

TRIMAINÉ HOLDINGS INC

FORM SC 13D (Statement of Beneficial Ownership)

Filed 7/8/1996

Address	17 DAME STREET DUBLIN 2 IRELAND,
Telephone	604-683-5767
CIK	0000948727
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

LOGAN INTERNATIONAL CORP.

(Name of Issuer)

Common Stock, \$0.01 Par Value

(Title of Class of Securities)

54100P 10 0

(CUSIP Number)

H.S. Sangra, Suite 1900, 700 West Georgia Street, Vancouver, B.C.
V7Y 1G5 Canada
Telephone (604) 662 8808

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 27, 1996

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box

.

Check the following box if a fee is being paid with this statement

.

CUSIP No. 54100P 10 0

- 1) Names of Reporting Persons/S.S. or I.R.S. Identification Nos. of Above Persons
ARBATAX INTERNATIONAL INC. (formerly named "Nalcap Holdings Inc.")
- 2) Check the Appropriate Row if a Member of a Group
(a)
(b)
- 3) SEC Use Only
- 4) Source of Funds WC
- 5) Check if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)
- 6) Citizenship or Place of Organization CANADA
- | | | |
|----------------|-------------------------------|-----------|
| Number of | (7) Sole Voting Power | 3,300,695 |
| Shares Bene- | (8) Shared Voting Power | 0 |
| ficially | | |
| Owned by | (9) Sole Dispositive Power | 3,300,695 |
| Each Reporting | (10) Shared Dispositive Power | 0 |
| Person | | |
| With | | |
- 11) Aggregate Amount Beneficially Owned by Each Reporting Person 3,300,695
- 12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares
- 13) Percent of Class Represented by Amount in Row (11) 49.9%
- 14) Type of Reporting Person CO

ITEM 1. SECURITY AND ISSUER.

This statement relates to the shares of common stock with a \$0.01 par value each of Logan International Corp. ("Logan"), a Washington corporation, having a principal executive office at Suite 1250, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Canada.

ITEM 2. IDENTITY AND BACKGROUND.

This statement is filed on behalf of Arbatax International Inc. ("Arbatax"). Arbatax is a corporation organized under the laws of Canada, operates in the financial services and resource segments, and has a principal business and office address at Brandschenke Strasse 64, 8002, Zurich, Switzerland.

The following table lists the name, residence or business address, principal occupation and citizenship of the executive officers and directors of Arbatax.

NAME	RESIDENCE OR BUSINESS ADDRESS	PRINCIPAL OCCUPATION	CITIZENSHIP
Michael J. Smith	Suite 1250, 400 Burrard Street, Vancouver, B.C., V6C 3A6, Canada	Director, President and Chief Executive Officer of Arbatax; Director, President and Chief Executive Officer of CVD Financial Corporation ("CVD"); Director of Ballinger Corporation; Executive Vice-President, Chief Financial Officer, Secretary and Trustee of Mercer International Inc.	Canadian
Jimmy S.H. Lee	Brandschenke Strasse 64, 8002 Zurich, Switzerland	Director and Chairman of the Board of Arbatax; Chairman, President and Trustee of Mercer International Inc.	Canadian
Roy Zanatta	Suite 1250, 400 Burrard Street, Vancouver, B.C., V6C 3A6, Canada	Secretary and Vice-President of CVD; Secretary of Arbatax	Canadian
Key-Choun Yang	5, Dangju-dong, Chongno-gu, Seoul, Korea	Director of Arbatax; Senior Advisor, Daewoo Securities Co. Ltd.; Senior Advisor, Dongsea Securities Co. Ltd.	Korean
Julius Mallin	256 Jarvis Street, Apt. 8D, Toronto, Ontario, M5B 2J4, Canada	Director of Arbatax; Retired Businessman	Canadian

Og-Hyun Chin	3,4 Floor, Kyung Am Bldg. , 831028 Yeoksam-Dong, Kangnam- Ku, Seoul, Korea	Director of Arbatax; Business Advisor, The Art Group Architects & Engineers Ltd.	Korean
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During the last five years, neither Arbatax, nor to the knowledge of Arbatax any of the above-mentioned executive officers and/or directors, have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), nor have they been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Arbatax has paid an aggregate of \$1,287,386 (U.S.) for 2,384,029 shares of common stock in the capital of Logan. The purchase price was paid out of Arbatax's cash reserves.

ITEM 4. PURPOSE OF TRANSACTION.

