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

**FORM 8-K/A**  
**(Amendment No. 1)**

**CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): October 31, 2006 (October 17, 2006)

**THORIUM POWER, LTD.**

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(Exact name of registrant as specified in its charter)

Nevada  
(State of Incorporation)

000-28535  
(Commission File No.)

91-1975651  
(IRS Employer ID No.)

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**8300 Greensboro Drive, Suite 800, McLean, VA 22102**  
(Address of Principal Executive Offices)

**800-685-8082**  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## EXPLANATORY NOTE

This Amendment No. 1 on Form 8-K/A is filed to amend Item 5.02 in its entirety as follows and to include the attached Exhibits 17.3 and 17.4. This Amendment No. 1 is being filed pursuant Section (a)(3)(iii) of Item 5.02.

### **ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS, APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS**

#### *Appointment of Directors.*

On October 6, 2006, the Board of Directors of the Thorium Power, Ltd. (“Thorium Power” or the “Company”) increased the size of the board to five (5) members and appointed Jack D. Ladd and Daniel B. Magraw, Jr., as members of the Board of Directors of the Company, effective October 23, 2006. Pursuant to terms of the Independent Director’s Contracts, dated October 23, 2006, between Mr. Ladd and the Company (the “Ladd Director Contract”), and Mr. Magraw and the Company (the “Magraw Director Contract,” and together with the Ladd Director Contract, the “Director Contracts”) Mr. Ladd and Mr. Magraw will each receive a fee of \$20,000 per year in cash, as well as such number of restricted shares, issued quarterly, equal to \$5,000 each quarter, to be paid to each Director for the respective quarter based on the average closing price of the Company’s common stock, as quoted on the trading market on which the Company’s securities are traded, over the thirty (30) day period prior to the first day of the applicable quarter. Additionally, the Director Contracts grant to Messrs. Ladd and Magraw for each year of service on the Board of Directors non-qualified options to purchase up to 500,000 shares of the common stock of the Company (the “Director Options”), which shall vest with respect to 13,889 shares on November 23, 2006 and the remaining 486,111 shares will subsequently vest in equal monthly installments of 13,889 shares on each one month anniversary of the grant until all shares underlying the Director Options have vested. This brief description of the terms of the Director Contracts and the Director Options is qualified by reference to the provisions of the respective agreements, attached to this report as Exhibits 10.1 and 10.2, respectively.

Jack D. Ladd is the Director of the John Ben Shepperd Leadership Institute of the University of Texas, Permian Basin. He has held this position since September 2004. Prior to that time, Mr. Ladd was a practicing attorney with the law firm of Stubbeman, McRae, Sealy, Laughlin & Browder, Inc., in Midland, Texas for 28 years. Mr. Ladd is currently the Chairman of the Texas State Securities Board. Mr. Ladd has almost three decades of experience in public affairs, law, governance, and public service. As a practicing attorney, he has served on numerous civic, educational, religious and governmental boards and committees. He holds the Doctor of Jurisprudence degree from The University of Texas in Austin and a B.A. from the University of Texas in Austin.

Daniel B. Magraw, Jr. is a leading expert on international environmental law and policy. Mr. Magraw is President and CEO of the Center for International Environmental Law (CIEL). He has held this position since 2001. From 1992-2001, he was Director of the International Environmental Law Office of the US Environmental Protection Agency. He is a member of the U.S. Department of State Study Group on International Business Transactions and was Chair of the 15,000-member Section of International Law and Practice of the American Bar Association. He practiced international law, constitutional law, and bankruptcy law at Covington & Burling in Washington, DC from 1978-1983. Mr. Magraw is a widely-published author in the field of international environmental law. He is a graduate of Harvard University and the University of California, Berkeley Law School. Since 1996, Mr. Magraw has been a member of the board of directors of Thorium Power Inc., which is now a wholly-owned subsidiary of the Company.

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*Departure of Director and Principal Officer.*

Effective on October 17, 2006, Cornelius J. Milmoie resigned from the Board of Directors of the Company. Mr. Milmoie was not a member of any committee of the Board of Directors at the time of his resignation. Mr. Milmoie has presented the Company with correspondence related to his resignation, and the Company has attached such correspondence hereto as exhibit 17.1. Additionally, the Company has responded to Mr. Milmoie's correspondence and summarized the circumstances that led to Mr. Milmoie's resignation in a memorandum attached hereto as exhibit 17.2.

Additionally, on October 17, 2006, Mr. Milmoie was removed from the position of Chief Operating Officer of the Company. The Company has retained an outside firm to aid in the search for Mr. Milmoie's replacement.

