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TOMBSTONE CARDS, INC.
Form 10KSB/A
April 03, 2008

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

FORM 10-KSB

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007.

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

COMMISSION FILE NO. 333-138184

TOMBSTONE CARDS, INC.
(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

COLORADO
(STATE OR OTHER JURISDICTION
OF INCORPORATION OR ORGANIZATION)

51-0541963
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)

2400 Central Avenue, Suite G, Boulder, CO 80301

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(303) 684-6644

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities to be registered pursuant to Section 12(g) of the Act: COMMON STOCK,
NO PAR VALUE

Check whether the Registrant (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding
12 months (or for such shorter period that the Registrant was required to file
such reports), and (2) has been subject to such filing requirements for the past
90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-B is not contained herein, and will not be contained, to the
best of the Registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-KSB or any
amendment to this Form 10-KSB.

Indicate by check mark whether the Registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act). Yes No

The Registrant's revenues for its fiscal year ended December 31, 2007 were
\$43,759.

The aggregate market value of the voting common stock held by non-affiliates of
the Registrant on March 24, 2008 was approximately \$0, due to the fact that

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while our common stock is listed on the over-the-counter bulletin board, the shares have not traded, since their listing. As of March 24, 2008, there were 3,230,000 shares issued and outstanding, of which 2,205,000 shares were held by non-affiliates.

Transitional Small Business Disclosure Format. Yes [] No [X]

TOMBSTONE CARDS, INC. 2007 ANNUAL REPORT ON FORM 10-KSB

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FORWARD-LOOKING STATEMENTS

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In addition to historical information, some of the information presented in this Annual Report on Form 10-KSB contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Although Tombstone Cards, Inc., ("Tombstone" or the "Company," which may also be referred to as "we," "us" or "our") believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations: there can be no assurance that actual results will not differ materially from our expectations. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Cautionary statements regarding the risks, uncertainties and other factors associated with these forward-looking statements are discussed on page 15 below. You are urged to carefully consider these factors, as well as other information contained in this Annual Report on Form 10-KSB and in our other periodic reports and documents filed with the SEC.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

HISTORY OF TOMBSTONE CARDS, INC.

Tombstone Cards, Inc. was incorporated on April 29, 2005, in the state of Colorado, as Stack the Deck, Inc. On November 1, 2005, we changed our name to Tombstone Cards, Inc. Our Corporate offices are located at 2400 Central Avenue, Suite G, Boulder, Colorado and our phone number is 303-684-6644. We maintain a website at www.tombstonecards.com, which is not incorporated in and is not a part of this report.

COMPANY OVERVIEW

In the period of the time since our incorporation, we have very limited operations. These operations have focused on the structure and capital formation of the Company. We have developed the software technology to print our customized playing cards. We have put into place a management team and have secured capital to launch of the Company's business plan to manufacture and market customized playing cards.

Although, there is no shortage of competitors, we believe that our real strength may be in the development and sale of a new, extremely focused product line using the proprietary Web-based design system that we have developed to support the interactivity and functionality required for our customers to personally create their orders. It is our belief that no one else is offering the capabilities equal to our web-based software.

Tombstone Technologies Division

During the fourth quarter of 2007, we created our Tombstone Technologies Division (the Technology Division). The Technology Division was created in order to handle the development, marketing and licensing of our proprietary OIEPrint(TM) software, a web to print template driven application. Web to print is the overall process of integrating technology, from ordering and pre-press to post-press and delivery in order to reduce time and costs.

On December 27, 2007, we filed a provisional patent application with the United States Patent and Trademark Office (USPTO) titled Internet Application for the Design of High Resolution Digital Graphics.

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Products

Playing Cards. Our playing cards, consists of a standard deck of poker-sized cards, printed in full color and packaged in pre-printed Tombstone-branded tuck boxes that allow the custom design of the cards to be seen and displayed. During the year ended 2007, we have worked to develop new products and existing product upgrades.

OIEPrint 2.0 Software. OIEPrint software is a web to print template driven application that allows the users to personalize and customize designs. The software will be available to be licensed through either purchase or as a hosted solution. A full purchase allows the customer to license the software, while the hosted solution allows the user to use the software through our website at www.tombstonetechnologies.com. We will continue to use our existing software product in the design of our playing card product.

Product Strategy

We intend to offer a single card product, but with an almost infinite number of customization options for the consumer and business markets. Our product provides customers the ability to make personal statements about themselves, design unique gifts, advertise their business with an item that is both "cool" and "fun," in addition to the cards being an ancillary product that can generate revenues for them.

We intend to offer our OIEPrint software product through the internet. The software has been developed to be used with several platforms. We intend for the product to help meet the needs of printers, specialty product producers and others to satisfy the growing customer demand for personalization of products.

Advertising, Promotions, and Public Relations

Our advertising, promotions, and public relations strategy is to profile us as the premier distributor of not only custom playing cards, but also as a licensor of custom printing software. One of the keys of the strategy is not to compete on price alone, thus avoiding any comparison in which we would be forced to deal with the products as a commodity.

We intend to utilize the following media and methods to carry our message to potential customers:

- o Internet promotions using Web search engines and, where appropriate, banner ads on complementary sites
- o Direct mail using the most suitable lists from industry magazines, poker clubs, and associated organizations
- o Sponsorships of local and regional poker tournaments
- o Public relations campaigns to targeted publications stressing the unique attributes of the product and the process
- o Print advertising in selected industry publications

On an ongoing basis, we intend to budget our advertising and marketing investment as a percentage of total sales. By consistently tracking the results

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of our campaigns, we will be able to determine the effectiveness of various initiatives. This will allow us to adjust the budget allocation appropriately to improve marketing efforts.

