

**EXHIBIT 3
AUDITORS' SUBSTANTIVE REASONS FOR ISSUING A DISCLAIMER OF OPINION
(NONFINANCIAL COMPANIES)**

Reason for disclaimer	Frequency
Suffered losses from operations	146
Default/restructuring	98
Legal issues	95
Auditing procedures/Evidential matter lacking (documentation issues)	92
Net working capital deficiency	79
Stockholders' equity deficiency	73
Bankruptcy issues	68
Need for additional financing	47
Liquidity needs	46
Valuation and realization of assets	44
Questions relating to future profitability and continued operations	28
Incomplete and inadequate accounting records	25
Going concern	24
General uncertainties	22
Inventory observation issues	15
Unclassified	14
Institutional capital substantially below regulatory guidelines	1
Total	917