly owns Lianoning Creative Wind Power

Equipment Co., Ltd., a Chinese corporation which, together with Creative Bellows (the China Subsidiaries), represented all of our China-based business.

Table of Contents

The Divesture Agreement is subject to various conditions, including that the Controlling Shares and our ownership interests in Creative Bellows (the Subsidiary Interests) be deposited into and held in escrow pursuant to the terms of a separately-executed Escrow Agreement (the Escrow Agreement). The release of the Controlling Shares and the Subsidiary Interests and consummation of the Exchange Agreement is further subject to the requirement that we promptly form a wholly-owned British Virgin Islands corporation (the BVI Subsidiary). Upon formation of the BVI Subsidiary, we are required to effectuate the transfer of the Subsidiary Interests to the BVI Subsidiary, followed by our transfer of all of our ownership interest in the BVI Subsidiary to the Controlling Shareholders. With respect to the contemplated transfer of the Controlling Shares to the Company, each Controlling Shareholder has executed and delivered an irrevocable proxy to Mr. McEwen. As such, Mr. McEwen now has the authority to vote the Controlling Shares in his discretion. The Divesture Agreement is also subject to customary representations and warranties of the parties and provides for cross-indemnification in the case of certain liabilities to either party.

On June 11, 2014, in consideration of the Divesture Agreement and the related transactions, our largest creditor, NYGG Asia entered into a Forbearance and Waiver Agreement with the Company (the Forbearance Agreement). Pursuant to the Forbearance Agreement, NYGG Asia agreed to forbear from exercising certain of their respective rights and remedies related to our debt obligations to them and certain events of default thereunder. The forbearance period extends from June 11, 2014 until the first to occur of (i) September 10, 2014, (ii) the transfer of the Controlling Shares to the Company in exchange for the transfer of the Subsidiary Interests to the Controlling Shareholders and (iii) the termination of the Divesture Agreement. Upon the earlier to occur of (i) the occurrence of a forbearance default (which includes any failure by the Company to comply with and/or diligently pursue the transactions contemplated by the Divesture Agreement) or (ii) the expiration of the forbearance period, NYGG Asia s agreement to forbear shall immediately terminate and NYGG Asia shall thereafter be entitled to exercise all of its rights and remedies with respect to the above-mentioned debt obligations.

Further to the Forbearance Agreement, NYGG Asia also agreed to unconditionally release each of the China Subsidiaries from all of their respective debt obligations to NYGG Asia. The terms of NYGG Asia s release and waiver are set forth in a separately-executed Release and Waiver Agreement between NYGG Asia and each of the China Subsidiaries (the Waiver Agreement).

The foregoing descriptions of the Forbearance Agreement and the Waiver Agreement do not purport to be complete, and are qualified in their entirety by reference to the full text of the Forbearance Agreement and the Waiver Agreement, which are filed as Exhibits 10.3 and 10.4 to the Company s Current Report on Form 8-K filed June 16, 2014 and are incorporated herein by reference.

As of the date of this Information Statement, the Controlling Shares, the Subsidiary Interests and the interests in the BVI Subsidiary are being held in escrow, and the Controlling Shareholders are the managers and beneficial owners of the China Subsidiaries. We expect that the Controlling Shares will be released to the Company, and the interests in the BVI Subsidiary will be released to the Controlling Shareholders, simultaneously with the consummation of the Exchange.

Reasons for the Spin-Off and Exchange

As part of the Company s ongoing strategic planning process, our Board and executive officers have over time regularly reviewed and evaluated the Company s strategic direction and alternatives in light of the performance of its business and operations and market, economic, competitive, and other conditions and developments. This strategic planning process resulted in our Board s decision to enter into a series of transactions to effect the Spin-Off and Exchange.

In considering the Spin-Off and the Exchange, our Board determined that the poor financial performance of our China Subsidiaries, representing all of the operating assets of the Company, raised a substantial doubt as to

Table of Contents

whether the Company may continue as a going concern. In light of these conditions, and as further described above under the heading Background of the Exchange, our Board determined that operation of the China Subsidiaries may not be the best way to maximize the Company s potential in the long term.

The Spin-Off was designed to provide the Company with flexibility for future corporate action, including but not limited to possible acquisitions of, or mergers with, other companies in various industries, financings, investment opportunities, stock splits, and dividends. The Spin-Off was supported by our largest creditor, NYGG Asia, who, in connection with the Spin-Off, agreed to consummate the Debt Conversion in connection with the Exchange, which the Board believes will significantly improve the financial condition of the Company.