Sales Strategy

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Our products will be available over the Web and through direct sales efforts for commercial and business accounts. Customers will be attracted to the Web site through our direct marketing to high-yield organizations (poker clubs, etc.) and businesses, and web advertising through numerous avenues.

Inventory, Production Costs, and Capital Investment

Playing Cards

Key factors in the manufacturing and distribution processes of our playing cards include:

- o Cost, availability, and lead time required for delivery of specialized paper,
- o Press availability,
- o Cost of template and graphic development,
- o Shipping costs, and
- o Internet availability and security.

Raw materials, components, and subassemblies required for production of our playing cards are handled directly by sub-contractors. The only inventory requirement will be for pre-printed tuck boxes which are available with a three week lead at a cost of \$.10 per box, based on an order of 50,000 units. We will not maintain a preprinted finished inventory of playing cards.

Key Suppliers

Key suppliers for our playing cards may include:

- o StoreFront Software (under contract)
- o Viatek - Web hosting/application servers (under contract)
- o OtherSide Creative, Inc. - Graphic Design (not under contract)

We intend to order or engage these suppliers on an as needed, project by project basis.

Production and Delivery

Production will be provided by strategic partners and full-service printing and fulfillment companies with significant experience in producing playing cards and they will maintain any necessary inventory as part of their ongoing business operations. Key considerations in terms of production and delivery include the rising costs of fuel and electricity, transportation costs, availability of raw materials, adequate personnel to meet demand, and technology integration. At this time, we expect that we will hold no inventory of finished card decks, but will maintain limited inventory of pre-printed "tuck" boxes.

Delivery options for the finished product will be offered to and paid for by the customer and processed through our Web site.

MARKETS AND COMPETITION

Markets

Our target market for our playing cards includes:

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- o Individuals who host their own games and want a unique identifier,
- o Poker clubs that want to brand their identities,
- o Poker tournaments that want to move beyond nondescript branding and attract more competitors,
- o Businesses that want a more useful advertising "giveaway,"
- o Individuals and groups not directly associated with poker that would like to create customized gifts for special occasions (weddings, reunions, bar/bat mitzvahs, birthdays, etc.), and/or
- o Businesses wanting additional revenue-producing products.

Our target market for our printing software includes:

- o Customers of print shops, and/or
- o Product customizers.

Customer Profiles

Playing Cards

We believe that there are three common customer types that make up our target market for our playing cards:

The most typical customer for our product is a male, 25 to 65 years old, with an outgoing personality and an interest in poker. The customer will believe that he has certain flair and will compete with his peers to demonstrate this as an actuality.

Poker clubs and regional tournaments that want something special to brand their events. Businesses that purchase the product for special celebrations and to promote their organizations.

It is likely that potential customers are going to be familiar with similar and existing products and that they will accept our new offering provided that we can clearly and succinctly demonstrate the product advantages.

Printing Software

Our printing software has been designed for use, not only by the customers of printing shops but also by specialty product producers. The customers of our printing software will be interested in being able to individualize their product, since they will be able to use the printing software to create and customize graphics and text.

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Competition

Playing Cards

Our competitors in this market are Gemaco, Newt's Playing Cards, House of Cards India, and virtually any other company with a printer. It is even possible to purchase "playing card paper stock" and print personal cards from a home printer attached to one's computer.

However, we believe no competitor currently offers the combination of high quality/high value with low order size/low per-unit cost. In doing this,

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competitors provide, among other options:

- o Single-color printing on a pre-selected background (e.g., marble or patterned)
- o Photographic printing with little or no customization options

In addition, the minimum order may be as high as 50 decks from competitors.

Our strategy for meeting the competition is to add to and improve the online design/purchasing experience; secure partnerships, licensing arrangements, and advertising co-op arrangements with high-visibility brand owners that share our customer base (e.g., motorcycle manufacturers and dealers, military organizations, beer companies, etc.); and make sure that it stays easy to do business with us.

Printing Software

Our competitors in the market for our printing software are primarily pre-existing, large-run lithographic print companies.

We believe that we are posed to be able to provide a way, through our printing software, to meet the specialized needs of market to produce individual high-resolution, print to ready images, in a cost-effective, efficient and automated way that our competitors are unable.

PROPRIETARY TECHNOLOGY/INTELLECTUAL PROPERTY

Our products will be protected under the following:

- o Tombstone Cards is the trademark of Tombstone Cards, Inc. Registration of the trademark is in process.
- o We own the domain names "tombstonecards.com," "tombstone-cards.com" and "tombstonetechnologies."
- o On December 27, 2007, we filed a provisional patent application with the United States Patent and Trademark Office (USPTO) titled Internet Application for the Design of High Resolution Digital Graphics.

We have completed the development of our custom "pip" design for the faces of the cards, (A "pip" is the term used to describe the faces of the cards including the suit designs {hearts, clubs, spades and diamonds}, the font

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selection and the proprietary design of the "court cards" {Jacks, Queens, Kings, Aces}). We are in the process of developing proprietary templates and an associated customization process for the Web.

Number of Persons Employed.

As of December 31, 2007, we had four full-time employees. Of those four employees, three are officers and directors of the Company. We believe that our relations with our employees is good.

OUR COMPANY RISK FACTORS

Our business is a development stage company and unproven and therefore risky.

We have only very recently been organized to perform the operations described

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above. Potential investors should be made aware of the risk and difficulties encountered by a new enterprise in the card business, especially in view of the intense competition from existing businesses in the industry.

A decline in Poker popularity or activity may adversely affect our business.