Arbatax has acquired the shares of Logan for investment purposes. At this time, neither Arbatax, nor to the knowledge of Arbatax any of its directors and/or executive officers identified in Item 2 above, have any intention of acquiring additional shares of Logan, although Arbatax reserves the right to make additional purchases on the open market and in private transactions and from treasury. Neither Arbatax, nor to the knowledge of Arbatax any of its directors and/or executive officers identified in Item 2 above, have any present intention, arrangements or understandings to effect any of the transactions listed in Item 4(a)-(j) of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

As disclosed in the Schedule 13G dated January 26, 1996 filed by Arbatax, Arbatax was the beneficial holder of 916,666 shares of common stock of Logan. Pursuant to agreements dated for reference June 20, 1996, Arbatax agreed to purchase an aggregate of 2,384,029 shares of common stock in the capital of Logan for \$0.54 (U.S.) per share or an aggregate purchase price of \$1,287,386 (U.S.), and, as a result, became the beneficial owner of same on June 27, 1996. Arbatax has the sole power to direct the vote and disposition of a total of 3,300,695 shares, which represent 49.9% of the issued and outstanding common stock of Logan.

Mr. Smith and Mr. Lee are each deemed to be a beneficial owner of approximately 153,333 shares (2.3%) of common stock of Logan, pursuant to unexercised stock options. Mr. Zanatta is deemed to be the beneficial owner of approximately 113,333 shares (1.7%) of common stock of Logan, pursuant to unexercised stock options.

To the knowledge of Arbatax, none of its directors and/or executive officers identified in Item 2 have any power to vote or dispose of any shares of common stock of Logan, nor did they or Arbatax effect any transactions in such shares during the past 60 days, except as disclosed herein.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The description of the transactions described in Item 5 above is qualified in its entirety by reference to Exhibits 1 and 2, which contain the text of the agreements and are incorporated herein by reference.

As disclosed in Item 5 above, Mr. Smith, Mr. Lee and Mr. Zanatta currently hold stock options entitling them to purchase shares of common stock of Logan. Set forth as Exhibits 3, 4 and 5 are copies of their respective stock option agreements, which are incorporated herein by reference. The exercise price of these options was repriced to \$0.75(U.S.) by the compensation committee of Logan on March 12, 1996.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit Number -----	Description -----
1	Purchase Agreement between Arbatax International Inc. and MedNet International Ltd. dated for reference June 20, 1996
2	Purchase Agreement among Arbatax International Inc., L. Elderkin, J. & S. Mitchell, R. Elderkin, D. & J. Jefferey, E. Ford, G. Elderkin, Gee Family Trust, C. Hynn, Stanford Investment Group and E.H. & P. dated for reference June 20, 1996
3	Stock Option Agreement between Michael J. Smith and Logan International Corp. (formerly named "Ballinger Corporation") dated January 11, 1995
4	Stock Option Agreement between Jimmy S.H. Lee and Logan International Corp. (formerly named "Ballinger Corporation") dated January 11, 1995
5	Stock Option Agreement between Roy Zanatta and Logan International Corp. (formerly named "Ballinger Corporation") dated January 11, 1995

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

June 27, 1996
(Date)

ARBATAX INTERNATIONAL INC.

By: /s/ Michael J. Smith

(Signature)

Michael J. Smith, President
(Name and Title)

EXHIBIT INDEX

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**ARBATAX INTERNATIONAL INC.
BRANDSCHENKE STR. 64
8002 ZURICH, SWITZERLAND**

June 20, 1996

MEDNET INTERNATIONAL LTD.

Airlie House
33 Church Street
Hamilton, Bermuda HM11

Dear Sirs:

Arbatax International Inc. (the "Purchaser") hereby offers to purchase from you and, by your acceptance hereof, you agree to sell, assign and transfer to the Purchaser, 2,087,380 of the issued and outstanding shares of common stock (the "Purchased Shares") of Logan International Corp. (the "Company") for a purchase price of \$0.54 (U.S.) per share or \$1,127,196 in total (the "Purchase Price"). This offer is conditional upon and subject to the terms and conditions described below.

Covenants, Representations and Warranties

You covenant, represent and warrant to the Purchaser, and acknowledge that the Purchaser is relying upon such covenants, representations and warranties in purchasing the Purchased Shares, that:

- (a) the Company is a corporation duly incorporated and validly subsisting in all respects under the laws of the State of Washington, U.S.A., and is in good standing with respect to the filing of annual returns;
- (b) you are the legal and beneficial owner of and have good and marketable title to all of the Purchased Shares free and clear of any and all encumbrances, and the Purchased Shares are issued and outstanding as fully paid and non-assessable;
- (c) on the Closing Date (as herein defined), you shall cause the Purchased Shares to be delivered to the Purchaser free and clear of any mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances or demands, whatsoever;
- (d) you have good right, power and absolute authority to enter into this agreement and to sell, assign and transfer the Purchased Shares to the Purchaser in the manner contemplated herein and to perform your obligations under this agreement; and
- (e) this agreement has been duly executed and delivered by you and constitutes a valid and binding obligation enforceable against you in accordance with its terms.