On October 27, 2006, the Company received a letter from Mr. Milmoie, responding to the information presented by the Company in Item 5.02 of this Current Report on Form 8-K initially filed on October 23, 2006. A copy of Mr. Milmoie's letter is attached hereto as Exhibit 17.3. Additionally, the Company has responded to Mr. Milmoie's October 27, 2006 letter and attached the response hereto as Exhibit 17.4.

**ITEM 9.01 FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS**

**ITEM 9. Financial Statements and Exhibits**

(d) Exhibits

10.1	Independent Director's Contract, dated October 23, 2006, between Thorium Power, Ltd. and Jack D. Ladd (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 23, 2006 in File No. 000-28535).
10.2	Independent Director's Contract, dated October 23, 2006, between Thorium Power, Ltd. and Daniel B. Magraw, Jr. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on October 23, 2006 in File No. 000-28535).
17.1	Statement from Cornelius J. Milmoie regarding the circumstances surrounding his departure from Thorium Power, Ltd.
17.2	Statement from Thorium Power, Ltd. regarding the circumstances surrounding the departure of Cornelius J. Milmoie.
17.3	Supplemental Statement from Cornelius J. Milmoie dated October 27, 2006.
17.4	Supplemental Statement from Thorium Power, Ltd. dated October 30, 2006.
99.1	Press Release, dated October 23, 2006 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, filed on October 23, 2006 in File No. 000-28535).
99.2	Press Release, dated October 23, 2006 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, filed on October 23, 2006 in File No. 000-28535).
99.3	Press Release, dated October 17, 2006 (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K, filed on October 23, 2006 in File No. 000-28535).

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Thorium Power, Ltd.

Date: October 31, 2006

/s/ Seth Grace

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President and Chief Executive Office

**Statement  
Concerning Circumstances Surrounding  
Cornelius Milmoë's  
Departure from Thorium Power, Ltd.**

I have resigned as a director of Thorium Power, Ltd. CEO Seth Grae advised me on October 9, 2006 that the Company was going to remove me as Chief Operating Officer and initiate shareholder action to remove me as a Director. I disagree with this decision, and other Company decisions, but I do not have the resources to fight the removal as COO, and do not think it is in the best interests of the Company to engage in a proxy solicitation regarding the directorship. This statement explains my reasons for resigning as a Director.

In the Spring of 2005, I first became involved with Thorium Power to help implement its plan to commercialize its patented technology to dispose of plutonium. Since early April, 2006, I have served the Company as a Director and its Chief Operating Officer. Numerous Company SEC filings, press releases, and representations to investors have described my years of experience with the nuclear industry and in non-proliferation projects and emphasized my prospective role in the commercialization of the Company's patented nuclear technology. This technology has great promise for the elimination of weapons grade plutonium, particularly in cooperation with US and Russian government agencies. The Company raised \$15 million in a May 2006 private placement primarily for that purpose, as described in SEC filings and meetings with fund managers. Since April, it has spent virtually no money in Russia on technology development. I believed the delay in implementing these projects was attributable to the need for management to focus on actions required to close the merger between Thorium Power, Inc. and Novastar Resources. I looked forward to the closing as the date on which the Company and I could begin to focus on technology development and commercialization. On October 9, the first business day after the merger, I was told by Grae that I was being removed as COO without cause unless I resigned and signed a separation agreement containing a release of claims. I did not resign, and later that evening Grae noticed a Board meeting for October 16, 2006 for the stated purpose of considering my removal as a director and from the position of COO. I have not resigned but I consider myself to have been removed from the COO position without cause.

After October 9, I tried to determine whether there was a role inside the Company for me to continue to lead the technology development and commercialization effort. Grae has made it clear that this will not be possible for me as an employee, and that in no case would I be allowed to continue as COO. I have little confidence that the Company is committed to this key mission. Instead, the Company has spent or committed investor funds on:

- Overhead expenses, such as legal fees, investor relations, public relations, and staff compensation, including a generous bonus to Grae;
- Projects, such as the Texas HTGR advanced reactor and a possible advanced reactor in Poland that offer little hope of financial success or the development of proprietary technology; and
- Potential acquisitions of businesses outside its core mission and publicly announced plan of developing its patented technology.

For the reasons stated and because I disagree with the Company's apparent new direction, and its termination of my employment agreement, I have resigned as a director.

