

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on February 16, in Room 526-S of the Capitol.

Committee members absent:

Committee staff present: Athena Andaya, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Bruce Kinzie, Revisor of Statutes' Office  
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Rep. Carl Krehbiel

Others in attendance: See attached list

Chair opened hearing on  
**HB 2599 - Unsolicited consumer faxes; no-fax list**

Proponents:

Rep. Carl Krehbiel felt that Kansas could do something to stop spam messages and his suggestion was to amend **HB 2599** by putting penalties on meeting organizers who sell email address lists to vendors. (Attachment 1)

Rep. Tom Sloan submitted written testimony in favor of **HB 2599** with attachments. (Attachment 2)

Opponents:

Doug Smith, Direct Marketing Association, submitted written testimony opposing **HB 2599**. (Attachment 3)

The Chairman closed the hearing on **HB 2599**.

Chair opened for discussion and possible action on  
**SB 350 - Regulation of Telecommunications**

Moved by Senator Taddiken, seconded by Senator Pyle, move **SB 350** out favorably as amended. Motion carried.

Approval of Minutes

Moved by Senator Reitz, seconded by Senator Petersen, to approve the minutes of the meetings of the Senate Utilities Committee held on February 14, 2006 and February 15, 2006.

Substitute Motion by Senator Francisco, seconded by Senator Lee, to insert language into the minutes of February 14, 2006 further defining the "stand alone" residential and small business lines by adding "including long distance" as subject to price cap regulation. (4<sup>th</sup> paragraph under **SB 350** heading). Motion carried.

Moved by Senator Petersen, seconded by Senator Pine, approve the minutes of the meetings of the Senate Utilities Committee held on February 14, 2006 as corrected and February 15, 2006. Motion carried.

Adjournment.

Respectfully submitted

Ann McMorris, Secretary

Attachments - 3

# SENATE UTILITIES COMMITTEE GUEST LIST

DATE: FEBRUARY 16, 2006

Name	Representing
- Don Low	KLL
Doug Smith	Pinegar, Smith & Assoc.
Jim Gaekwer	abpt
Pat Hubbell	abpt
John Bokenberg	abpt
Deen Jenkinson	Cox Communications
Paul Snider	ATT
David Kerr	ATT
Tim Pickering	ATT
Tom Day	KCE
Linda Langston	Cox
Debra Schmitt	WorldNet
Judy Shaw	Kearney & Associates
Jay Kibben	Cox Communications
Anne Gress	KTA

## Testimony of Rep. Carl Krehbiel on HB 2599

Thank you Chairman Emler and members of the Committee. I appreciate the opportunity to testify as a proponent of HB 2599, which passed the House on a vote of 112-12 on February 8, 2006.

This bill addresses certain unsolicited facsimile transmissions (“junk faxes”) and unsolicited commercial emails (“spam”). My interest in this bill is primarily on the latter provision, and that is what I will address.

As more people rely on email for communications, spam has become not just an irritant, but a time-consuming and costly plague. It is also a problem that so far has been impossible to solve, as even federal “Can-Spam” legislation has proven to be completely ineffective. HB 2599 is not an attempt to “end spam as we know it,” because that cannot be done.

However, it is possible to address certain niches in the spam problem in a manner that an individual state can undertake. And every little bit helps.

HB 2599 addresses one specific spamming practice: dissemination of email addresses of participants in a conference, seminar or meeting by the organizers, for commercial purposes, without the explicit, “opt-in” consent of such participants.

On a number of occasions I have attended a conference, convention, seminar, or other meeting that required an email address for registration. This can be a legitimate and useful practice for communicating further information or new developments about an event to participants. However, some event organizers “harvest” the registrants’ email addresses, and transmit them to third parties, either by an outright sale, or as part of a package deal for vendors who pay a fee to exhibit or present at an event. In subsequent weeks, I have been bombarded with spam from some vendors. In one case, I followed the “unsubscribe” instructions in one such spam email, and was directed to a web page for opting out that explicitly listed the organization that staged a convention I had attended as the source from which the vendor obtained my email address. Other members of the House Utilities Committee reported similar experiences when we discussed this bill.