In evaluating a number of alternatives, our Board consulted with the Company s management and legal and financial advisors, reviewed a significant amount of information, and considered a number of factors, including, among others, the following factors that our Board viewed as supporting its decision ultimately to approve the Spin-Off and the Exchange as being in the best interests of our stockholders:

- the Company s estimated near- and long-term operations and performance on an independent stand-alone basis;

- the substantial risk that the Company would not be able to repay the approximately $16 million in interest and principal due to NYGG Asia;

- the substantial additional financing that would be needed to achieve the desired performance and the risk that such additional financing may not be obtained on terms favorable to the Company or at all;

- the competitive industry in which the Company operates, including the fact that many competitors have greater resources, financial and otherwise, than the Company has;

- historical and current information concerning Six Dimensions business, technology, personnel, and management; its financial performance, condition, and prospects as presented by Six Dimensions to the Company s Board, management team, and advisors and results of a due diligence investigation of Six Dimensions conducted by the Company s management and advisors;

- the process undertaken to explore strategic alternatives available to the Company to maximize stockholder value, and the review and assessment of the possible outcomes of such alternatives, including the possibility of remaining independent, combinations with other merger partners, the possibility of being acquired and the possibility of equity or debt being issued in public or private offerings;

- the number of shares of the Company s Common Stock to be issued to NYGG Asia and Six Dimensions stockholders pursuant to the Exchange Agreement and the fact that, following the completion of the Exchange, the Company s indebtedness to NYGG Asia would be extinguished and NYGG Asia and the

Company s stockholders would participate in approximately 50% of the future growth and earnings of the Company following the Exchange; and

the fact that Mr. McEwen, our current director, will be a director of the Company after the Exchange.

The CleanTech Board also carefully considered and discussed a number of risks, uncertainties, and other countervailing factors in its deliberations regarding entering into the Exchange Agreement and consummating the Exchange, including, among others, the following:

the risk that the conditions to the Exchange will not be satisfied, including the condition that the Company maintains the continued listing of the Common Stock on the NASDAQ Capital Market or complete a private placement equity offering of the Common Stock at $0.90 per share with minimum aggregate proceeds of $3 million and maximum aggregate proceeds $5.1 million;

the risks and substantial costs, including public company costs, and the difficulty of obtaining additional financing on terms favorable to the Company, or at all, to cover such costs of the Company remaining a stand-alone publicly traded company instead of agreeing to a transaction with Six Dimensions;

Table of Contents

- the uncertainty of the trading price of the Company s Common Stock after announcing the Exchange and after consummation of the Exchange;

- the possibility that the anticipated benefits of the Exchange may not be realized or may be lower than expected;

- the potential limitations on the Company s operations due to pre-closing covenants in the Exchange Agreement;

- the disruption that may be caused by failure to complete the Exchange;

- the substantial fees and expenses incurred by the Company in connection with the Exchange, which will be incurred whether or not the Exchange is completed; and

- other risks described in the sections of this Information Statement entitled Risks and Forward-Looking Statements .

The CleanTech Board believes that, overall, the potential benefits to our stockholders of the Exchange Agreement, and the transactions contemplated thereby, outweigh the risks and uncertainties.

Although this discussion of the information and factors considered by the Company s Board is believed to include the material factors it considered, it is not intended to be exhaustive and may not include all of the factors considered by the Board. The Board did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination that the Exchange Agreement and the transactions contemplated thereby are fair to, advisable, and in the best interests of the Company and its stockholders. The Company s Board based its determination on the totality of the information presented to and factors considered by it.

The Effect of the Exchange

Pursuant to the terms of the Exchange, the Company will acquire Six Dimensions in exchange for an aggregate of 88,929,203 newly issued shares (the Exchange Shares) of the Company s common stock, par value $0.00001 per share (the Common Stock) issued to Six Dimensions shareholders in accordance with their pro rata ownership of Six Dimensions equity. As a result of the Exchange, Six Dimensions will become a wholly-owned subsidiary of the Company. In addition, certain of our shareholders agreed to retire 5,076,468 shares of Common Stock (the Contributed Shares). Following the Exchange, the Company will have an aggregate of approximately 173,025,072 shares issued and outstanding.