/s/ Cornelius J. Milmoë

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STATEMENT OF THE BOARD OF DIRECTORS OF THORIUM POWER, LTD.  
IN RELATION TO CORNELIUS J. MILMOE

***Introduction***

The board of directors of Thorium Power, Ltd. (the "Company") is providing this statement in connection with the recent resignation of Cornelius J. Milmoie from the board of directors of the Company and the board's removal of Mr. Milmoie from the office of Chief Operating Officer of the Company. On October 17, 2006, in connection with his resignation from the board of directors of the Company, Mr. Milmoie delivered to the Company a letter outlining certain disagreements that Mr. Milmoie has with the Company. This statement also responds to Mr. Milmoie's letter.

***Background***

Mr. Milmoie was originally asked to be a director of the Company in December of 2005 before the current management team was put in place. The Company filed a current report on Form 8-K announcing his appointment as a director on December 23, 2005 in which the Company stated that his position as a director became effective on December 20, 2005. To the Company's knowledge, Mr. Milmoie had consented to being appointed as a director and never objected to the filing of the current report on Form 8-K. However, thereafter, when board action was required on various matters, it is the Company's understanding that Mr. Milmoie refused to participate as a board member notwithstanding his appointment to the board because the Company did not have directors and officers liability insurance in place. Mr. Milmoie continued to refuse to participate in board meetings until April 2, 2006 after the current management of the Company was put into place and after directors and officers liability insurance had been obtained.

Mr. Milmoie was reappointed to the board on April 2, 2006 and was appointed by the board to the position of Chief Operating Officer on April 4, 2006. The terms of Mr. Milmoie's employment as Chief Operating Officer are governed by the terms of an employment agreement, dated June 6, 2006. The employment agreement was filed by the Company as Exhibit 10.1 to a current report on Form 8-K filed by the Company with the SEC on June 13, 2006.

After some months of operation, however, on several occasions during the period from April, 2006 through October, 2006, Seth Grae, the Chief Executive Officer of the Company, had conversations with Mr. Milmoie regarding his position as a director and his employment as Chief Operating Officer. During these conversations, Mr. Grae suggested that Mr. Milmoie resign from the board and take on a consulting, instead of an employment, role with the Company. Mr. Grae explained to Mr. Milmoie that management of the Company desired to have more independent directors on the board and fewer employee directors like Mr. Milmoie. Mr. Grae also explained to Mr. Milmoie that the Company is developing into a nuclear energy company with a broader potential business scope than had been previously anticipated. Mr. Grae explained to Mr. Milmoie that the Company is changing and would now need a Chief Operating Officer with more operations experience than Mr. Milmoie, who, to the Company's knowledge, had never been employed in the role of Chief Operating Officer or its equivalent before.

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During the same period that Mr. Grae had meetings with Mr. Milmoie to discuss the modification of his relationship with the Company, members of the board of directors and management also met to discuss Mr. Milmoie's performance as Chief Operating Officer of the Company. The conclusion of management and all of the board members (other than Mr. Milmoie) was that it was in the best interests of the Company to remove Mr. Milmoie from his position as Chief Operating Officer and ask Mr. Milmoie for his resignation from the board. The Company was also prepared to seek stockholder approval of Mr. Milmoie's removal from the board in the event that Mr. Milmoie would have refused to resign from his position as a board member.

Accordingly, on October 9, 2006, Mr. Grae asked Mr. Milmoie to meet with him and Louis Bevilacqua of Thelen Reid & Priest LLP, the Company's outside legal counsel, at the offices of Thelen Reid & Priest LLP. At this meeting, Mr. Grae told Mr. Milmoie again that management and all of the board members (other than Mr. Milmoie himself) believed it necessary that Mr. Milmoie no longer act as Chief Operating Officer of the Company nor as a director of the Company. Mr. Grae told Mr. Milmoie that the Company had every intention of paying Mr. Milmoie the full severance amount that he is entitled to under his employment agreement. The Company then told Mr. Milmoie that if he were to resign from his position as a director and Chief Operating Officer, the Company would pay him his full severance, put out a press release thanking him for his service to the Company, and provide Mr. Milmoie with a recommendation letter. Mr. Grae stated, however, that if Mr. Milmoie refused to resign from these positions that the board of directors would hold a meeting the following week to remove Mr. Milmoie from his position as Chief Operating Officer and would adopt resolutions authorizing the Company to hold a stockholders meeting at which the stockholders of the Company would vote on Mr. Milmoie's removal as a director of the Company. The Company also provided Mr. Milmoie with notice of the board meeting, which was to be held on October 16, 2006, and copies of the resolutions that were proposed to be adopted at such meeting by the board.