If Poker declines in popularity or activity, there is significant risk that the demand for playing cards, our sole proposed product, will be negatively impacted resulting in lack of sales revenues, if any are ever developed. This decline could result from adverse economic conditions, which negatively affect disposable income, changes in gaming habits, and enforcement activities related to illegal gambling.

Our Weaknesses may affect our ability to sell, compete and generate revenues.

- o Because of our position as a startup, we are not a household name among prospective customers, and the cost to raise us to "top-of-mind" awareness will be higher than for an established company.
- o Documented processes and procedures, along with the integrated technology deployment, are still in the development stage and an unforeseen delay or loss of key personnel could hold up the product launch.

Any of these could cause our revenue model to be unprofitable and cause failure of our business.

We have identified potential threats to our business model.

- o The fast-growing interest in poker could be a fad that burns out quickly, leaving a smaller core than expected.
- o A significant downturn in the American economy would reduce the amount of disposable income available to our target audience.
- o Other competitors could move quickly to match our performance by offering similar products and design amenities, forcing us to invest more than expected in product development.
- o Too much success too quickly could overwhelm our systems, creating order and fulfillment problems including the increased possibility of poor work slipping through to the marketplace, resulting in high levels of customer dissatisfaction.

Any of these could cause our revenue model to be unprofitable and cause failure of our business.

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Our officers and directors may have conflicts of interest which may not be

resolved favorably to us.

Certain conflicts of interest may exist between us and our officers and directors. Our Officers and Directors have other business interests to which they devote their attention and may be expected to continue to do so although management time should be devoted to our business. As a result, conflicts of interest may arise that can be resolved only through exercise of such judgment as is consistent with fiduciary duties to us. See "Directors, Executive Officers, Promoters and Control Persons" (page 24), and "Conflicts of Interest".

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(page 25) Our officers are spending- up to 50 hours per week.

We will need additional financing for which we have no commitments, and this may

jeopardize execution of our business plan.

We have limited funds, and such funds may not be adequate to carryout the business plan. Our ultimate success depends upon our ability to raise additional capital. We have not investigated the availability, source, or terms that might govern the acquisition of additional capital and will not do so until it determines a need for additional financing. If we need additional capital, we have no assurance that funds will be available from any source or, if available, that they can be obtained on terms acceptable to us. If not available, our operations will be limited to those that can be financed with our modest capital.

Our Warrant holders and Option holders may not exercise their purchase rights.

It is very unlikely that any security holder would exercise either our Warrants or the Options.

We have not set up an escrow to receive proceeds of Warrant or Option exercise.

We do not have any escrow provisions, and we do not have any intention of returning any sale proceeds to investors if the maximum amount is not raised from sale of any of our shares.

We have a minimal operating history, so investors have no way to gauge our long

term performance.

We were formed on April 29, 2005 based on a concept to sell customized, professional-quality playing cards via the Internet. As evidenced by the financial reports we have had minimal revenue. It must be regarded as a new or development venture with all of the unforeseen costs, expenses, problems, and difficulties to which such ventures are subject. The venture must be considered highly speculative.

We can make no assurance of success or profitability in the future.

There is no assurance that we will ever operate profitably. There is no assurance that we will generate revenues or profits in the future, or that the market price of our Common Stock will be increased thereby.

We will depend upon Management but we will have limited participation of

management.

We currently have three individuals who are serving as our officers and directors for up to 50 hours per week. Our directors are also acting as our officers. We will be heavily dependent upon their skills, talents, and abilities, as well as several consultants to us, to implement our business plan, and may, from time to time, find that the inability of the officers, directors and consultants to devote their full-time attention to our business results in a delay in progress toward implementing our business plan. Because investors will not be able to manage our business, they should critically assess the

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information concerning our officers and directors.

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Our Officers and Directors may have Conflicts of Interests to Corporate

Opportunities which our Company may not be able or allowed to participate in.

Presently no requirement contained in our Articles of Incorporation, Bylaws, or minutes which requires officers and directors of our business to disclose to us business opportunities which come to their attention. Our officers and directors do, however, have a fiduciary duty of loyalty to us to disclose to us any business opportunities which come to their attention, in their capacity as an officer and/or director or otherwise. Excluded from this duty would be opportunities which the person learns about through his involvement as an officer and director of another company. We have no intention of merging with or acquiring an affiliate, associate person or business opportunity from any affiliate or any client of any such person. (See "Conflicts of Interest" at page 25)

We have agreed to indemnification of Officers and Directors as is provided by

Colorado Statute.

Colorado Revised Statutes provide for the indemnification of our directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities our behalf. We will also bear the expenses of such litigation for any of our directors, officers, employees, or agents, upon such person's promise to repay us therefore if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup.

Our Director's Liability to us and Shareholders is limited.

Colorado Revised Statutes exclude personal liability of our directors and our stockholders for monetary damages for breach of fiduciary duty except in certain specified circumstances. Accordingly, we will have a much more limited right of action against our directors that otherwise would be the case. This provision does not affect the liability of any director under federal or applicable state securities laws.

We may depend upon Outside Advisors, who may not be available on reasonable

terms and as needed.

To supplement the business experience of our officers and directors, we may be required to employ accountants, technical experts, appraisers, attorneys, or other consultants or advisors. Our Board without any input from stockholders will make the selection of any such advisors. Furthermore, it is anticipated that such persons may be engaged on an "as needed" basis without a continuing fiduciary or other obligation to us. In the event we consider it necessary to hire outside advisors, we may elect to hire persons who are affiliates, if they are able to provide the required services.

We have substantial competitors who have an advantage over us in resources and

marketing.