The Purchaser covenants, represents and warrants to you, and acknowledges that you are relying upon such covenants, representations and warranties in connection with the sale by you of the Purchased Shares, that:

(a) the Purchaser is a corporation duly incorporated and validly subsisting in all respects under the laws of Canada and is in good standing with respect to the filing of annual returns;

(b) the Purchaser has good right, full corporate power and absolute authority to enter into this agreement and to purchase the Purchased Shares from you in the manner contemplated herein and to perform all of the Purchaser's obligations under this agreement; and

(c) this agreement has been duly executed and delivered by and on behalf of the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

Conditions to Purchase Obligations

The following are conditions to the obligation of the Purchaser to complete the transaction contemplated hereby:

(a) the Purchaser will have obtained all necessary approvals, consents and acceptances of appropriate regulatory authorities in order to permit the Purchaser to purchase and you to sell the Purchased Shares as herein provided on or before June 25, 1996; and

(b) your covenants, representations and warranties contained herein shall be true and correct on the Closing Date as if such covenants, representations and warranties had been made on and as of the Closing Date.

In the event that the foregoing conditions have not been satisfied and/or waived by the Purchaser, this agreement shall be terminated and the parties hereto shall have no further obligations to each other whatsoever.

Closing

The closing of the transaction herein provided for shall be completed on the second business day following the satisfaction of the conditions set forth herein, or on such other day as may be agreed to by you and the Purchaser (the "Closing Date").

On the Closing Date, you shall deliver:

(a) definitive certificates for the Purchased Shares duly registered as the Purchaser may request; and

(b) such further documentation as the Purchaser may reasonably require in a form satisfactory to the Purchaser,

against delivery by the Purchaser to you or your order of a certified cheque, bank draft or electronic wire transfer in the amount of the Purchase Price.

Notwithstanding the Closing Date, the transaction herein provided for shall be deemed by the parties hereto to have retroactive economic effect as of January 1, 1996.

All warranties, representations, covenants and agreements herein contained or contained in any document submitted pursuant to this agreement and in connection with the transaction herein contemplated shall survive the purchase and sale of the Purchased Shares by the Purchaser and continue in full force and effect for the benefit of the Purchaser.

This agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and time shall be of the essence hereof.

This agreement constitutes the entire agreement between the parties and, except as stated herein and in the instruments and documents to be executed and delivered pursuant hereto, contains all of the representations, warranties, covenants and agreements of the respective parties hereto.

This agreement may be executed in any number of counterparts or by facsimile, each of which shall together constitute one and the same instrument and shall together be deemed to be an original, notwithstanding that all of the parties are not signatory to the same counterpart or facsimile.

If you are in agreement with the foregoing terms and conditions and wish to accept this offer, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Purchaser by 4:00 p.m. on June 21, 1996, at which time this offer will expire.

Yours very truly,

ARBATAX INTERNATIONAL INC.

By: /s/ Michael J. Smith

Name: Michael J. Smith

Title: President

The offer referred to above is hereby accepted on the terms and conditions therein set forth.

DATED this 21st day of June, 1996.

MEDNET INTERNATIONAL LTD.

By: /s/ Anthony Jessop

Name: Anthony Jessop

Title: President

ARBATAX INTERNATIONAL INC.
Brandschenke Str. 64
8002 Zurich, Switzerland

June 20, 1996

TO: THE UNDERSIGNED SHAREHOLDERS OF LOGAN INTERNATIONAL CORP.

Dear Sirs:

Arbatax International Inc. (the "Purchaser") hereby offers to purchase from you and, by your acceptance hereof, you each agree to severally sell, assign and transfer to the Purchaser, the issued and outstanding shares of common stock (the "Purchased Shares") of Logan International Corp. (the "Company") set beside your name on Schedule "A" hereto for a purchase price of \$0.54 (U.S.) per share (the "Per Share Price"). This offer is conditional upon and subject to the terms and conditions described below.

Covenants, Representations and Warranties

You severally covenant, represent and warrant to the Purchaser, and acknowledge that the Purchaser is relying upon such covenants, representations and warranties in purchasing the Purchased Shares, that:

(c) the Company is a corporation duly incorporated and validly subsisting in all respects under the laws of the State of Washington, U.S.A., and is in good standing with respect to the filing of annual returns;

(d) you are the legal and beneficial owner of and have good and marketable title to all of the Purchased Shares set beside your name on Schedule "A" hereto free and clear of any and all encumbrances, and the Purchased Shares are issued and outstanding as fully paid and non-assessable;

(e) on the Closing Date (as herein defined), you shall cause the Purchased Shares set beside your name on Schedule "A" hereto to be delivered to the Purchaser free and clear of any mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances or demands, whatsoever;

(f) you have good right, power and absolute authority to enter into this agreement and to sell, assign and transfer the Purchased Shares set beside your name on Schedule "A" hereto to the Purchaser in the manner contemplated herein and to perform your obligations under this agreement; and

(g) this agreement has been duly executed and delivered by you and constitutes a valid and binding obligation enforceable against you in accordance with its terms.

