HARRINGTON RICHARD J
Form 4
January 16, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HARRINGTON RICHARD J

(Last) (First) (Middle)

800 LONG RIDGE ROAD, P. O. BOX 1600

(Street)

STAMFORD, CT 06904

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
XEROX CORP [XRX]

3. Date of Earliest Transaction (Month/Day/Year)
01/12/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								856	D	
Deferred Stock Unit	01/12/2007		A [(1)]		2,342	A	$ 17.085	18,170	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARRINGTON RICHARD J 800 LONG RIDGE ROAD P. O. BOX 1600 STAMFORD, CT 06904	X			

Signatures

K. Boyle, Attot include the cost for the use of automobiles leased by us, the cost of benefits and any other perquisites provided by us to such persons in connection with our business, all of which does not exceed the lesser of $50,000 or 10% of such person's annual salary and bonus for the subject fiscal year. (2) Mr. Epstein became Acting Chief Executive Officer of Surge in 2000 until his separation from Surge in July 2001. Mr. Levy served as Chief Executive Officer during all of Fiscal 1998, Fiscal 1999 and until February 2000, and became Chief Executive Officer again in July 2001. (3) Messrs. Levy and Lubman participated in the Surge bonus pool, which consisted of 10% of Surge's and Challenge's combined net profits, defined as income before income taxes, accrued interest charges and annualized costs, and also excluding interest on Surge's $7 million private placement of its 12% convertible promissory notes, specifically identifiable costs relating entirely to Superus and costs associated with the terminated acquisition of Global, but before the payment of bonuses. For Fiscal 2000, they each also received $250,000 in additional year end bonuses. (4) Pursuant to his Termination and Separation Agreement in July 2001, all of Mr. Epstein's options terminated except for an option to purchase up to 125,000 shares of Common Stock at an exercise price of $2.90 per share, which shall remain exercisable until the earlier of a material breach by Mr. Epstein of his agreement or one year and one day after the date of such agreement. These options expired in July 2002. Employment Agreements --------------------- Employment Agreements for Messrs. Levy and Lubman -- Surge entered into employment agreements, each dated as of February 1, 1996, with Ira Levy, our president, and Steven J. Lubman, our vice president. These employment agreements provide that Messrs. Levy and Lubman shall devote all of their business time to Surge, each in consideration of an annual salary of $200,000 for five-year periods commencing on July 31, 1996. Bonuses to Messrs. Levy and Lubman are to be based upon the performance of Surge and Challenge and determined at the discretion of our board of directors. Their salaries may be increased annually during the term of their employment, at the discretion of our board or its compensation committee. These employment agreements provide that, during the term of their employment with Surge and Challenge and for a period of one year following termination of employment, Messrs. Levy and Lubman are prohibited from engaging in activities which are competitive with those of Surge. In March 1998, the employment agreements were amended to extend their respective terms to July 30, 2003 and to provide that, unless terminated in writing by either party, on July 30th of each successive year of the employment agreements, the employment agreements shall automatically renew for an additional one-year term, so that on each July 30th there will be five years remaining on the terms of the agreements. The employment agreements further provide that in the event of a change of control where Messrs. Levy or Lubman is not elected to the Board of Directors of Surge and/or is not appointed as a Surge officer and/or there has been a change in ownership of at least 25% of the issued and outstanding stock and such issuance was not approved by either Mr. Levy or Mr. Lubman, then the non- approving person(s) may elect to terminate his employment contract and receive 2.99 times his annual compensation including benefits, or such other