We will be in competition with other products developed and marketed by much larger corporations, which are better capitalized and have far greater marketing capabilities than us. We expect to be at a disadvantage when competing with many firms that have substantially greater financial and management resources and capabilities than we do now.

Risk Factors Related to Our Stock

The regulation of penny stocks by SEC and NASD may discourage the tradability of

our securities.

We are a "penny stock" company. None of our securities currently trade in any market and, if ever available for trading, will be subject to a Securities and Exchange Commission rule that imposes special sales practice requirements upon broker-dealers who sell such securities to persons other than established customers or accredited investors. For purposes of the rule, the phrase "accredited investors" means, in general terms, institutions with assets in excess of \$5,000,000, or individuals having a net worth in excess of \$1,000,000 or having an annual income that exceeds \$200,000 (or that, when combined with a spouse's income, exceeds \$300,000). For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Effectively, this discourages broker-dealers from executing trades in penny stocks. Consequently, the rule will affect the ability of purchasers in this offering to sell their securities in any market that might develop therefore because it imposes additional regulatory burdens on penny stock transactions.

In addition, the Securities and Exchange Commission has adopted a number of rules to regulate "penny stocks". Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities and Exchange Act of 1934, as amended. Because our securities constitute "penny stocks" within the meaning of the rules, the rules would apply to us and to our securities. The rules will further affect the ability of owners of shares to sell our securities in any market that might develop for them because it imposes additional regulatory burdens on penny stock transactions.

Shareholders should be aware that, according to Securities and Exchange Commission, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market,

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management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities.

We will pay no foreseeable dividends in the future.

We have not paid dividends on our common stock and do not ever anticipate paying such dividends in the foreseeable future.

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While our common stock is listed, there is no assurance of a future market.

While our common stock and our units are listed on the over the counter bulletin board market, neither have traded with any regularity. No assurance can be given that a market will develop or that a shareholder ever will be able to liquidate his investment without considerable delay, if at all. If a market should develop, the price may be highly volatile. Factors such as those discussed in the "Risk Factors" section may have a significant impact upon the market price of the shares. Due to the low price of our securities, many brokerage firms may not be willing to effect transactions in our securities. Even if a purchaser finds a broker willing to effect a transaction in our shares, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price. Further, many lending institutions will not permit the use of our shares as collateral for any loans.

Rule 144 sales in the future may have a depressive effect on our stock price.

All of the outstanding shares of common stock held by our present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted Shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. We are registering all of our outstanding shares so officers, directors and affiliates will be able to sell their shares if this Registration Statement becomes effective. Rule 144 provides in essence that a person who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1.0% of a company's outstanding common stock or the average weekly trading volume during the four calendar weeks prior to the sale. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of two years. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

Our investors may suffer future dilution due to issuances of shares for various

considerations in the future.

There may be substantial dilution to our shareholders as a result of future decisions of the Board to issue shares without shareholder approval for cash, services, or acquisitions.

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Our stock will in all likelihood be thinly traded and as a result you may be

unable to sell at or near ask prices or at all if you need to liquidate your

shares.

The shares of our common stock, are thinly-traded on the OTC Bulletin Board, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of any of our Securities until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our Securities is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on Securities price. We cannot give you any assurance that a broader or more active public trading market for our common Securities will develop or be sustained, or that any trading levels will be sustained. Due to these conditions, we can give

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shareholders no assurance that they will be able to sell their shares at or near ask prices or at all if you need money or otherwise desire to liquidate their Securities of our Company.

Our common stock may be volatile, which substantially increases the risk that you may not be able to sell your Securities at or above the price that you may pay for the security.

Because of the limited trading market expected to develop for our common stock and because of the possible price volatility, you may not be able to sell your shares of common stock when you desire to do so. The inability to sell your Securities in a rapidly declining market may substantially increase your risk of loss because of such illiquidity and because the price for our Securities may suffer greater declines because of our price volatility.

The price of our common stock that will prevail in the market may be higher or lower than the price you may pay. Certain factors, some of which are beyond our control, that may cause our share price to fluctuate significantly include, but are not limited to the following:

- o Variations in our quarterly operating results;
- o Loss of a key relationship or failure to complete significant transactions;
- o Additions or departures of key personnel; and
- o Fluctuations in stock market price and volume.

Additionally, in recent years the stock market in general, and the over-the-counter markets in particular, have experienced extreme price and volume fluctuations. In some cases, these fluctuations are unrelated or disproportionate to the operating performance of the underlying company. These market and industry factors may materially and adversely affect our stock price, regardless of our operating performance. In the past, class action litigation often has been brought against companies following periods of volatility in the

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market price of those companies common stock. If we become involved in this type of litigation in the future, it could result in substantial costs and diversion of management attention and resources, which could have a further negative effect on your investment in our stock.

Our business is highly speculative and an investment is therefore risky.

Due to the speculative nature of our business, it is probable that an investment in our shares will result in a total loss to the investor. Investors should be able to financially bear the loss of their entire investment. Investment should, therefore, be limited to that portion of discretionary funds not needed for normal living purposes or for reserves for disability and retirement.

No Assurance of Public Market for any our Securities.

While our common stock and our units are listed on the over the counter bulletin board market, neither have traded with any regularity. There can be no assurance a market will develop or that purchasers will be able to resell their Common Stock or Warrants at the public offering price or without delay. No one is obligated to create or make a market in the Common Stock or Warrants. Should a market for our Securities develop there is no assurance that such a market will continue. In addition, due to the low price of these Securities many brokerage firms may not effect transactions in Common Stock or Warrants and banks may not accept them as collateral for loans.