The Company and Six Dimensions expect that the Exchange Shares will be issued in a transaction exempt from registration under the Securities Act of 1933 (the Securities Act) by reason of Section 4(2) of the Securities Act and/or Rule 506 of Regulation D promulgated by the SEC thereunder. As required by Rule 506 of Regulation D: (i) the Exchange Shares are being issued to the shareholders of Six Dimensions, all of whom are accredited investors within the meaning of Rule 501; (ii) the Exchange Shares will not be offered or sold through any form of general solicitation or general advertising; and (iii) the shares will be restricted securities within the meaning of Section 4(2) of the Securities Act. Further, as all of the recipients of Exchange Shares are accredited investors, the Company is not

obligated to satisfy the information requirements set forth in Rule 502(b).

At the effective time of the Exchange, our Board of Directors will be reconstituted by the appointment of Tejune Kang as the Company s Chairman and Chief Executive Officer; David Kaufman as an independent Director; Anubhav Saxena as an independent Director and Adam Hartung as an independent Director. Please see the Company s Schedule 14f-1 filed on June 23, 2014, for information regarding these directors, which is hereby incorporated by reference. Upon consummation of the Exchange, the Registrant will adopt the business plan of Six Dimensions.

Table of Contents

As disclosed on the Company s Current Report on Form 8-K filed on July 3, 2014, the Company effected a reverse stock split on July 14, 2014, whereby holders of the Company s Common Stock were deemed to hold one (1) post-split share of the Company s Common Stock for every three (3) shares of the Company s issued and outstanding Common Stock held immediately prior to the split.

Our Common Stock is listed on the NASDAQ Capital Market, but is not actively traded. The closing price of our Common Stock on the NASDAQ Capital Market on June 16, 2014, the last full trading day prior to the announcement of the Exchange, was $2.40 per share (after giving effect to the reverse stock split), and on September 3, 2014, the latest practicable trading day before the printing of this Information Statement, the closing price for our Common Stock was $1.30 per share. Based on the closing price on the last full trading day prior to the announcement of the Exchange, and after giving effect to the issuance of the Exchange Shares and the Debt Conversion Shares, the value per share of each Exchange Share is $0.11 per share, and aggregate value of the Exchange Shares is $9,782,212. We have deemed the aggregate value of the Debt Conversion Shares to be $16,000,000, equal the amount of indebtedness that will be extinguished pursuant to the Debt Conversion.

The parties will take the actions necessary to provide that the Exchange is treated as a tax free exchange under Section 368 of the Internal Revenue Code of 1986, as amended.

The Private Placement

As described above, Six Dimensions is not obligated to consummate the transactions contemplated by the Exchange Agreement unless Six Dimensions and the Company have in escrow for the benefit of the Company following the Exchange (the Post-Exchange Company) aggregate gross proceeds of not less than $3 million and not more than $5.1 million received pursuant to a private placement of our Common Stock at $0.90 per share, made solely to accredited investors in compliance with the exemption from registration provided by Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D thereunder on terms satisfactory to Six Dimensions and the Company, and the conditions to closing such private placement are satisfied. We expect that the private placement, when consummated, will strengthen the Post-Exchange Company s financial position and will give the Post-Exchange Company greater financial flexibility to execute its business plan as a NASDAQ-listed public company.

Assuming the private placement is consummated with the minimum aggregate gross proceeds of $3 million, the Company will issue approximately 3,333,334 shares of Common Stock to the purchasers thereunder, resulting in an aggregate of approximately 176,358,406 shares of Common Stock issued and outstanding. Assuming the private placement is consummated with the maximum aggregate proceeds of $5.1 million, the Company will issue approximately 5,666,667 shares of Common Stock to purchasers thereunder, resulting in an aggregate of approximately 178,691,739 shares of Common Stock issued and outstanding. The issuance of shares of our Common Stock in accordance with the private placement would dilute, and thereby reduce, each existing stockholder s proportionate ownership in our Common Stock. The stockholders do not have preemptive rights to subscribe for additional shares that may be issued by the Company in order to maintain their proportionate ownership of Common Stock. It is possible that if we conduct a non-public stock offering, some of the shares we sell could be purchased by one or more investors who could acquire a large block of Common Stock. This would concentrate voting power in the hands of a few stockholders who could exercise greater influence on our operations or the outcome of matters put to a vote of stockholders in the future.