Mr. Milmoie thereafter retained a legal counsel to review this matter for him. Less than a half an hour before the scheduled board meeting, Mr. Milmoie's legal counsel provided the Company with a list of demands sought by Mr. Milmoie in exchange for his resignation from the positions of Chief Operating Officer and as a director of the Company. Mr. Milmoie is entitled to aggregate cash severance payments under his employment agreement in the total amount of \$200,000 made in regular installments over the course of a year; Mr. Milmoie demanded, however, an immediate lump sum payment and other payments that in the aggregate would have been in excess of \$600,000.

Mr. Milmoie's list of demands was received just prior to the board meeting. The board deferred the decision on the resolution regarding Mr. Milmoie's removal to a later time to consider the list of demands. The board then attended to other company business at the meeting and did not further discuss Mr. Milmoie's removal. Management thereafter made attempts to negotiate with Mr. Milmoie regarding the extent of his demands and even sought to structure an alternative consulting relationship between Mr. Milmoie and the Company. These negotiations failed and Mr. Milmoie sent the Company a letter resigning as a director of the Company. Immediately after receiving his resignation as a director, the board of directors convened a meeting at which it decided to accept Mr. Milmoie's resignation and approved the resolution removing Mr. Milmoie from his position as Chief Operating Officer. The Company also notified Mr. Milmoie that he would be paid severance in accordance with his employment agreement.

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*Response to Statements in Mr. Milmo's Letter*

Paragraph 2

Mr. Milmo begins his second paragraph with a description of his presumed role at the company. Mr. Milmo implies in this paragraph that it is because of his experience and his involvement that investors invested in the Company. We disagree with this assertion. The Company's management team and advisory board members include some of the most experienced people in the nuclear power industry. This talented group of people and the Company's technology and business plan have allowed the Company to attract capital. The Company believes it will ultimately be able to execute its business plan because of its management team and advisory board members. Mr. Milmo only attended meetings with potential investors over a two-day period. Other than those investors who had already invested in the Company prior to Mr. Milmo's involvement, none of the investors attending those meetings actually invested in the Company

Mr. Milmo also states in the second paragraph of his letter that, "This technology has great promise for the elimination of weapons grade plutonium, particularly in cooperation with US and Russian government agencies." We agree with the statement regarding the promise of the Company's technology. However, we disagree with Mr. Milmo's statement that since April, the Company has spent virtually no money in Russia on technology development. The funds spent in Russia relating to this technology in recent periods have largely been provided by the United States government. The Company hopes and expects the U.S. government will be supportive of its project and will help with its future funding. The Company's plan has always been to work cooperatively with the government to fund technology development. The Company believes that it is better to spend government funds, when available, on this project rather than using the monies raised from investors. The Company raised the money on this basis and the investors and public are aware that this is the Company's plan. Since the Company's technology can help meet United States policy goals of eliminating plutonium and also U.S. government goals in the areas of nuclear non-proliferations and waste mitigation, many key figures in the U.S. government support our project and help to fund our project.

Technology development in this area is of extreme importance to the Company. The Company has always focused on its technology development and commercialization, and will continue to do so. In fact, during the period described in the second paragraph of Mr. Milmo's letter, the Company's Executive Vice President - International Nuclear Operations, spent in total almost a month in Russia working on matters relating to the development of the Company's technology and has prepared reports and other materials on the matter. Also, during such period, management and the board of directors of the Company have spent countless hours discussing technology development and the status of the Company's operations in Russia and have taken steps toward progress in this area.

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Paragraph 3

Mr. Milmoie then states that the Company has spent funds on “Overhead expenses, such as legal fees, investor relations, public relations and staff compensation . . .” The referenced overhead expenses were incurred in furtherance of the Company’s business goals. The Company is in a period of growth and is poised to utilize the talent of its experienced management team and advisory board members to become a significant participant in the nuclear power industry. The Company has also just recently completed the acquisition of Thorium Power, Inc. Management is working hard to execute on its business plan and also to provide the public with information regarding the Company and its mission.

At the end of Mr. Milmoie’s statement about how corporate funds were spent, Mr. Milmoie states that a “generous bonus” was paid to Mr. Grae. However, the Company has not paid any cash bonus to Mr. Grae or any current officer or director of the Company. Under the terms of Mr. Grae’s employment with the Company, he received a share grant award and stock options with an exercise price of \$0.795 cents (an exercise price that is well above the current market price of the Company’s stock).

The board of directors disagrees with Mr. Milmoie’s statements about monies being spent on the Texas and Polish projects showing little hope of financial success or the development of proprietary technology. The Company is working on these projects with reputable strategic partners. The Company believes that these projects will benefit the Company’s mission of ultimately deploying its fuel designs for use in reactors in several countries.

Regarding Mr. Milmoie’s last comment, the board of directors generally agrees that the Company’s core mission includes development of its patented technology. The mission also includes commercialization of the Company’s patented technology and nuclear non-proliferation goals.