amount then permitted under the Internal Revenue Code without an excess penalty, in addition to the remainder of his compensation under his existing employment contract. In July 2001, we entered into a Termination and Separation Agreement with Mr. Epstein. Mr. Epstein had served as our Chairman and Acting Chief Executive Officer since February 2000, positions he resigned from effective July 11, 2001. Under the terms of this agreement, we made severance payments to Mr. Epstein totaling $100,000 over a six month period. These severance payments have been completed and we have no further obligations in connection with this agreement. All of Mr. Epstein's options terminated except for an option to purchase up to 125,000 shares of Common Stock at an exercise price of $2.90 per share, which shall remain exercisable until the earlier of a material breach by Mr. Epstein of his agreement or one year and one day after the date of the agreement. Stock Option Plans ----------------- In 1996, we adopted and our shareholders ratified, our 1995 Employee Stock Option Plan. The option plan, as amended, provides for the grant of options to purchase an aggregate of 850,000 shares of our common stock to our qualified employees, officers, directors, independent contractors, consultants and other individuals. The exercise price of options must be at least 85% of fair market value of the common stock on the date of grant (100% of fair market value, in the case of incentive stock options). As of November 30, 2002, options to purchase 685,500 shares were outstanding and 12,000 shares were available for grant. Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values -- Number of Value of Unexercised Unexercised Options In-the-Money Options at November 30,2002 at November 30, 2002(1) ------------------- ---------------------- Name Exercisable Unexercisable Exercisable Unexercisable ---- ----------- ------------- ----------- ------------- Ira Levy 315,555 0 $0 $0 Steven J. Lubman 200,000 0 $0 $0 (1) Based on a closing price of $.09 per share on November 30, 2002. Option Grants in Last Fiscal Year -------------------------------- There were no options granted in Fiscal 2002. COMPENSATION OF DIRECTORS ------------------------ Currently, our directors, other than David Siegel, receive $500 compensation per month for serving on our Board of Directors. David Siegel receives $750 per month to serve on our Board of Directors and as Chairman of the Compensation Committee. See "Item 12. Certain Relationships and Related Transactions." Directors are reimbursed for their reasonable expenses incurred in attending meetings. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT --- The following table sets forth as of March 26, 2003, the number of shares of Common Stock held of record or beneficially (i) by each person who held of record, or was known by the Company to own beneficially, more than five percent of the outstanding shares of Common Stock, (ii) by each director and (iii) by all officers and directors as a group: Percentage of Amount and Nature Surge Common Name and address of of Surge Common Stock Stock Benefi- Beneficial Owner Beneficially Owned cally Owned ------------------ -------------------- ------------ Ira Levy(2) 568,855(3) 6.3% Steven J. Lubman(2) 455,000(4) 5.1% Lawrence Chariton(2) 101,795(5) 1.2% Alan Plafker(2) 20,916(6) * David Siegel(2) 75,000(7) * Mark Siegel(2) 101,998(8) 1.2% All directors and executive officers as a group (6 persons) 1,339,301(9) 14.31% * Less than 1% of the issued and outstanding shares of Common Stock. (1) Based on 8,743,326 shares of Common Stock issued and outstanding as of March 27, 2003. (2) The business and mailing address for each of these individuals is c/o Surge Components, Inc., 95 East Jefryn Boulevard, Deer Park, New York 11729. (3) Includes 315,555 shares of Common Stock issuable upon exercise of options granted to Mr. Levy, which options are exercisable within the next 60 days. Also includes shares of Common Stock held by Mr. Levy which are subject to certain voting and transfer restrictions pursuant to a stock purchase agreement between Mr. Lubman and Mr. Levy. Does not include (a)