The Debt Conversion

The Company and NYGG Asia expect that the shares issued in accordance with the Debt Conversion (the Debt Conversion Shares) will be issued in a transaction exempt from registration under the Securities Act by reason of

Section 4(2) of the Securities Act and/or Rule 506 of Regulation D promulgated by the SEC thereunder. As required by Rule 506 of Regulation D: (i) the Debt Conversion Shares are being issued to NYGG Asia, which is an accredited investor within the meaning of Rule 501; (ii) the Debt Conversion Shares will not be

Table of Contents

offered or sold through any form of general solicitation or general advertising; and (iii) the shares will be restricted securities within the meaning of Section 4(2) of the Securities Act. Further, as NYGG Asia, the sole recipient of the Debt Conversion Shares, is an accredited investor, the Company is not obligated to satisfy the information requirements set forth in Rule 502(b).

***Pro Forma* Ownership**

Following the issuance of the Exchange Shares, the retirement of the Contributed Shares and the issuance of the Debt Conversion Shares but without giving effect to any shares issued in connection with the private placement, Six Dimensions shareholders will own approximately fifty percent (50%) of the Registrant s outstanding Common Stock. Accordingly, the Exchange will represent a change in control. In addition, with respect to the Debt Conversion, assuming that NYGG Asia does not participate in the private placement contemplated by the Exchange Agreement, upon consummation of the Exchange and the issuance of the Debt Conversion Shares but without giving effect to any shares issued in connection with the private placement, NYGG Asia will be the beneficial owner of approximately 80,844,730 shares, or approximately 45%, of the Post-Exchange Company s issued and outstanding common stock.

If, and to the extent that NYGG Asia participates in the private placement, its ownership percentage of the common stock would change accordingly, and NYGG Asia s participation would be on the same terms as the other purchasers thereunder. Assuming NYGG Asia s ownership of the 80,844,730 shares of Common Stock that will be issued pursuant to the Debt Conversion, and assuming that NYGG Asia purchased the maximum number of shares available for purchase pursuant to the private placement, NYGG Asia would own 86,511,397 shares, or approximately 48% of the Post-Exchange Company s common stock. NYGG Asia s Chief Executive Officer Mr. Roger Li will have the sole voting and dispositive power over shares of Common Stock acquired by NYGG Asia pursuant to the Debt Conversion and any other shares that may be acquired by NYGG pursuant to the private placement. Mr. Li is the ultimate beneficial owner of NYGG Asia.

As of July 14, 2014, there are 8,327,607 shares of Common Stock issued and outstanding. For financial accounting purposes, the Exchange will be treated as a recapitalization with Six Dimensions as the acquirer. Upon consummation of the Exchange, the Company will adopt the business plan of Six Dimensions.

Regulatory Approvals Required for the Exchange

Other than the approval by the Company s Board of Directors and shareholders to enter into the Exchange Agreement, there are no material federal, state or foreign regulatory requirements, approvals or filings required for the completion of the Exchange that have not been obtained.

Additional Effects of the Exchange

Upon the completion of the Exchange, Six Dimensions will become a wholly owned subsidiary of the Company, and the Exchange Shares will represent approximately fifty percent (50%) of the total outstanding shares of Common Stock of the Company. The Company s common stock is currently eligible for listing on the NASDAQ Stock Market under the stock symbol CTEK .

NASDAQ considers the Exchange described in this Information Statement to be a business combination with a non-NASDAQ entity and has required that a new listing application be submitted in connection with the Exchange. NASDAQ approval of such new listing application is a condition to Six Dimensions obligations under the Exchange Agreement. Although we believe that NASDAQ will approve the new listing application, it is possible that NASDAQ will deny the application. The continued listing on NASDAQ is a condition to Six Dimensions obligations to complete

the Exchange. Six Dimensions has not expressed an intent to waive such condition.

Table of Contents

If the Exchange were to proceed without NASDAQ approval, NASDAQ could issue the Company a delisting letter immediately after completion of the Exchange. If this were to occur, the post-Exchange Company would take all reasonable action in order to maintain the listing of its Common Stock on NASDAQ. However, there can be no assurance that the Company would be successful under such circumstances, and if the Company s Common Stock were delisted from NASDAQ, stockholders may have difficulty converting their investments into cash effectively. As a result, under such circumstances, the relative price of the Company s Common Stock may decline and/or fluctuate more than in the past.