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**Supplemental Statement  
Concerning Circumstances Surrounding  
Cornelius Milmoes  
Departure from Thorium Power, Ltd.**

This statement is made in response to certain comments made by the Company in its October 23, 2006 8-K filing regarding my resignation as a director and termination without cause as Chief Operating Officer.

1. A copy of my original statement is attached.
2. Contrary to the Company's 8-K statement, October 9 was the first time I had ever been told I would be terminated by the Company or that such an action was being contemplated. According to the 8-K, this topic was apparently being discussed and agreed upon with other officers and directors well before that date. The Company has not explained why it made SEC filings in September and October, characterizing me as an officer and director or allowed me to endorse such documents when in fact it had decided to terminate my employment relationship and remove me as a director.
3. The Company's claim that I was a Novastar Director in the January-March time frame and "refused" to serve is false. It is contradicted by the Company's April 6, 2006 8-K filing which states that in that period Paul G. Carter and Charles H. Merchant were the only directors of the Company and that on April 2, 2006, Seth Grae, Thomas Graham, Jr. and Cornelius J. Milmoes "became" members of the Board of Directors. The Company's September 29 8-k filing also confirms that I did not become a director until April 2, 2006. The Company's comment that I made the effectiveness of a Directors and Officers Liability policy a precondition to my assuming the directorship is true, and it only demonstrates my prudence. Mr. Grae and Mr. Graham also adopted this course, deferring their service on the Board until April 2.
4. To clarify my statement regarding the "generous bonus", which the Company disputes, I was referring to the Company's redemption of 2 million shares of stock owned by Mr. Grae, at a price of \$0.31 per share, in order to pay the past due income taxes on the stock previously issued to Mr. Grae pursuant to the merger agreement. This \$635,000 expense was reported in the 10-K financial statements as an "Accrued payroll tax liability" and is described in Note 6 to those statements.
5. I did not participate in the Company's Tuesday October 17<sup>th</sup> decision to announce a stock buy-back. It was announced after I had resigned from the Board.

10-27-06

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Date

/s/ Cornelius J. Milmoes

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Cornelius J. Milmoes

STATEMENT OF THE BOARD OF DIRECTORS  
OF THORIUM POWER, LTD. IN RESPONSE TO  
STATEMENT FROM CORNELIUS J. MILMOE  
DATED OCTOBER 27, 2006.

The board of directors of Thorium Power, Ltd. (the "Company") is providing this statement in connection with the recent resignation of Cornelius J. Milmoie from the board of directors of the Company and the board's removal of Mr. Milmoie from the office of Chief Operating Officer of the Company. On October 23, 2006, the Company filed with the Securities and Exchange Commission an 8-K reporting, among other items, that Mr. Milmoie had resigned from the Board of Directors of the Company and had been removed from the office of Chief Operating Officer. On October 27, 2006, in connection with his resignation from the board of directors of the Company, Mr. Milmoie delivered to the Company a letter outlining certain disagreements that Mr. Milmoie had with the Company's characterization of events surrounding his resignation from the Board of Directors and his removal as Chief Operating Officer. This statement responds, point-by-point, to Mr. Milmoie's October 27, 2006 letter.

1. We previously edgarized and filed with the SEC the faxed copy of Mr. Milmoie's original statement that we received from Mr. Milmoie. We have since requested and been provided Word versions of Mr. Milmoie's original statement, as well as his supplemental statement provided to the Company on October 27, 2006. Those Word versions have been edgarized and filed with the SEC.
2. October 9, 2006 was the first time that Mr. Milmoie was told he would be terminated by the company. Prior to that date, Mr. Milmoie had been requested by the company's CEO to give up the position of COO and leave the Board of Directors and continue as a consultant or employee, and Mr. Milmoie refused. The company had not decided at earlier times to terminate Mr. Milmoie.
3. Mr. Milmoie had informed the company that he was willing to serve as a director on earlier dates, and only subsequently, did he notify the company that it was conditioned on D&O liability insurance being in place.
4. There never was a bonus to Mr. Grae or any current officer or director of the company, in cash or in equity, except for the initial equity included in their employment agreements, including Mr. Milmoie's employment agreement. The Company redeemed a portion of Mr. Grae's stock in order to pay all applicable payroll taxes relating to the receipt of stock pursuant to the terms of his employment agreement. Mr. Grae did not receive any of the cash proceeds as a result of the stock redemption transaction. The Company remitted the proceeds directly to the relevant federal and state tax authorities as part of its payroll tax withholding obligation. Mr. Milmoie approved this transaction as a member of the Company's board of directors.