It would be a waste of our time to try to ban spam. But after talking to people who are more knowledgeable about the legal aspects of this bill than I, I believe that the anti-spam provisions in HB 2599 are something that the State of Kansas can realistically accomplish. If an organization collects dues from persons in Kansas, then it is doing business in Kansas. And if it collects a fee from persons in Kansas who attend an event it sponsors, then it is doing business in Kansas. My understanding is that this provides a legal basis to address practices associated with these business transactions under the Kansas Consumer Protection Act.

The House Utilities Committee modified the anti-spam provision by specifying that the provision applies to “use for commercial purposes.” We wanted to make sure that the bill would apply to spam, while avoiding the unintended consequence of including conference participants

who compiled a list of email addresses in order to exchange information pertaining to the conference, or just stay in contact.

Again, I am making no claim that passage of this bill will stop spam. But every little bit helps, and HB 2599 would enable Kansans to fight back against one specific cause of spam that it is realistic for an individual state to address.

Thank you for your consideration of HB 2599.

Testimony on HB 2599 – Unsolicited Fax Transmissions  
From Rep. Tom Sloan, proponent

February 16, 2006

Senate Utilities Committee

Mr. Chairman, Members of the Committee: HB 2599 provides a means by which persons with fax machines in their homes can stop unwanted messages from coming through. Aside from the wasted paper and ink, there is the hassle of dealing with vendors with whom you have no relationship nor interest in developing one.

The bill is patterned on the “Do Not Call” legislation that we passed several years ago to stop unwanted telephone solicitations. The Attorney General is authorized to contract with a national or regional vendor to compile and maintain a list of telephone numbers to which unsolicited faxes should not be sent. The Attorney General is authorized to charge fees to persons acquiring the “Do Not Fax” list as a means of paying for the program. In addition, the Attorney General is authorized to seek penalties, including financial, from persons who violate the “Do Not Fax” list.

The “Do Not Call” legislation has been very successful, and is maintained as part of a national Do Not Call list. I envision the Kansas “Do Not Fax” program will also become part of a national listing.

By law, each unsolicited fax must have a telephone number printed that if called will automatically remove your fax number from their dialing list. I have called every time an unsolicited fax has arrived at my home. Many times multiple faxes have been sent the same day from the same originating number. More importantly, the number of unsolicited faxes that arrive on my machine each week do not decline. Whether the sender simply acquires new “sending” numbers or the list of receiving fax numbers is sold to other broadcast faxers is immaterial. Rather than the burden, and apparently never ending burden, to halt the inflow of unsolicited faxes being on the person receiving the material, I believe that the responsibility should be on the sender to ensure that only people wanting information receive it.

I do not pretend that unsolicited faxes are nearly as disruptive as unsolicited telephone calls, but they do intrude on one’s home and they do cost citizens money. Because this program is modeled on the existing unwanted telephone solicitation program, it should be relatively easy and inexpensive to implement. It is important to note that no specific vendor is specified in the bill to administer the program on behalf of the state. That decision will be made by the Attorney General. I have been told by the A.G.’s staff that they support this bill.

Thank you for your attention and consideration. I regret that I am in House Utilities Committee instead of appearing before you. Please contact me if you have questions.

**Senate Utilities Committee  
February 16, 2006  
Attachment 2-1**

# Blue Horseshoe Whisper Letter

**"Pssst... Blue Horseshoe Likes: Neutron Enterprises Inc. (OTCBB:NTRN)"**

January 2006

Issue 40

**INVESTORS WILL SOON DISCOVER THIS BRIGHT YOUNG COMPANY AS IT'S HUGE OUTDOOR SCREENS LIGHT UP AT SUPERBOWL EVENTS IN DETROIT THIS WEEK!**

If you want to see some of the world's leading technology on display soon, you should head to Detroit and Super Bowl XL. It's not just about the football anymore. It's about the technology - stuff that works in the real world, not just at trade shows. That's what makes the modern Super Bowl experience one of the US's top destinations.