As disclosed on the Company s Current Report on Form 8-K filed on August 8, 2014, the Company received a written notification from NASDAQ notifying the Company that it had failed to comply with NASDAQ Listing Rule 5550(a)(2) because the closing bid price per share of its common stock was below the $1.00 minimum bid price requirement for continued listing of its common stock. The Company has appealed the delisting determination and a hearing before the NASDAQ Hearings Panel (the Hearings Panel) is scheduled for September 4, 2014.

As disclosed on the Company s Current Report on Form 8-K filed on August 27, 2014, the Company received a written notification from NASDAQ notifying the Company that it had failed to comply with NASDAQ Listing Rules 5550(b), 5605(b)(1), 5605(c)(2), 5605(d)(2) and 5605(e)(1). NASDAQ has instructed the Company to address these additional matters to the Hearings Panel at the September 4 hearing.

The Company expects NASDAQ to issue a final decision within two to four weeks after the hearing. The Company s common stock will continue to list on the NASDAQ Capital Market while such appeal is pending. However, there can be no assurance that the NASDAQ Hearing Panel will grant the Company s request for continued listing.

Representations and Warranties

The Exchange Agreement contains a number of representations and warranties made by the Company and Six Dimensions. The statements embodied in those representations and warranties were made for purposes of the contract among the parties and are subject to qualifications and limitations agreed to by the parties in connection with negotiating the terms of that contract. Certain representations and warranties were made as of the date of the Exchange Agreement (or other date specified in the Exchange Agreement) and may be subject to contractual standards of materiality different from those generally applicable to shareholders or may have been used for the purpose of allocating risk by the parties rather than establishing matters of fact. Accordingly, while investors are entitled to rely on disclosure in our publicly filed documents, you should not rely on the representations and warranties as characterizations of the current state of facts because they are qualified as described above, as information concerning the subject matter of the representations and warranties may have changed since the date of the Exchange Agreement, and these changes may or may not be fully reflected in our public disclosures. The Exchange Agreement should not be read alone, but should instead be read in conjunction with the other information regarding the Company and Six Dimensions and the information that is contained in this Information Statement, as well as in the filings that the Company will make and have made with the SEC.

In the Exchange Agreement, the Company and Six Dimensions have made customary representations and warranties that are subject, in some cases, to specified exceptions and qualifications, to the Company and Six Dimensions, including representations relating to:

- organization, good standing and authorization and qualification to do business;

capitalization, including the particular number of outstanding shares of common stock, stock options, warrants, convertible debt and other equity-based interests;

the accuracy of the Company s organizational documents and information disclosed in the Exchange;

financial statements and internal accounting controls;

consents required in connection with the Exchange, other than specifically identified consents;

Table of Contents

the absence of any violation or conflicts with any organizational documents, applicable law or certain contracts as a result of the Exchange;

the timely filing and furnishing of SEC reports;

the absence of undisclosed liabilities;

the absence of any changes in the conduct of the business;

the absence of investigations and legal proceedings;

material contracts;

absence of related party transactions;

tax matters;

title matters;

governmental permits and authorizations; and

permit and compliance with laws matters.

Certain of the representations and warranties of the Company and Six Dimensions will survive the completion of the Exchange.

Conditions to the Exchange

The Company s and Six Dimensions obligations to complete the Exchange Agreement are subject to the satisfaction or waiver of the following conditions:

the Company s and Six Dimensions representations and warranties in the Exchange Agreement being true and correct;

the Company s and Six Dimensions performance in all material respects of their respective obligations required to be performed at or prior to the effective time of the Exchange, including the Company (i)

maintaining the continued listing of its Common Stock on the NASDAQ Capital Market and (ii) completing a private placement equity offering of its Common Stock at $0.90 per share with minimum aggregate proceeds of $3 million and maximum aggregate proceeds $5.1 million;

the absence of litigation and material adverse effects on the Company and Six Dimensions;

the receipt of all required consents to the Exchange and the transactions contemplated by the Exchange;

the receipt of good standing certificates from the appropriate agencies of the Company and Six Dimensions; and

the approval by the Company s Board of Directors and Majority Shareholder of the Name Change, Authorized Increase, Debt Conversion and Conversion.

Termination of the Exchange Agreement

The Exchange Agreement may be terminated at any time prior to the closing of the Exchange by the Board of Directors of the Company or Six Dimensions upon failure to comply in any material respect with any of their covenants or agreements contained in the Exchange Agreement or if any of the representations or warranties of the breaching party contained therein shall be inaccurate in any material respect, and, in either case if such failure is reasonably subject to cure, it remains uncured for seven days after notice of such failure is provided to the non-breaching party.