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ITEM 2. DESCRIPTION OF PROPERTIES

Corporate Offices

We have limited operations at 2400 Central Avenue, Suite G, Boulder, Colorado 80301. We lease the space at a rate of \$930 per month per year. The lease on the space will expire on July 2008.

ITEM 3. LEGAL PROCEEDINGS

Neither Tombstone nor any of its officers and/or directors is involved in any litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the year ended December 31, 2007, no matters were submitted to the shareholders for approval, nor did the Company hold a shareholders' meeting.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

PRICE RANGE OF COMMON STOCK

The Common Stock is presently traded on the over-the-counter market on the OTC Bulletin Board maintained by the Financial Industry Regulatory Authority ("FINRA"). In October 2007, we began trading on the over the counter bulletin

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board under the symbol "TMCI." During the period of October 2007 through December 31, 2007, our shares have not traded.

In addition to our common stock, in October 2007, we began trading our units on the OTC Bulletin Board. A unit consists of 1 share of our common stock, 1 of our A Warrants and 1 of our B Warrants. The units trade on the over the counter bulletin board under the symbol "TMCIU". During the period of October 2007 through December 31, 2007, our units have not traded.

As of December 31, 2007, there were 36 shareholders of record. We estimate that there are approximately 25 beneficial shareholders. In many instances, a registered stockholder is a broker or other entity holding shares in street name for one or more customers who beneficially own the shares.

Our transfer agent is Corporate Stock Transfer, Inc. at 3200 S. Cherry Creek Dr., Suite 430, Denver, Colorado 80209.

Dividends

As of the filing of this annual report, we have not paid any dividends to shareholders. There are no restrictions which would limit our ability to pay dividends on common equity or that are likely to do so in the future. The Colorado Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend; we would not be able to pay our debts as they become due in the usual course of business; or our total assets would be less than the sum of the total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

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Penny Stock

Penny Stock Regulation Broker-dealer practices in connection with transactions in "penny stocks" are regulated by certain penny stock rules adopted by the Securities and Exchange Commission. Penny stocks generally are equity securities with a price of less than \$5.00. Excluded from the penny stock designation are securities registered on certain national securities exchanges or quoted on NASDAQ, provided that current price and volume information with respect to transactions in such securities is provided by the exchange/system or sold to established customers or accredited investors.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in connection with the transaction, and the monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. As our securities have become subject to the penny stock rules, investors may find it more difficult to sell their securities.

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Stock Option Plan

We have a Stock Option Plan. As of December 31, 2007, 450,000 options are outstanding under the 2006 Tombstone Card, Inc. Option Plan. A total of 450,000 options are exercisable at December 31, 2007, under the plan. During the year ended December 31, 2007, we issued 300,000 options under the 2006 Option Plan to third parties and one employee. We have reserved 1,000,000 shares of common stock for issuance under the 2006 Tombstone Card, Inc. Option Plan. During the years ended December 31, 2007 and 2006, there were no actions taken to re-price any options held by any officers, directors or employees.

ITEM 6. MANagements' Discussion and Analysis

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto and the other financial information included elsewhere in this report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of any number of factors, including those set forth under "Risk Factors" on page 15 and elsewhere in this report.

PLAN OF OPERATIONS

We organized in April 2005 and since our organization, we have had limited operations. Our operational efforts have focused the structure and capital formation of the Company. During the year ended December 31, 2007, we put into place a management team and have secured capital to being the launch of the Company's business plan to manufacture and market customized playing cards.

If business volume supports it, we anticipate adding 5 more employees bringing our total staffing to 9 employees. These staff additions will necessitate purchasing additional computers, software, furniture and office materials.

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In July of 2007, our web site went live with our proprietary design tool and the e-commerce functionality needed to support sales over the Internet. We instituted a "soft rollout" in order to test the functionality and performance of the system. Based on results and feedback, we have made modifications the site and our processes. We also have taken the results from our sales analysis, combined with our PR and media research and determine placement of our first spot buys in poker magazines.

In December of 2007, we created our Tombstone Technologies Division (the Technology Division). The Technology Division was created in order to handle the development, marketing and licensing of our proprietary OIEPrint(TM) software, a web to print template driven application. On December 27, 2007, we filed a provisional patent application with the United States Patent and Trademark Office (USPTO) titled Internet Application for the Design of High Resolution Digital Graphics.

RESULTS OF OPERATIONS

For the Year Ended December 31, 2007 Compared to the Year Ended December 31, 2006

During the year ended December 31, 2007, we recognized revenues of \$43,759 from the sale of our custom playing cards. During the year ended December 31, 2006,

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we did not recognize any revenues from our operations.

In connection with the \$43,759 in revenue during the year ended December 31, 2007, we incurred cost of sales of \$22,886 and recognized a gross profit of \$20,873.

During the year ended December 31, 2007, we incurred general and administrative expenses of \$385,244 compared to \$181,206 during the year ended December 31, 2006. The increase of \$204,038 was due in part to our increased operational activities compared to the prior period. During December 31, 2007, general and administrative expenses include stock based compensation expenses of \$48,205, advertising expenses of \$32,275, accounting expenses \$27,555 and payroll expenses of \$95,000.

During the year ended December 31, 2007, we incurred a net loss of \$342,425 compared to a net loss of \$173,692 for the year ended December 31, 2006. The increase of \$173,512 was due to the \$204,038 increase in general and administrative expenses which was offset by the gross profit of \$20,873 as a result of sales of our product during the year.

During the year ended December 31, 2007, we recognized a net loss per share of \$0.11 compared to a net loss per share of \$0.09 per share during the year ended December 31, 2006.

LIQUIDITY

At December 31, 2007, we had cash and cash equivalents of \$313,498 and total current assets of \$334,305 and current liabilities of \$3,018. At December 31, 2007, current assets exceed current liabilities by \$331,287.