The Purchaser covenants, represents and warrants to you, and acknowledges that you are relying upon such covenants, representations and warranties in connection with the sale by you of the Purchased Shares, that:

(a) the Purchaser is a corporation duly incorporated and validly subsisting in all respects under the laws of Canada and is in good standing with respect to the filing of annual returns;

(b) the Purchaser has good right, full corporate power and absolute authority to enter into this agreement and to purchase the Purchased Shares from you in the manner contemplated herein and to perform all of the Purchaser's obligations under this agreement; and

(c) this agreement has been duly executed and delivered by and on behalf of the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

Conditions to Purchase Obligations

The following are conditions to the obligation of the Purchaser to complete the transaction contemplated hereby:

(a) the Purchaser will have obtained all necessary approvals, consents and acceptances of appropriate regulatory authorities in order to permit the Purchaser to purchase and you to sell the Purchased Shares as herein provided on or before June 25, 1996; and

(b) your covenants, representations and warranties contained herein shall be true and correct on the Closing Date as if such covenants, representations and warranties had been made on and as of the Closing Date.

In the event that the foregoing conditions have not been satisfied and/or waived by the Purchaser, this agreement shall be terminated and the parties hereto shall have no further obligations to each other whatsoever.

Closing

The closing of the transaction herein provided for shall be completed on the second business day following the satisfaction of the conditions set forth herein, or on such other day as may be agreed to by you and the Purchaser (the "Closing Date"). The Purchaser may, at its sole discretion, close separately with the persons set forth on Schedule "A" and on different dates if it so elects.

On the Closing Date, you shall deliver:

(a) definitive certificates for the Purchased Shares duly registered as the Purchaser may request; and

(b) such further documentation as the Purchaser may reasonably require in a form satisfactory to the Purchaser,

against delivery by the Purchaser to you or your order of a certified cheque, bank draft or electronic wire transfer in an amount equal to the Per Share Price multiplied by the number of Purchased Shares as set beside your name on Schedule "A" hereto.

Notwithstanding the Closing Date, the transaction herein provided for shall be deemed by the parties hereto to have retroactive economic effect as of January 1, 1996.

All warranties, representations, covenants and agreements herein contained or contained in any document submitted pursuant to this agreement and in connection with the transaction herein contemplated shall survive the purchase and sale of the Purchased Shares by the Purchaser and continue in full force and effect for the benefit of the Purchaser.

This agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and time shall be of the essence hereof.

This agreement constitutes the entire agreement between the parties and, except as stated herein and in the instruments and documents to be executed and delivered pursuant hereto, contains all of the representations, warranties, covenants and agreements of the respective parties hereto.

This agreement may be executed in any number of counterparts or by facsimile, each of which shall together constitute one and the same instrument and shall together be deemed to be an original, notwithstanding that all of the parties are not signatory to the same counterpart or facsimile.

If you are in agreement with the foregoing terms and conditions and wish to accept this offer, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Purchaser by 4:00 p.m. on June 25, 1996, at which time this offer will expire.

Yours very truly,

ARBATAX INTERNATIONAL INC.

By: /s/ Michael J. Smith

Name: Michael J. Smith

Title: President

SCHEDULE "A"

The offer referred to above is hereby accepted on the terms and conditions therein set forth.

DATED this 21st day of June, 1996.

Name -----	Signature -----	Number of Purchased Shares -----
L. Elderkin	/s/ L. Elderkin -----	149,767
J. & S. Mitchell	/s/ J. & S. Mitchell -----	500
R. Elderkin	/s/ R. Elderkin -----	3,500
L. Elderkin	/s/ L. Elderkin -----	3,579
D. & J. Jefferey	/s/ D. & J. Jefferey -----	5,000
E. Ford	/s/ E. Ford -----	5,000
G. Elderkin	/s/ G. Elderkin -----	18,503
Gee Family Trust	/s/ Gee Family Trust -----	8,000
C. Hynn	/s/ C. Hynn -----	800
Stanford Investment Group	/s/ Stanford Investment Group -----	2,000
E.H. & P.	/s/ E.H. & P. -----	100,000 -----
	TOTAL:	296,649 =====

NON-QUALIFIED STOCK OPTION AGREEMENT

This agreement is between Ballinger Corporation, a Washington corporation (the "Company"), and Michael J. Smith (the "Optionee"). The Company and the Optionee agree as follows:

1. GRANT OF OPTION

Pursuant to the 1994 Non-Qualified Stock Option Plan (the "Plan"), the Company hereby grants to the Optionee, as of the date of grant set forth in the final paragraph of this Agreement (the "Date of Grant"), an option to purchase 230,000 fully-paid and non-assessable shares (the "Option Shares") of common stock of the Company, \$.01 par value (the "Common Stock"), at a price of \$1.40 per share, upon the terms and conditions hereinafter stated (the "Option"), to all of which the Optionee, by the acceptance hereof, assents. It is intended that the Option not constitute an Incentive Stock Option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. OPTION PERIOD

The Option shall expire at the close of business on the first day following the tenth (10th) anniversary of the Date of Grant (the "Option Period").

