WestPark Capital Clarifies WRASP Misconceptions

Los Angeles, CA, April 9, 2011 – There has been considerable conversation in the media lately regarding WestPark's WRASP transactions, a lot of which has been inaccurate. These commentators have unjustly and unfairly grouped the WRASP transactions effected by WestPark Capital together with standard "backdoor" reverse merger transactions. Nothing could be further from the truth. This release will clarify the features of a WRASP transaction and address some common misconceptions. Readers are encouraged to visit WestPark Capital's web site www.wpcapital.com to read the white paper "WRASP PROCESS EXAMINED," which is featured prominently at the top of the site.

The conception that the WRASP is similar to a standard reverse merger could not be more wrong. The WRASP "technique" is nothing like a standard reverse merger. An important difference is that standard "backdoor" reverse mergers are effected with no review by the SEC or any Exchange and trading can commence immediately after the standard reverse merger is closed. *That cannot and does not ever occur under the WRASP model.* In a WRASP transaction, under no circumstances does the stock *ever* trade until and after a full review by the SEC and the national securities exchange on which the stock is listed.

The WRASP is simply a private placement followed by a traditional firm commitment public offering - a traditional IPO. The structure was designed to avoid exactly what the SEC and many other commentators have stated is a disturbing and unacceptable way to become a publicly traded entity - a merger with a dormant public shell whereby the Chinese company becomes publicly traded *without* any regulatory scrutiny. In a speech given by SEC Commissioner Luis Aguilar on March 5, 2011, the Commissioner referenced and praised the preferred way of going public in the US, which is an IPO.

> "The traditional IPO remains the gold standard. In a traditional IPO, the SEC and the public receive robust disclosures, along with the time to review and consider them, backed up by real liability that puts the risk of false statements on the people in the best position to ensure accuracy, not on the investors. In addition, underwriters and auditors engage in due diligence which enhances the disclosure quality."

Each and every WRASP transaction involves and requires the completion of a fully reviewed traditional firm commitment underwritten IPO prior to the trading of the securities. The IPO process provides the all-important distinction between a WestPark WRASP transaction and a "backdoor" reverse merger. In a WRASP, the company is required to file periodic reports even before the stock begins trading, comply in totality with the requirements of the Securities Exchange Act of 1934 *and* field and respond to SEC and Exchange comments to the registration statement covering its traditional IPO *before* any trading whatsoever of the stock occurs. In contrast to our fully reviewed WRASP transactions, in the substantial majority of Chinese companies reverse merger transactions, the Chinese entity merges with a trading OTC.BB or "pink sheet" shell, which has a ticker symbol *and* whose stock typically trades in the US markets without any further review by the SEC. *None* of those deals are comparable to the WRASP model. The WRASP model requires and *must* be accompanied by a traditional IPO, and thus the offering and subsequent trading of securities must undergo the rigorous review process of an IPO.

WestPark also conducts a thorough diligence process in connection with each offering, performing procedures such as channel checks, hiring auditors to conduct peer review of the Company's auditors, retaining numerous consultants and attorneys for enhanced legal and financial diligence, and implementing other practices tailored for each situation.

It is important to note SEC commissioner Luis Aguilar's additional comments regarding "backdoor" reverse mergers:

> "I would like to highlight a disturbing trend that seems to have challenging implications for capital formation and investor protection. In recent years, we have seen a spike in private companies merging with a public shell company as a way of going public…A common but lesser known way of accessing the public markets is the reverse merger into a public shell, or where a public shell merges into a private company, a so-called "backdoor registration."

For those of you not familiar with these types of reverse mergers, what typically happens is a private company seeking to go public merges with a public shell company. Before the transaction, the public shell company no longer has substantive operations, but its public company registration remains in effect. The transaction gives the formerly private company the credibility and access to capital of being registered as a public company, without any of the vetting from underwriters and investors that companies undergo when they perform a traditional IPO.

In no way whatsoever do the WRASP transactions fall within the scope of the standard "reverse mergers" referenced by the Commissioner. Each and every WRASP offering involves and requires a fully reviewed traditional firm commitment IPO to effect the trading of the securities. They are not "backdoor" reverse mergers, but rather share exchanges resulting in a change of control of the Form 10 Company, with the Operating PRC Company taking control, making the Chinese company a reporting but *NOT* a trading entity. These significant differences make it completely unjustified to classify these transactions as "backdoor" reverse mergers like the substantial majority of Chinese companies that currently trade in the US markets.

WestPark's WRASP transactions are *not* standard, "backdoor" reverse mergers; they did not trade until the registration statement covering the firm commitment public offering called for in the WRASP model *and* filed on Form S-1 was declared effective by the SEC. There were not any dormant trading companies involved in these offerings. Unlike the backdoor listing model, the WRASP process requires WestPark's client companies to undergo full SEC review and subject themselves to diligence by the respective exchange, *before* any trading in the stock is done.

A few of the Chinese companies that have effected IPOs using our WRASP transaction have become the subject of SEC inquiries and trading halts due to issues surrounding their audits. But to make any inference whatsoever that these developments are in any way related to the WRASP model is unsupported by the facts.

About WestPark Capital, Inc. In November, 2010, WestPark Capital was recognized by the Los Angeles Business Journal as one of the "Top 100 Fastest Growing Private Companies," in Los Angeles. The company ranked 16 on the list and was only one of two financial services companies to earn a position in the highly regarded annual survey. WestPark Capital, Inc., (www.wpcapital.com) specializes in taking companies public. It is a full-service national and international investment bank focused on emerging growth sectors such as healthcare, software, technology, biotechnology, financial services, manufacturing, consumer products, and media and telecom industries, among other categories. Founded in 1999 the firm and its founder, Richard Rappaport, are credited for having created the "WRASP."

Media Relations Contact: Jeff Mustard: 954-801-8263; email: jeff@thebambooagency.com
Website: www.wpcapital.com Member FINRA/SIPC