Net cash used in operating activities during the year ended December 31, 2007 was \$293,450, compared to net cash used in operating activities during the year ended December 31, 2006 of \$159,005. During the year ended December 31, 2007, the net cash used represented a net loss of \$342,425, adjusted for certain non-cash items consisting of stock based compensation of \$48,205 and depreciation expense of \$8,168.

During the year ended December 31, 2006, the net cash used represented a net loss of \$168,733, adjusted certain non-cash items consisting of contributed services of \$10,000, stock based compensation of \$13,825 and depreciation expense of \$825.

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During the year ended December 31, 2007, we used cash of \$27,453 to purchase equipment. During the year ended December 31, 2006, we used cash of \$17,186 to purchase equipment.

During the year ended December 31, 2006, we received \$865,000 cash through the sale of shares of our common stock and incurred offering costs of \$60,695. During the year ended December 31, 2006, we received net cash of \$804,305 from financing activities.

Capital Resources

We have no material commitments for capital expenditures within the next year, however if operations continue to expand, substantial capital will be needed to pay for participation, investigation, exploration, acquisition and working capital.

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ITEM 7. FINANCIAL STATEMENTS

The Financial Statements for the year ended December 31, 2007 are included herein on page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During the year ended December 31, 2007, we had no disagreements with our Independent Registered Public Accounting Firm, Cordovano and Honeck LLP.

ITEM 8A. CONTROLS and PROCEDURES

Disclosures Controls and Procedures

We have adopted and maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC's rules and forms and that the information is gathered and communicated to our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as appropriate, to allow for timely decisions regarding required disclosure.

As required by SEC Rule 15d-15(b), our Chief Executive Officer and Chief Financial Officer carried out an evaluation under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 15d-14 as of the end of the period covered by this report. Based on the foregoing evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC filings and to ensure that information required to be disclosed in our periodic SEC filings is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure as a result of the deficiency in our internal control over financial reporting discussed below.

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ITEM 8A(T). CONTROLS AND PROCEDURES

Management's Annual Report on Internal Control Over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company in accordance with as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- (ii) provide reasonable assurance that transactions are recorded

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as necessary to permit preparation

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's assessment of the effectiveness of the small business issuer's internal control over financial reporting is as of the year ended December 31, 2007. We believe that internal control over financial reporting is effective. We have not identified any, current material weaknesses considering the nature and extent of our current operations and any risks or errors in financial reporting under current operations.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, AND CONTROL PERSONS: COMPLIANCE WITH SECTION 16 (a) OF THE EXCHANGE ACT

At December 31, 2007, our officers and directors were the individuals listed below:

	Age		Term
John N. Harris	61	President and Director	Annual
Neil A. Cox	58	Chief Financial Officer and Director	Annual
William H. Reilly	54	Chief Operations Officer and Technology Officer and Director	Annual

John N. Harris, 61, President and Director

Mr. Harris began his career in the securities industry in 1971 with Newhard Cook & Co., a St. Louis based NYSE member firm. Licensed both as a broker and principal, he ultimately managed brokerage offices for several regional NASD brokerage firms. Since 1985, he has been self-employed as a business consultant

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and as a private investor. For the last 5 years Mr. Harris has been an independent financial consultant. Mr. Harris brings us experience in the public securities market.

Neil A. Cox, 58, Chairman of the Board and Chief Financial Officer.

Mr. Cox has more than 30 years' experience in the securities and financial industry. He brings enthusiasm, energy, and a solid base of understanding in acquisitions, strategic planning, and public and private financing. Mr. Cox is a former officer and director of a regional broker-dealer and has been involved with structuring, financing, and investment banking activities for dozens of companies. In 1999, as chief financial officer of IDMedical.com, Mr. Cox coordinated the efforts for the company to become a publicly traded software company that tried to pioneer computerized medical records on the Internet. Mr. Cox received a Bachelor of Business Administration (BBA) from West Texas A&M University (formerly known as West Texas State University) in 1971. He served in the United States Army as an Infantry Lieutenant, and is also a licensed insurance broker. Mr. Cox had been self-employed with Rocky Mountain Securities and Investments, Inc. until 2002, a registered broker-dealer; and from 2002-2004, Mr. Cox was self-employed with Moloney Securities Co., Inc., a registered broker-dealer. Since 2004, Mr. Cox has been an independent insurance broker (Life, Health, & Accident) who has represented many Life and Health Insurance Companies and is also an independent business consultant.

William H. Reilly, 54, Chief Operations Officer/Chief Technology Officer and Director

Mr. Reilly has spent the past 25 years working with technology in support of communications and business operations. He co-founded the Frontline Group Technology Center, where he guided day-to-day operations as chief operating officer. He also served as the parent company's chief technology officer, overseeing the installation of one of the nation's first VoIP systems, serving 14 offices in 11 states. After three years he started his own consulting business, offering services to young companies that wanted to establish the necessary systems to support measured and profitable growth, including strategic marketing, consultative sales, and customer service support. He earned his undergraduate degree at Wilkes College in Pennsylvania and completed his postgraduate work at Montclair State University. Mr. Reilly has headed his own consulting company, MountainTop Back Office, since 2002 and provides technology integration and marketing services to established companies.

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Our officers are spending up to 50+ hours per week on our business at this time.

CONFLICTS OF INTEREST - GENERAL.

Our directors and officers are, or may become, in their individual capacities, officers, directors, controlling shareholder and/or partners of other entities engaged in a variety of businesses. Thus, there exist potential conflicts of interest including, among other things, time, efforts and corporation opportunity, involved in participation with such other business entities. While each officer and director of our business is engaged in business activities outside of our business, they devote to our business such time as they believe to be necessary.