The Option is exercisable immediately upon approval of the Plan by the shareholders of the Company to purchase 33 1/3 percent of the Option Shares and shall become exercisable to purchase an additional 33 1/3 percent of the Option Shares on each anniversary of the Date of Grant, commencing on the first (1st) anniversary of the Date of Grant. The Option shall not be exercisable with respect to fractional Option Shares.

3. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH OF OPTIONEE

a. If the Optionee ceases to be an officer or employee of the Company for any reason other than death or termination for cause, or remains an employee of the Company but ceases to be employed in a position in which employees are eligible to receive options, as determined in the sole judgment of the Board of Trustees of the Company (the "Board") or an authorized committee of the Board (together with the Board, the "Committee"), the Optionee may exercise the Option as set forth in this Agreement only for a period of ninety days after such cessation (but not beyond the Option Period). Any exercise of the Option after such cessation may be only to the extent of the full number of Option Shares the Optionee was entitled to purchase under the Option on the date of such cessation, plus any additional portion of the Option Shares which the Optionee would have become entitled to purchase during the ninety-day period following such termination. Such portion shall be rounded, if necessary, to the nearest whole share.

b. If the Optionee dies while an officer or employee of the Company, the Option will continue in effect and may be exercised as set forth in this Agreement for a period of twelve (12) months from the date of the Optionee's death. Such portion shall be rounded, if necessary, to the nearest whole share.

c. If the termination of the Optionee's position as an officer or employee of the Company is for cause (as determined in the sole judgment of the Committee), the Option shall thereupon be canceled and the Optionee shall have no right to exercise any part of the Option after such termination.

4. MANNER OF EXERCISE

The option shall be exercised by giving written notice using the form prescribed by the Company. Payment must be made in full in:

- a. Cash, or
- b. In the discretion of the Committee, by delivering Common Stock of the Company already owned by the Optionee, or
- c. In the discretion of the Committee, a combination of cash and Common Stock already owned by the Optionee.

For purposes of exercising the Option, Common Stock delivered to the Company in payment of the exercise price shall be valued at the publicly reported price for the last sale of the Common Stock, or the average of the publicly reported closing bid and asked prices of the Common Stock, as applicable, on the last business day preceding the date upon which the Company receives written notice of exercise, or, if there are no publicly reported prices of the Company's Common Stock, at the fair market value of the Common Stock, as determined in good faith by the Board.

5. WITHHOLDING

Prior to the delivery of any Option Shares purchased upon exercise of the Option, the Company shall determine the amount of the federal and state income tax, if any, required to be withheld under applicable law and shall collect from the Optionee the amount of any such tax to the extent not previously withheld.

6. ADJUSTMENTS

The number of Option Shares subject to the Option shall be adjusted as follows:

- a. In the event that the Company's outstanding Common Stock is changed by any stock dividend, stock split or combination of shares, the number of Option Shares subject to the Option shall be proportionately adjusted.
- b. Except as provided in sub-section (d) hereof, in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there may be substituted on an equitable basis as determined by the Committee, for each Option Share then subject to the Option, the number of kind of shares of stock or other securities, or other property (including cash), to which the holders of Common Stock of the Company will be entitled pursuant to the transaction (and such shares, securities and property will thereafter be deemed to be Option Shares for purposes of this Agreement).

c. In the event of any other relevant change in the capitalization of the Company, the Committee shall provide for an equitable adjustment in the number of Option Shares then subject to the Option. In the event of any such adjustment, the purchase price per Option Share shall be proportionately adjusted.

d. Notwithstanding the foregoing provisions of this Section 6, upon the dissolution of the Company, or upon any merger or consolidation of the Company where the Company is not the surviving corporation and the surviving corporation does not agree to exchange one of its options for the Option or where the Committee does not make such other arrangements which it may deem fair and equitable, the Option shall terminate and thereupon become null and void, but the Optionee shall have the right, immediately prior to such dissolution, merger or consolidation, to exercise the Option without regard to any otherwise applicable restriction as to time of exercise other than expiration of the Option Period.

7. NON-TRANSFERABILITY OF OPTION

The Option shall not be transferable except to the executive or administrator of the Optionee's estate or to the Optionee's heirs or legatees, and shall be exercisable during the Optionee's lifetime only by the Optionee. The Option may, however, be surrendered to the Company for cancellation for such consideration and upon such terms as may be mutually agreed upon by the Company and the holder of the option.

8. OTHER PROVISIONS

a. The holder of the Option shall not be entitled to any rights of a stockholder of the Company with respect to any Option Shares until such Option Shares have been paid for in full and issued upon exercise of the Option.

b. Nothing in the Plan or in the Option shall be deemed to interfere with or limit in any way the right of the Company to terminate the Optionee's employment at any time, nor confer upon the Optionee any right to continue in the employ of the Company.

c. The Option shall not be affected by an authorized leave of absence so long as the Optionee continues to be an officer or employee of the Company.

d. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

e. As a material part of this Agreement, the Optionee and the Company agree that in the event of any dispute between the Optionee and the Company, the dispute shall be resolved by binding arbitration under the Commercial Rules of the American Arbitration Association.

f. Securities Laws. Upon exercise of the rights granted under this Agreement, Optionee agrees that Optionee will not transfer any shares acquired hereunder so as to result in a distribution in violation of the applicable federal and state securities laws.