Even better for you, it's there in Detroit that you'll really get a good look at the cutting-edge stuff that Neutron Enterprises (NTRN) is up to. Because events leading up to Super Bowl XL will be the stage for some NTRN's most advanced technology.

NTRN will provide two L.E.D. full motion and full sound screens strategically located in downtown Detroit at Football Fan Fest and Motown Winter Blast, two pre-Super Bowl events that run from January 28th to February 5th, 2006.

The huge crystal-clear NTRN screens and their booming sound systems will be used by advertisers who are targeting the wealthy fans who'll be in Detroit that week. You'll be able to find the massive NTRN setups for all the world to see mounted on the Pontchartrain Hotel facing Cobo Hall in order to maximize the viewing experience during these premier events.

And you bet, where there's a TV screen there will be advertisers. That's why the organizers chose NTRN.

**But being chosen for the Super Bowl was just the latest in a spate of good news for NTRN. In mid January Coca-Cola (that's Coke to you and me) selected NTRN's Glo-Mation product for a pilot test in Europe.**

Glo-Mation is wild. It's like elevator TV advertising on steroids. And, the whole world noticed that Coke is playing with it. Here's what Glo-Mation is... it's an ultra-thin piece of vinyl that lights up and animates. It's driven by something called electroluminescent technology.

Coke will use NTRN's Glo-Mation sheets on and near its shelf space where Glo-Mation will tease consumers with sales pitches for Coke products. And, because Glo-Mation is so unique it enhances Coke's brand because the venerable Atlanta soft drink maker is associated with something so cutting edge and memorable.

**Neutron Enterprises Inc.**

**OTCBB:NTRN**

Shares Issued: 45,680,000

Recent Price: \$2.80

Price Target: \$6.10

Rating: **Strong Buy**

Website: [www.dsbnglobal.com](http://www.dsbnglobal.com)

By the way, Sony Ericsson selected Glo-Mation for a test to market its new W900 Walkman mobile phone in Europe. Nestle plans to test Glo-Mation as well.

But, if you want to see the future you have to go to China. Yes, its population is 1.3 billion, but the truth is there are only about 300 million active consumers - of course, that's the same as having a market that is represented by every man woman and child in the US. So, it shouldn't surprise you that a smart firm like NTRN has its Far East headquarters in Shanghai, which is Asia's booming new financial capital.

The Chinese - the Japanese and Koreans too - will go nuts for Glo-Mation. Remember, this is a business culture that lights up the sides of 50-story building with advertising. It's a go-go society in which just about everyone has two cell phones and Internet cafes are packed 24 hours a day.

Glo-Mation is going to be huge in China. Mega huge. And what's big in China should flood NTRN with a wave of profits.

Think about 1996 for a second. How many people really had cell phones back then, or the cutting edge dial-up Internet in their homes... could you even imagine HDTV or sleek little digital cameras or iPods... heck, in 1996 only super computers costing millions of dollars had the 20 gigabytes of memory that comes standard with today's least expensive iPod.

The world changes - maybe too fast sometimes - but please, when you're walking down the aisle of your grocery store 10 years from now, don't look back at 2005 and think, "Man, who would have thought pieces of vinyl would rule the world... I had a chance to get in on it." NEUTRON ENTERPRISES (NTRN) is still priced attractively. Take a position it in today and stake out your bright slice of the future.

To request not to receive future faxes from Blue Horseshoe Whisper Letter please call (800) 619-6305

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*Cancelled 2/2/06*

**2-2**

# Stocks Daily

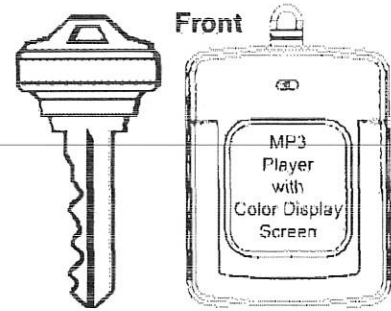
# Super HOT-STOCK-PICKS

Alerting the street about today's Hottest Growth Stock Opportunities!

OTC:KLGE approved for electronic trading!