CONFLICTS OF INTEREST - CORPORATE OPPORTUNITIES

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Presently no requirement contained in our Articles of Incorporation, Bylaws, or minutes which requires officers and directors of our business to disclose to us business opportunities which come to their attention. Our officers and directors do, however, have a fiduciary duty of loyalty to us to disclose to us any business opportunities which come to their attention, in their capacity as an officer and/or director or otherwise. Excluded from this duty would be opportunities which the person learns about through his involvement as an officer and director of another company. We have no intention of merging with or acquiring an affiliate, associate person or business opportunity from any affiliate or any client of any such person.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires our Officers and Directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of copies of such reports received, and representations from certain reporting persons, we believe that, during the fiscal year ended December 31, 2007, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were filed in compliance with all applicable requirements.

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ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth certain information concerning compensation paid by the Company to the President and the Company's two most highly compensated executive officers for the fiscal year ended December 31, 2007 and 2006 (the "Named Executive Officers"):

SUMMARY EXECUTIVES COMPENSATION TABLE

Name & Position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Non-qualified deferred compensation earnings (\$)	A co
John Harris, President (1)	2007	36,000	0	0	0	0	0	
	2006	18,000	3,000	0	0	0	0	
Neil Cox, Chief Financial Officer	2007	36,000	0	0	0	0	0	
	2006	18,000	3,000	0	0	0	0	
William Reilly, COO/CTO(1)	2007	42,000	0	0	0	0	0	
	2006	21,000	3,500	0	2,500 (2)	0	0	

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(1) Payroll was made for the months of July-December 2006, therefore the actual salaries paid were: Neil Cox-\$18,000, John Harris-\$18,000 and William Reilly-\$21,000, and Messrs. Cox and Harris each received a \$3,000 bonus, and Mr. Reilly received a \$3,500 bonus. The executives forgave any salary obligation for January - June of 2006 in consideration of the bonus paid in August of 2006. Messrs. Harris and Cox each forwent \$15,000, and Mr. Reilly forwent \$17,500.

The President, CFO and COO/CTO contributed their management services to our business until June 30, 2006, and were not paid until August 2006. The President and CFO were paid for July 2006 and August 2006 at the rate of \$3,000 per month. The COO/CTO was paid for July 2006 and August 2006 at the rate of \$3,500 per month. The President and CFO were paid a bonus also of \$3,000 for deferring salaries until August 2006 and the COO/CTO (William Reilly) was paid a bonus of \$3,500 for deferring salaries until August 2006.

(2) Mr. Reilly was issued an option to purchase 100,000 shares of the Company's common stock. The option has an exercise price of \$0.55 per share and a term of 3 years expiring in August 2009. The value of the option was determined using the exercise price.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth certain information concerning outstanding equity awards held by the President and our most highly compensated executive officers for the fiscal year ended December 31, 2007 (the "Named Executive Officers"):

Name	Option Awards		Stock awards		Option expiration date	Number of stock that have not vested	Market value of units of stock that have not vested
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised options (#)	Option exercise price (\$)			

						(#)	(\$)	n
John Harris, President	0	0	0	0	0	0	0	v
Neil Cox, CFO	0	0	0	0	0	0	0	
William Reilly, COO/CTO	100,000	0	0	0.55	Aug. 2009	0	0	

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DIRECTOR COMPENSATION

The following table sets forth certain information concerning compensation paid to our directors for services as directors, but not including compensation for services as officers reported in the "Summary Executives Compensation Table" during the year ended December 31, 2007:

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Non-qualified deferred compensation earnings (\$)	All o compens (\$)
John Harris	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -
Neil Cox	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -
William Reilly	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -

All of our officers and/or directors will continue to be active in other companies. All officers and directors have retained the right to conduct their own independent business interests.

It is possible that situations may arise in the future where the personal interests of the officers and directors may conflict with our interests. Such conflicts could include determining what portion of their working time will be

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spent on our business and what portion on other business interest. To the best ability and in the best judgment of our officers and directors, any conflicts of interest between us and the personal interests of our officers and directors will be resolved in a fair manner which will protect our interests. Any transactions between us and entities affiliated with our officers and directors will be on terms which are fair and equitable to us. Our Board of Directors intends to continually review all corporate opportunities to further attempt to safeguard against conflicts of interest between their business interests and our interests.

Directors receive no compensation for serving.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of outstanding shares of the Company's common stock as of December 31, 2007 on a fully diluted basis, by (a) each person known by the Company to own beneficially 5% or more of the outstanding shares of common stock, (b) the Company's directors, Chief Executive Officer and executive officers whose total compensation exceeded \$100,000 for the last fiscal year, and (c) all directors and executive officers of the Company as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Per
Common shares	John Harris President & Director PO Box 1547 Lyons, CO 80540	500,000	
Common shares	Neil Cox CFO & Director 5380 Highlands Drive Longmont, CO 80503	500,000	
Common shares	William H. Reilly(2) COO/CTO & Director 4859 Dakota Blvd Boulder, CO 80304	125,000	
Common shares	Capital Merchant Bank(3) 600 N. Bradley Road Lake Forest, IL 60045	600,000	
Common shares	Michael J. Keate(4) 7841 Marquette Dr. South Tinley Park, IL 60477	600,000	
Common shares	Roland Rosenboom(5) 585 S. Main St. Clifton, IL 60927	600,000	

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Common shares	James Scanlon(6) 9048 W. 5000 South Rd Herscher, IL 60941	600,000
Common shares	Mike Scanlon(7) 2316 Sunset View Rd Kankakee, IL 60901	600,000