9. INCORPORATION OF PLAN BY REFERENCE

The Option is subject to all of the terms and provisions of the Plan, a copy of which is available upon request, as the same may be amended from time to time, and such terms and provisions are hereby incorporated herein and made a part hereof as if set forth at length herein.

The Option evidenced by this Agreement is granted on the 11th day of January, 1995. The Company and the Optionee have executed this Agreement as of such Date of Grant.

By *Michael J. Smith*
(Name)

/s/ Michael J. Smith
Optionee Signature

/s/ Jimmy S.H. Lee
Jimmy S.H. Lee
President
Ballinger Corporation

NON-QUALIFIED STOCK OPTION AGREEMENT

This agreement is between Ballinger Corporation, a Washington corporation (the "Company"), and Jimmy S.H. Lee (the "Optionee"). The Company and the Optionee agree as follows:

1. GRANT OF OPTION

Pursuant to the 1994 Non-Qualified Stock Option Plan (the "Plan"), the Company hereby grants to the Optionee, as of the date of grant set forth in the final paragraph of this Agreement (the "Date of Grant"), an option to purchase 230,000 fully-paid and non-assessable shares (the "Option Shares") of common stock of the Company, \$.01 par value (the "Common Stock"), at a price of \$1.40 per share, upon the terms and conditions hereinafter stated (the "Option"), to all of which the Optionee, by the acceptance hereof, assents. It is intended that the Option not constitute an Incentive Stock Option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. OPTION PERIOD

The Option shall expire at the close of business on the first day following the tenth (10th) anniversary of the Date of Grant (the "Option Period").

The Option is exercisable immediately upon approval of the Plan by the shareholders of the Company to purchase 33 1/3 percent of the Option Shares and shall become exercisable to purchase an additional 33 1/3 percent of the Option Shares on each anniversary of the Date of Grant, commencing on the first (1st) anniversary of the Date of Grant. The Option shall not be exercisable with respect to fractional Option Shares.

3. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH OF OPTIONEE

a. If the Optionee ceases to be an officer or employee of the Company for any reason other than death or termination for cause, or remains an employee of the Company but ceases to be employed in a position in which employees are eligible to receive options, as determined in the sole judgment of the Board of Trustees of the Company (the "Board") or an authorized committee of the Board (together with the Board, the "Committee"), the Optionee may exercise the Option as set forth in this Agreement only for a period of ninety days after such cessation (but not beyond the Option Period). Any exercise of the Option after such cessation may be only to the extent of the full number of Option Shares the Optionee was entitled to purchase under the Option on the date of such cessation, plus any additional portion of the Option Shares which the Optionee would have become entitled to purchase during the ninety-day period following such termination. Such portion shall be rounded, if necessary, to the nearest whole share.

b. If the Optionee dies while an officer or employee of the Company, the Option will continue in effect and may be exercised as set forth in this Agreement for a period of twelve (12) months from the date of the Optionee's death. Such portion shall be rounded, if necessary, to the nearest whole share.

c. If the termination of the Optionee's position as an officer or employee of the Company is for cause (as determined in the sole judgment of the Committee), the Option shall thereupon be canceled and the Optionee shall have no right to exercise any part of the Option after such termination.

4. MANNER OF EXERCISE

The option shall be exercised by giving written notice using the form prescribed by the Company. Payment must be made in full in:

- a. Cash, or
- b. In the discretion of the Committee, by delivering Common Stock of the Company already owned by the Optionee, or
- c. In the discretion of the Committee, a combination of cash and Common Stock already owned by the Optionee.

For purposes of exercising the Option, Common Stock delivered to the Company in payment of the exercise price shall be valued at the publicly reported price for the last sale of the Common Stock, or the average of the publicly reported closing bid and asked prices of the Common Stock, as applicable, on the last business day preceding the date upon which the Company receives written notice of exercise, or, if there are no publicly reported prices of the Company's Common Stock, at the fair market value of the Common Stock, as determined in good faith by the Board.

5. WITHHOLDING

Prior to the delivery of any Option Shares purchased upon exercise of the Option, the Company shall determine the amount of the federal and state income tax, if any, required to be withheld under applicable law and shall collect from the Optionee the amount of any such tax to the extent not previously withheld.