The Exchange Agreement may also be terminated at any time prior to the closing of the Exchange by the Board of Directors of the Company or Six Dimensions if: (i) there is any actual or threatened action or proceeding before any court or any governmental body which shall seek to restrain, prohibit, or invalidate the transactions contemplated by this Agreement and which, in the judgment of such board of directors, made in good faith and based on the advice of its legal counsel, makes it inadvisable to proceed with the Exchange;

Table of Contents

(ii) any of the transactions contemplated thereby are disapproved by any regulatory authority whose approval is required to consummate such transactions or in the judgment of such board of directors, made in good faith and based on the advice of counsel, there is substantial likelihood that any such approval will not be obtained or will be obtained only on a condition or conditions which would be unduly burdensome, making it inadvisable to proceed with the exchange; (iii) there shall have been any change after the date of the latest balance sheets of Six Dimensions and the Company, respectively, in the assets, properties, business, or financial condition of Six Dimensions and the Company, which could have a materially adverse effect on the value of the business of Six Dimensions and the Company, respectively, except any changes disclosed in the disclosure schedules to the Exchange Agreement, as the case may be. In the event of termination, no obligation, right, or liability will arise thereunder, and each party will bear all of the expenses incurred by it in connection with the negotiation, drafting, and execution of the Exchange Agreement and the transactions therein contemplated; (iv) the closing did not occur by September 30, 2014; or (v) if the Company shall not have provided responses satisfactory in Six Dimensions reasonable judgment to Six Dimensions request for due diligence materials.

Material United States Federal Income Tax Consequences of the Exchange to Our Shareholders

The parties have taken the actions necessary to provide that the Exchange is treated as a tax free exchange under Section 368 of the Internal Revenue Code of 1986, as amended.

Risks

The Board of Directors identified and considered a variety of risks and other countervailing factors related to entering into the Exchange Agreement and the transactions contemplated by the Exchange Agreement (which are not intended to be exhaustive and are not in relative order of importance), including that, before the closing of the Exchange, there were no assurances that all conditions to the parties obligations to complete the Exchange would be satisfied or waived, and, as a result, it was possible that the Exchange may not have been completed.

The foregoing discussion of the factors considered by the Board of Directors of the Company is not intended to be exhaustive, but does set forth the material factors considered by the Board of Directors.

Interests of Certain Persons in the Exchange

You should be aware that our sole Director who approved the Exchange Agreement and the related transactions, Terry McEwen, is also our Chief Executive Officer as well as the holder of proxies constituting a majority of our issued and outstanding shares. We are not aware of any reason that Mr. McEwen would have any interests, either directly or indirectly, in the Exchange that would be different from, or in addition to, your interests as a shareholder and that may present actual or potential conflicts of interest.

You should also be aware that NYGG Asia, our largest creditor, has interests in the Exchange that may be different from, or in addition to, or conflict with, the interests of the Company s shareholders. We are currently in default of our obligations to NYGG Asia under the terms of a $10,000,000 loan, and are indebted to NYGG Asia in the aggregate amount of approximately $16,000,000. In connection with the Exchange, NYGG Asia has agreed to the Debt Conversion, pursuant to which this indebtedness will be converted into 80,844,730 shares of Common Stock, and the indebtedness will be extinguished.

Director and Officer Exculpation, Indemnification

Nevada Revised Statutes (NRS) Sections 78.7502 and 78.751 provide the Company with the power to indemnify any of our directors and officers. The director or officer must have conducted himself/herself in good faith and reasonably believe that his/her conduct was in, or not opposed to our best interests. In a criminal action, the director, officer, employee or agent must not have had reasonable cause to believe his/her conduct was unlawful.

Under NRS Section 78.751, advances for expenses may be made by agreement if the director or officer affirms in writing that he/she believes he/she has met the standards and will personally repay the expenses if it is determined such officer or director did not meet the standards.

Table of Contents

Pursuant to the Company s Articles of Incorporation and bylaws, we may indemnify an officer or director who is made a party to any proceeding, because of his position as such, to the fullest extent authorized by Nevada Revised Statutes, as the same exists or may hereafter be amended. In certain cases, we may advance expenses incurred in defending any such proceeding.

To the extent that indemnification for liabilities arising under the Securities Act of 1933, as amended (the Securities Act) may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion