



**COMPUTER
MEDIC** INC.



Together with
MLD Computers
and
beaglehost.com



Repair+Upgrades+Networking+Web Design

**Computer Medic, Inc.
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December 11, 2009

To: All Computer Medic, Inc. employees, officers, customers, contractors, vendors.

From: Dean Wiley (President)

Subject: 2010 Poor Outlook; Decision to halt operations and close.

Terminology: Throughout "The Company" shall mean MLD Computers and Computer Medic, Inc.

2009 was the worst year (financially) that The Company has ever had. In 15 years in Dunn and going back to 1989 (in California) we have never grossed as little as we did this year. In spite of all efforts to reduce costs – employees working "off the clock," all employees working without increase or bonus, consolidating insurance policies, reducing advertising to \$0 (in 2008), cutting accounting costs by using software, not upgrading any CMI equipment, and more - the costs of operation in 2009 were actually (cash \$) higher than in 2008 and 2007. The two most devastating increases were in taxes and insurance.

As we stand we are showing approximately \$43,000 in gross receipts (off \$76,000 from the combined 2008 gross of \$119,000). Of that, almost \$3900 is in our receivables and will be "written off" (credited) before the end of the year – reducing our gross to just under \$40,000. To date our expenses just exceed \$51,000 – all losses have been covered by "personal investment" from me. We have no other debt.

We have the "cash on hand" to finish out the year, pay all necessary liabilities (sales tax, payroll taxes & withholding) on, or before December 31, 2009. We do not have the "forward looking" hope of revenues enough to "settle the debt" (@\$9,900 "investment/loan"), and cover the "One-January" obligations (insurance, rent, utilities, property and franchise tax, etc) estimated at approximately \$3500-\$4000.

I have spoken with all of our "best customers" – the ones that are still in business – and the estimated "I.T." or "computer" budgets for next year are in the "low hundreds" of dollars, if considered at all. 99% of our business customer base quote 20-40% increases in "across the board" insurance rates as the main reason for not being able to spend money "anywhere else, especially in computers."

It is with my deepest regrets that I have to close The Company – 15 years have been very happy years for me. However, "this is business and math," and I cannot take us into 2010 on the "hopes of economic recovery" when failure in the first quarter is assured.

Further information will be at our website daily. <http://www.computermedic.org/>