6. ADJUSTMENTS

The number of Option Shares subject to the Option shall be adjusted as follows:

- a. In the event that the Company's outstanding Common Stock is changed by any stock dividend, stock split or combination of shares, the number of Option Shares subject to the Option shall be proportionately adjusted.
- b. Except as provided in sub-section (d) hereof, in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there may be substituted on an equitable basis as determined by the Committee, for each Option Share then subject to the Option, the number of kind of shares of stock or other securities, or other property (including cash), to which the holders of Common Stock of the Company will be entitled pursuant to the transaction (and such shares, securities and property will thereafter be deemed to be Option Shares for purposes of this Agreement).

c. In the event of any other relevant change in the capitalization of the Company, the Committee shall provide for an equitable adjustment in the number of Option Shares then subject to the Option. In the event of any such adjustment, the purchase price per Option Share shall be proportionately adjusted.

d. Notwithstanding the foregoing provisions of this Section 6, upon the dissolution of the Company, or upon any merger or consolidation of the Company where the Company is not the surviving corporation and the surviving corporation does not agree to exchange one of its options for the Option or where the Committee does not make such other arrangements which it may deem fair and equitable, the Option shall terminate and thereupon become null and void, but the Optionee shall have the right, immediately prior to such dissolution, merger or consolidation, to exercise the Option without regard to any otherwise applicable restriction as to time of exercise other than expiration of the Option Period.

7. NON-TRANSFERABILITY OF OPTION

The Option shall not be transferable except to the executive or administrator of the Optionee's estate or to the Optionee's heirs or legatees, and shall be exercisable during the Optionee's lifetime only by the Optionee. The Option may, however, be surrendered to the Company for cancellation for such consideration and upon such terms as may be mutually agreed upon by the Company and the holder of the option.

8. OTHER PROVISIONS

a. The holder of the Option shall not be entitled to any rights of a stockholder of the Company with respect to any Option Shares until such Option Shares have been paid for in full and issued upon exercise of the Option.

b. Nothing in the Plan or in the Option shall be deemed to interfere with or limit in any way the right of the Company to terminate the Optionee's employment at any time, nor confer upon the Optionee any right to continue in the employ of the Company.

c. The Option shall not be affected by an authorized leave of absence so long as the Optionee continues to be an officer or employee of the Company.

d. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

e. As a material part of this Agreement, the Optionee and the Company agree that in the event of any dispute between the Optionee and the Company, the dispute shall be resolved by binding arbitration under the Commercial Rules of the American Arbitration Association.

f. Securities Laws. Upon exercise of the rights granted under this Agreement, Optionee agrees that Optionee will not transfer any shares acquired hereunder so as to result in a distribution in violation of the applicable federal and state securities laws.

9. INCORPORATION OF PLAN BY REFERENCE

The Option is subject to all of the terms and provisions of the Plan, a copy of which is available upon request, as the same may be amended from time to time, and such terms and provisions are hereby incorporated herein and made a part hereof as if set forth at length herein.

The Option evidenced by this Agreement is granted on the 11th day of January, 1995. The Company and the Optionee have executed this Agreement as of such Date of Grant.

By

Jimmy S.H. Lee
(Name)

/s/ Jimmy S.H. Lee
Optionee Signature

/s/ Michael J. Smith
Michael J. Smith
Executive Vice President
Ballinger Corporation

NON-QUALIFIED STOCK OPTION AGREEMENT

This agreement is between Ballinger Corporation, a Washington corporation (the "Company"), and Roy Zanatta (the "Optionee"). The Company and the Optionee agree as follows:

1. GRANT OF OPTION

Pursuant to the 1994 Non-Qualified Stock Option Plan (the "Plan"), the Company hereby grants to the Optionee, as of the date of grant set forth in the final paragraph of this Agreement (the "Date of Grant"), an option to purchase 170,000 fully-paid and non-assessable shares (the "Option Shares") of common stock of the Company, \$.01 par value (the "Common Stock"), at a price of \$1.40 per share, upon the terms and conditions hereinafter stated (the "Option"), to all of which the Optionee, by the acceptance hereof, assents. It is intended that the Option not constitute an Incentive Stock Option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. OPTION PERIOD

The Option shall expire at the close of business on the first day following the tenth (10th) anniversary of the Date of Grant (the "Option Period").

The Option is exercisable immediately upon approval of the Plan by the shareholders of the Company to purchase 33 1/3 percent of the Option Shares and shall become exercisable to purchase an additional 33 1/3 percent of the Option Shares on each anniversary of the Date of Grant, commencing on the first (1st) anniversary of the Date of Grant. The Option shall not be exercisable with respect to fractional Option Shares.

3. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH OF OPTIONEE

a. If the Optionee ceases to be an officer or employee of the Company for any reason other than death or termination for cause, or remains an employee of the Company but ceases to be employed in a position in which employees are eligible to receive options, as determined in the sole judgment of the Board of Trustees of the Company (the "Board") or an authorized committee of the Board (together with the Board, the "Committee"), the Optionee may exercise the Option as set forth in this Agreement only for a period of ninety days after such cessation (but not beyond the Option Period). Any exercise of the Option after such cessation may be only to the extent of the full number of Option Shares the Optionee was entitled to purchase under the Option on the date of such cessation, plus any additional portion of the Option Shares which the Optionee would have become entitled to purchase during the ninety-day period following such termination. Such portion shall be rounded, if necessary, to the nearest whole share.

b. If the Optionee dies while an officer or employee of the Company, the Option will continue in effect and may be exercised as set forth in this Agreement for a period of twelve (12) months from the date of the Optionee's death. Such portion shall be rounded, if necessary, to the nearest whole share.

c. If the termination of the Optionee's position as an officer or employee of the Company is for cause (as determined in the sole judgment of the Committee), the Option shall thereupon be canceled and the Optionee shall have no right to exercise any part of the Option after such termination.