**Investors can NOW buy KLGE**  
stock from any online trading platform

**Klegg Electronics Mini MP3 Player**  
is the Talk of the Town!



## EARLY-STAGE Investment Opportunity!

OTC:KLGE has recently been approved for DTC & electronic trading! KLGE has just been approved for DTC! Investors can NOW buy stock from any online trading platform; Ameri-trade, Scott-trade, E-Trade and any other electronic internet trading platform!

**Publicly Traded - Klegg Electronics, Inc (OTC: KLGE)**

## MP3 Players are SUPER-HOT!

The MP3 player is the **TOP DEVICE** on the wish list for technology savvy teens," stated Pat Stimpson, President of BMC, a marketing consultant firm. "The vast majority of 12-24-year-olds prefer MP3 Players to radio, and over 25% of them say they plan to purchase a MP3 player during the next 12 months." Klegg recently introduced the Klegg Mini – the world's smallest color display MP3 player – and plans to unveil a five-gigabyte large screen MP3 player in January. MP3 players have risen to the top of the portable music category with sales topping 27 million units worldwide in 2004 with an expected growth rate of 30% annually over the next five years.

Kleggs mini MP3 player was designed to compete in this \$40 billion a year worldwide market against companies like Apple Computers and their flagship IPOD MP3 player and others in this marketplace. The worldwide MP3 player marketplace is ONLY in its infancy stage at the present time, the MP3 player market is said to only be at 1/10<sup>th</sup> of its estimated growth potential in the electronics sector, MP3 players, RIGHT NOW, are one of the hottest selling items worldwide!

The "Klegg Mini" is gaining worldwide recognition daily; it has been redistributed or reprinted in several different languages in the past 3 weeks. if you go to google.com and key in the key word "KLEGG", then you will find out for yourself! The Klegg Mini MP3 player is an exciting newly released product that is just now being introduced to the marketplace and is receiving coverage from thousands of technical and financial websites worldwide including MSNBC, Market wire, etc. Kleggs mini MP3 Player was recently featured on a NBC

## RECENT NEWS RELEASES

**KLEGG MINI MP3 Player receiving**

## Major news coverage!

- Paula Abdul becomes Klegg Electronics Face to the World Marketing the KLEGG MINI MP3 Player!
- Paula Abdul Aired on Ellen DeGeneres talking about the KLEGG MINI MP3 Player!
- Boxing Champion Sugar Ray Leonard to give-away KLEGG MINI MP3 players on Nationally broadcast "The Contender" following the NFL Pro Bowl on ESPN!
- Paula Abdul features the KLEGG MINI on ENTERTAINMENT TONIGHT, Insider and picked up by NBC!
- NBA World Champion "A.C. GREEN" of the LA Lakers joins Klegg star studded line up!
- Verne Troyer "MINI ME" in Austin Powers to market the KLEGG MINI!
- Klegg Electronics to present the KLEGG MINI at the **Golden Globes Awards!**
- KLEGG MINI showcased at the 2006 **Consumer Electronics Show!**
- **Klegg Electronics featured on CBS** with Gift Bag Corporation as a featured gift in celebrity gift bags!
- KLEGG MINI and Apples IPOD featured on NBC! Compare prices; IPOD \$299.00 – Klegg Mini \$79.95
- KLEGG MINI unveiled at the HBO LUXURY LOUNGE Comedy Festival!

**CALL YOUR BROKER,**  
**CHECK IT OUT!**

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To Be removed, call 1-800-958-1781

2-3  
Cancelled  
2/21/06

January 30, 2006

# OTC ALERT

Undervalued *SPECIAL SITUATION***MEM Financial Solutions, Inc.**

Pink Sheets: MFSN

Current Price: **\$0.60**

52 Week Range: \$0.10 - \$206.00

Shares Outstanding: 219,130

Approximate Float: 43,500

[www.memfinancialsolutions.com](http://www.memfinancialsolutions.com)**IMPORTANT! Special Alert**

We are pleased to introduce you to MFSN, a speculative *Special Situation* that, in our opinion, has **substantial upside potential from its current undervalued price of only \$0.60.**

MEM Financial Solutions (Pink Sheets: MFSN) is a consolidated, full service mortgage brokerage company founded by the president & CEO, Mark Elliott McLeod in June of 1999. The Company is on the move in a major way. In 2005, MFSN acquired new office space in Schenectady, NY, which is a significant step to become a leader in the Mortgage Brokerage Industry. This new 21,000 sq.ft. space allowed the company to combine all of its current locations into one centralized sales and processing center and will enable MEM to add 125-150 new employees in 2006. The building will also become the home of the newly acquired title company, Land Research Solutions, which will handle all of the loan closing and title responsibilities in all states in which MEM conducts business.

MEM Financial Solutions is working to become licensed in all states in 2006. The company has plans to expedite this procedure by seeking mergers with larger mortgage companies that are already licensed in every other state.

MEM hopes to achieve one of its main goals of being listed on a higher exchange in the near future and to become one of the largest recognized mortgage companies in the United States. Their committed and highly qualified management team is working diligently to bring substantial shareholder value to the company

**Breaking News:**

On Jan 24, 2006 MEM Financial Solutions announced that as of December 31, 2005 the Company had surpassed its expectations of loan volume by over \$5,000,000. The **gross loan volume for 2005 of \$55,490,000 is a record for MEM Financial Solutions, versus \$50,290,000 for 2004,** nearly an 11% increase!

Furthermore, the Company has implemented a new loan handling software system that will revolutionize the underwriting process by instantly filtering through the database and choosing the best bank for the job. The system will credit grade, approve, issue commitment letters, price the loan and generate condition lists. The system will remove the need for highly trained loan officers and **effectively triple the bottom line to the company** as MEM will be paying hourly waged marketing representatives to write and close loans instead of paying high commissions to loan officers. All pricing can be controlled by management and ultimately the loans will be closed by the telemarketing staff at a fraction of the commissions (50-70%) paid to a loan officer.

**COMPELLING CONSIDERATIONS:**

- Addresses booming, high growth mortgage industry
- Record revenues projected to continue
- Utilizing latest software will triple bottom line
- Adding 125+ employees in 2006
- Centralized office ensures maximum efficiencies

This is clearly an exciting opportunity to participate in a well-managed, efficiently-run company that is positioned to become a leading force in the high growth mortgage industry. MFSN's relatively small float and strong fundamentals suggest that share price appreciation could be swift and high!

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*Cancelled 2/2/06*

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*Direct Marketing Association*

**TESTIMONY  
SENATE UTILITIES COMMITTEE  
HOUSE BILL NO. 2599  
February 16, 2006**

*Dear Chairman Emler and Honorable Members of the Senate Utilities Committee:*

Thank you for the opportunity to submit these written comments to you this morning. My name is Doug Smith. I appear on behalf of the Direct Marketing Association (DMA), which serves as a professional trade association for direct marketers. The DMA is the oldest and largest national trade association, serving the direct marketing industry since 1917.

We oppose House Bill No 2599 which relates to unsolicited facsimile transmissions.

In 2005 the United States Congress created the "Junk Fax Prevention Act" (JFPA) which President Bush signed into law on July 9, 2005. The JFPA amends the Telephone Consumer Protection Act (TCPA) by permitting businesses to send unsolicited fax advertisements to consumers and business only if they have an established business relationship. The Act also requires the communication to contain certain elements, such as a provision to allow the consumer to opt out, notice and contact information.

The Junk Fax Prevention Act mandates that the Federal Communications Commission, the regulatory body with authority over the TCPA, to adopt rules and regulations. The regulations to implement the Act are to be in place by April of 2006.

We believe that House Bill No. 2599 is a duplication of effort at this time and urge the Committee to hold off action until the FCC is able to get the new law up and running.

Thank you for your consideration.

*The DMA did not appear on this issue in the House Utilities Committee because the DMA had not developed a position on this legislation, as they have been focusing their efforts on the new federal law and the rule making process in Washington D.C.*

**Senate Utilities Committee  
February 16, 2006  
Attachment 3-1**