105,553 shares of Common Stock issuable upon exercise of a Surge option granted to Mr. Levy, which options are not exercisable within 60 days, or (b) 1,025,000 shares of Common Stock issuable upon exercise of options subject to shareholder approval. (4) Includes 200,000 shares of Common Stock issuable upon exercise of options granted to Mr. Lubman, which options are exercisable within the next 60 days. Also includes shares of Common Stock held by Mr. Lubman which are subject to certain voting and transfer restrictions pursuant to a stock purchase agreement between Mr. Lubman and Mr. Levy. Does not include 1,000,000 shares of Common Stock issuable upon exercise of options granted subject to shareholder approval. (5) Includes 1,810 shares of Common Stock issuable upon exercise of warrants held by Mr. Chariton, which warrants are exercisable within the next 60 days. (6) Includes 20,000 shares of Common Stock issuable upon exercise of options granted to Mr. Plafker, which options are exercisable within the next 60 days. (7) Includes 40,000 shares of Common Stock issuable upon exercise of options granted to Mr. D. Siegel, which shares are exercisable within the next 60 days. Does not include 400,000 shares of Common Stock issuable upon exercise of an option subject to shareholder approval. (8) Includes 40,000 shares of Common Stock issuable upon exercise of options granted to Mr. M. Siegel, which options are exercisable within the next 60 days. Does not include 225,000 shares of common stock issuable upon exercise of an option subject to shareholder approval. (9) Includes an aggregate of 617,365 shares of Common Stock issuable upon exercise of options and warrants held by Surge's executive officers and directors, which options and warrants are exercisable within the next 60 days. The Company is unaware of any arrangement, the operation of which, at a subsequent date, may result in a change of control of the Company. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS -- In October 2000, we entered into a lease with Great American Realty of 95 Jefryn Blvd., LLC, a company whose stock is owned 33- 1/3% each by Messrs. Ira Levy and Lubman, two of our executive officers and directors, and Mr. M. Siegel, one of our directors, for a 23,250 square foot executive office and warehouse facility, which we occupied in April 2001. The yearly rental for this facility is approximately $175,000 for the first year, increasing by 3% annually to approximately $228,000 in the final year of the lease. This lease expires on September 30, 2010. Our monthly rental cost for such lease was $14,967 during Fiscal 2002. On November 24, 2000, the Company entered into an agreement with a financial consultant, Equilink Capital Partners, LLC ("Equilink"), for which the consultant received 900,000 Common Shares, 70,000 shares of the Series C Preferred Stock and five year warrants to purchase 2,000,000 shares Common Stock exercisable at $3 per share, for past and future services and expenses. Included in the past services were fees totaling $338,438 relating to services and expenses of the aborted Mailencrypt.com, Inc. merger, $302,812 relating to the terminated acquisition of Orbit Networks, Inc., $226,812 for expenses relating to the $7 million convertible note offering and $3,704,999 relating to the terminated Global DataTel, Inc. acquisition. Pursuant to a Redemption Agreement, dated as of April 3, 2001, with Equilink and R. DePalo, its sole shareholder, the Company purchased from Equilink 423,000 shares of Common Stock and 8,000 shares of Series C Preferred Stock for $650,000 in cash. The purchase price for these securities was based upon approximately 95% of the average closing price of the shares of Common Stock for the five trading days ended on April 2, 2001. The Company received general releases from Equilink, Mr. DePalo and a third party and the Company agreed not to pursue any action against Equilink or Mr. DePalo, except in limited specified situations, in connection with the closing of the redemption transaction. In April 2002, in connection with a Mutual Release, Settlement, Standstill and Non-Disparagement Agreement by and among the Company and Equilink, Robert DePalo, Old Oak Fund Inc. and Kenneth Orr (collectively, the "Investors"), among other provisions, the Investors transferred back to the Company 252,000 shares of Common Stock, 19,300 shares of Series C Preferred Stock, and certain warrants, representing all of the Company's securities held by the Investors, and agreed, among other things, not to purchase any securities of the Company and not to disparage the Company in any manner, in exchange for $225,000. In addition, the Company and the Investors mutually agreed to release each other from all claims each party had, now has, or in the future might have against the other. We believe that the terms of each of the foregoing transactions were no less favorable to us than we could have obtained from non-affiliated third parties, although no independent appraisals were obtained. We anticipate that all future transactions with our affiliates, if any, will be on terms believed by our management to be no less favorable than are available from unaffiliated third parties and will be approved by a majority of disinterested directors. OTHER MATTERS ------------- The Board of Directors has no knowledge of any other matters which may come before the Meeting and does not intend to present any other matters. However, if any other matters shall properly come before the Meeting or any adjournment thereof, the persons named as proxies will have discretionary authority to vote the shares of Common Stock represented by the accompanying proxy in accordance with their best judgment. INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS --------------------------------------- The Board of Directors has selected S&G, independent certified public accountants, auditors of the Companys financial statements for FY2002, as the auditors of the financial statements of the Company for its current fiscal year ending November 30, 2003. Representatives of S&G have been invited to attend the Meeting, but it is uncertain whether they will attend. If they do, they will be given the opportunity to make a statement and to answer questions any shareholder may have. SHAREHOLDERS' PROPOSALS ---------------------- Any shareholder of the Company who wishes to present a proposal to be considered at the next annual meeting of shareholders of the Company and who wishes to have such proposal presented in the Company's Proxy Statement for such meeting must deliver such proposal in writing to the Company at 95 East Jefryn Boulevard, Deer Park, NY 11729 on or before [ ], 2003. By Order of the Board of Directors Ira Levy, President Dated: March 28, 2003 APPENDIX A Adopted as of March 28, 2003 Audit Committee Charter Purpose of Committee The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Surge Components, Inc. (the "Company") is