4. MANNER OF EXERCISE

The option shall be exercised by giving written notice using the form prescribed by the Company. Payment must be made in full in:

- a. Cash, or
- b. In the discretion of the Committee, by delivering Common Stock of the Company already owned by the Optionee, or
- c. In the discretion of the Committee, a combination of cash and Common Stock already owned by the Optionee.

For purposes of exercising the Option, Common Stock delivered to the Company in payment of the exercise price shall be valued at the publicly reported price for the last sale of the Common Stock, or the average of the publicly reported closing bid and asked prices of the Common Stock, as applicable, on the last business day preceding the date upon which the Company receives written notice of exercise, or, if there are no publicly reported prices of the Company's Common Stock, at the fair market value of the Common Stock, as determined in good faith by the Board.

5. WITHHOLDING

Prior to the delivery of any Option Shares purchased upon exercise of the Option, the Company shall determine the amount of the federal and state income tax, if any, required to be withheld under applicable law and shall collect from the Optionee the amount of any such tax to the extent not previously withheld.

6. ADJUSTMENTS

The number of Option Shares subject to the Option shall be adjusted as follows:

- a. In the event that the Company's outstanding Common Stock is changed by any stock dividend, stock split or combination of shares, the number of Option Shares subject to the Option shall be proportionately adjusted.
- b. Except as provided in sub-section (d) hereof, in the event of any merger, consolidation or reorganization of the Company with any other corporation or corporations, there may be substituted on an equitable basis as determined by the Committee, for each Option Share then subject to the Option, the number of kind of shares of stock or other securities, or other property (including cash), to which the holders of Common Stock of the Company will be entitled pursuant to the transaction (and such shares, securities and property will thereafter be deemed to be Option Shares for purposes of this Agreement).

c. In the event of any other relevant change in the capitalization of the Company, the Committee shall provide for an equitable adjustment in the number of Option Shares then subject to the Option. In the event of any such adjustment, the purchase price per Option Share shall be proportionately adjusted.

d. Notwithstanding the foregoing provisions of this Section 6, upon the dissolution of the Company, or upon any merger or consolidation of the Company where the Company is not the surviving corporation and the surviving corporation does not agree to exchange one of its options for the Option or where the Committee does not make such other arrangements which it may deem fair and equitable, the Option shall terminate and thereupon become null and void, but the Optionee shall have the right, immediately prior to such dissolution, merger or consolidation, to exercise the Option without regard to any otherwise applicable restriction as to time of exercise other than expiration of the Option Period.

7. NON-TRANSFERABILITY OF OPTION

The Option shall not be transferable except to the executive or administrator of the Optionee's estate or to the Optionee's heirs or legatees, and shall be exercisable during the Optionee's lifetime only by the Optionee. The Option may, however, be surrendered to the Company for cancellation for such consideration and upon such terms as may be mutually agreed upon by the Company and the holder of the option.

8. OTHER PROVISIONS

a. The holder of the Option shall not be entitled to any rights of a stockholder of the Company with respect to any Option Shares until such Option Shares have been paid for in full and issued upon exercise of the Option.

b. Nothing in the Plan or in the Option shall be deemed to interfere with or limit in any way the right of the Company to terminate the Optionee's employment at any time, nor confer upon the Optionee any right to continue in the employ of the Company.

c. The Option shall not be affected by an authorized leave of absence so long as the Optionee continues to be an officer or employee of the Company.

d. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

e. As a material part of this Agreement, the Optionee and the Company agree that in the event of any dispute between the Optionee and the Company, the dispute shall be resolved by binding arbitration under the Commercial Rules of the American Arbitration Association.

f. Securities Laws. Upon exercise of the rights granted under this Agreement, Optionee agrees that Optionee will not transfer any shares acquired hereunder so as to result in a distribution in violation of the applicable federal and state securities laws.

9. INCORPORATION OF PLAN BY REFERENCE

The Option is subject to all of the terms and provisions of the Plan, a copy of which is available upon request, as the same may be amended from time to time, and such terms and provisions are hereby incorporated herein and made a part hereof as if set forth at length herein.

The Option evidenced by this Agreement is granted on the 11th day of January, 1995. The Company and the Optionee have executed this Agreement as of such Date of Grant.

By

Roy Zanatta
(Name)

/s/ Roy Zanatta
Optionee Signature

/s/ Michael J. Smith
Michael J. Smith
Executive Vice President
Ballinger Corporation

End of Filing

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