to: (a) assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, (iv) the performance of the Company's internal audit function and independent auditors, and (v) the Company's management of market, credit, liquidity and other financial and operational risks; and (b) prepare the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement. Committee Membership The Committee shall consist of no fewer than two members of the Board. The members of the Committee shall each have been determined by the Board to be "independent", as applicable, under the Sarbanes-Oxley Act of 2002 (the "2002 Act"). The Board shall also determine that each member is "financially literate" and shall endeavor to have at least one member who has "accounting or related financial management expertise," in each case as such qualifications are defined by, to the extent required by, the applicable SEC rules, that at least one member of the Committee is an "audit committee financial expert" as defined by the SEC (or if no member is an "audit committee financial expert", explaining the reason for not having an audit committee financial expert on the Committee). No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee, and discloses this determination in the Company's annual proxy statement. No member of the Committee may receive any compensation from the Company other than (i) director's fees, which may be received in cash, common stock, equity-based awards or other in-kind consideration ordinarily available to directors; (ii) a pension or other deferred compensation for prior service that is not contingent on future service; and (iii) any other regular benefits that other directors receive. Members shall be appointed by the Board and shall serve at the pleasure of the Board and for such term or terms as the Board may determine. Committee Structure and Operations The Board shall designate one member of the Committee as its chairperson. The Committee shall meet at least once during each fiscal quarter, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The Committee may invite such members of management and other persons to its meetings as it may deem desirable or appropriate. The Committee shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee. Committee Duties and Responsibilities The following are the duties and responsibilities of the Committee: 1. To meet with the independent auditors and the Company's management and such other personnel as it deems appropriate and discuss such matters as it considers appropriate, including the matters referred to below. The Committee should meet separately with the independent auditors and the Company's management, periodically. 2. To decide whether to appoint, retain or terminate the Company's independent auditors, including sole authority to approve all audit engagement fees and terms and to pre-approve all audit and non-audit services to be provided by the independent auditors. The Committee shall monitor and evaluate the auditors' qualifications, performance and independence on an ongoing basis, and shall be directly responsible for overseeing the work of the independent auditors (including resolving disagreements between management and the auditors regarding financial reporting). In conducting such evaluations, the Committee shall: -At least annually, obtain and review a report by the independent auditors describing: the auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company (including information the Company determines is required to be disclosed in the Company's proxy statement as to services for audit and non-audit services provided to the Company and those disclosures required by Independence Standards Board Standard No. 1, as it may be modified or supplemented). -Discuss with the independent auditors any disclosed relationships or services that may impact the objectivity or independence of the independent auditors. -Take into account the opinions of management. The Committee shall present its conclusions with respect to the independent auditors to the Board for its information at least annually. 3. To obtain from management in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical accounting policies and practices to be used, which report will be reviewed and concurred with by the independent auditors, and to obtain from the independent auditors any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences. 4. To discuss with management and the independent auditors the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and to discuss with the Company's Chief Executive Officer and Chief Financial Officer their certifications to be provided pursuant to Sections 302 and 906 of the 2002 Act, including whether the financial statements fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as of and for the periods presented and whether any significant deficiencies exist in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, any material weaknesses exist in internal controls, or any fraud has occurred, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls. The Committee shall discuss, as applicable: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company. 5. To discuss with the independent auditors on at least an annual basis the matters required to be discussed by Statement of Accounting Standards No. 61, as it may be modified or supplemented, as well as any problems or difficulties the auditors encountered in the course of the audit work, including any restrictions on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with management. Among the items the Committee will consider discussing with the independent auditors are: any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise); and any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company. 6. To discuss with management and, as appropriate, the independent auditors periodically, normally on at least an annual basis: -The independent auditors' annual audit scope, risk assessment and plan. -The form of independent auditors' report on the annual financial statements and matters related to the conduct of the audit under generally accepted auditing standards. -Comments by the independent auditors on internal controls and significant findings and recommendations resulting from the audit. 7. To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. 8. To discuss with management periodically, normally on at least an annual basis, management's assessment of the Company's market, credit, liquidity and other financial and operational risks, and the guidelines, policies and processes for managing such risks. 9. To discuss with the Company's management and Company lawyer, if it so desires, any significant legal, compliance or regulatory matters that may have a material impact on the Company's business, financial statements or compliance policies. 10. To obtain assurance from the independent auditors that the audit of the Company's financial statements was conducted in a manner consistent with

Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under that Act. 11. To produce the reports described under "Committee Reports" below. 12. To discharge any other duties or responsibilities delegated to the Committee by the Board from time to time. Committee Reports The Committee shall produce the following reports and provide them to the Board: 1. Any report, including any recommendation, or other disclosures required to be prepared by the Committee pursuant to the rules of the SEC for inclusion in the Company's annual proxy statement. 2. An annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also include a review of the adequacy of this charter and shall recommend to the Board any revisions the Committee deems necessary or desirable, although the Board shall have the sole authority to amend this charter. The performance evaluation shall be conducted in such manner as the Committee deems appropriate. Delegation to Subcommittee The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting. Resources and Authority of the Committee The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate, without seeking approval of the Board or management. APPENDIX B SURGE COMPONENTS, INC. PROXY The undersigned, revoking all proxies, hereby appoints Ira Levy and Steven Lubman and each of them, proxies with power of substitution to each, for and in the name of the undersigned to vote all shares of Common Stock of Surge Components, Inc. (the "Company") which the undersigned would be entitled to vote if present at the Annual Meeting of Shareholders of the Company to be held on [ ], at 10:00 A.M. at ____________________ and any adjournments thereof, upon the matters set forth in the Notice of Annual Meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting, Proxy Statement and the Company's 2002 Annual Report. 1. ELECTION OF DIRECTORS FOR all nominees listed WITHHOLD Authority below (except as marked vote for all nominees to the contrary below) listed below _______ (INSTRUCTION: To withhold authority to vote for an individual nominee, strike a line through such nominee's name in the list below). IRA LEVY, STEVEN J. LUBMAN, ALAN PLAFKER, DAVID SIEGEL, MARK SIEGEL AND LAWRENCE CHARITON 2. IN THEIR DISCRETION, ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. PLEASE SIGN ON THE REVERSE SIDE AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED ENVELOPE. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS and when properly executed will be voted as directed herein. If no direction is given, this Proxy will be voted FOR Proposals 1 and 2. Date: , 2003 _____________________________ (Signature) _____________________________ (Signature, if held jointly) Where stock is registered in the names of two or more persons ALL should sign. Signature(s) should correspond exactly with the name(s) as shown above. Please sign, date and return promptly in the enclosed envelope. No postage need be affixed if mailed in the United States. Requests for copies of proxy materials, the Company's Annual Report for its fiscal year ended November 30, 2002 on Form 10-KSB should be addressed to Shareholder Relations, Surge Components, Inc., 95 East Jefryn Boulevard, Deer Park, NY 11729. This material will be furnished without charge to any shareholder requesting it.