All Directors and Executive Officers as a Group (3 persons) 1,125,000

- (1) Based upon 3,230,000 shares of common stock issued and outstanding on December 31, 2007, warrants exercisable for 4,180,000 shares of common stock and options exercisable for 450,000 shares of common stock, there would be 7,860,000 shares of our common stock issued and outstanding, on a fully diluted basis.
- (2) Consists of 25,000 shares of common stock and an option exercisable for 100,000 shares of common stock.
- (3) The Capital Merchant Bank holds these 600,000 warrants beneficially for Joseph Kurczodyna.
- (4) Consists of 200,000 shares of common stock and warrants exercisable for 400,000 shares of common stock.
- (5) Consists of 200,000 shares of common stock and warrants exercisable for 400,000 shares of common stock.
- (6) Consists of 200,000 shares of common stock and warrants exercisable for 400,000 shares of common stock.
- (7) Consists of 200,000 shares of common stock and warrants exercisable for 400,000 shares of common stock.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than the stock transactions discussed prior, we have not entered into any transaction nor are there any proposed transactions in which any of our founders, directors, executive officers, shareholders or any members of the immediate family of any of the foregoing had or is to have a direct or indirect material interest.

We had engaged as a consultant Capital Merchant Banc under an Agreement which provides for the vesting of 600,000 Warrants to purchase Shares at \$0.55 per Share based upon performing consulting services for which it is paid \$3,000 per month. When vested Capital Merchant Banc could acquire an amount of Shares equal to 15.66% of the issued and outstanding Common Stock prior to exercise of any Warrants. These Warrants expire August 31, 2009, with an Option to acquire a new two year Warrant at \$0.55 for 600,000 if the stock price has not closed at \$0.50 for 30 days. Capital Merchant Banc Warrants are vested upon completion of the consulting services for: 1. Product Public Relations Program; 2. Sales Program design; 3. Corporate Awareness Program and structure advice which we deem to be substantially complete.

The President, CFO and COO/CTO contributed their management services to our business until June 30, 2006. The President and CFO were paid for July 2006 and August 2006 at the rate of \$3,000 per month in August 2006, plus a bonus of \$3,000 for deferring payment until August 2006. The COO/CTO was paid for July 2006 and August 2006 at the rate of \$3,500 per month in August 2006, plus a bonus of \$3,000 for deferring payment until August 2006.

PART IV

ITEM 13. INDEX TO EXHIBITS

The following is a complete list of exhibits filed as part of this Form 10KSB. Exhibit number corresponds to the numbers in the Exhibit table of Item 601 of Regulation S-B.

Number	Description	
3.1	Articles of Incorporation.	1
3.2	Articles of Amendment - Name Change	1
3.3	Bylaws of Tombstone Cards, Inc.	1
10.1	"A" Warrant Form	1
10.2	"B" Warrant Form	1
10.3	Capital Merchant Banc Warrant Form	1
10.4	Employee Stock Warrant Form	1
10.5	William H. Reilly Warrant Form	1
10.6	Dale Stonedahl Warrant Form	1
10.7	Revised Garden State Securities Warrant Form	1
10.8	Consulting Agreement with Capital Merchant Banc, LLC	1
10.9	Garden State Securities Finder's Fee Agreement	1
10.10	2006 Tombstone Cards, Inc. Option Plan	1
31.1	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act	*
32.1	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act	*

(1) Filed as an exhibit to the Registration Statement No. 333-138184 on Form SB-2, filed with the SEC on October 23, 2006.

* Filed herewith.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

We incurred \$22,016 audit fees with our Independent Registered Public Auditing Firm, Cordovano and Honeck LLP, during the year ended December 31, 2007 (\$14,673, during the fiscal year ended 2006) in respect of the audit for the fiscal years ended December 31, 2007 and 2006.

Tax Fees

We did not incur any tax fees with our current auditor, in the years ended December 31, 2007 and 2006.

All Other Fees

We incurred no other fees with our auditor.

It is the role of the Audit Committee, or in the absence of an audit committee, the Board of Directors, to consider whether, and determine that, the auditor's provision of non-audit services would be compatible with maintaining the auditor's independence.

TOMBSTONE CARDS, INC.

Financial Statements
December 31, 2007

(With Report of Independent Registered Public Accounting Firm Thereon)

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Tombstone Cards, Inc.:

We have audited the accompanying balance sheet of Tombstone Cards, Inc. as of December 31, 2007, and the related statements of operations, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tombstone Cards, Inc. as of December 31, 2007, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

/s/ Cordovano and Honeck LLP
Cordovano and Honeck LLP
Englewood, Colorado
March 17, 2008

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TOMBSTONE CARDS, INC.
Balance Sheet
December 31, 2007

Assets

Current assets

Cash and cash equivalents.....\$
Accounts receivable, net.....
Inventory, at cost.....
Prepaid expenses.....

Total current assets.....

Equipment, net of accumulated depreciation of \$15,481.....

Total assets.....\$

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and accrued liabilities.....\$
Deferred revenue.....
Current portion - capital lease obligation.....

Total current liabilities.....

Capital lease obligation, less current portion.....

Total liabilities.....

Shareholders' equity

Common stock.....
Additional paid-in capital.....
Deficit accumulated during development stage.....

Total shareholders' equity.....

Total liabilities and shareholders' equity.....\$

See accompanying notes to financial statements

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TOMBSTONE CARDS, INC.
Statements of Operations

For the Year
Ended
December 31,

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	2007	2006
Sales.....	\$ 43,759	\$ 43,759
Cost of sales.....	22,886	22,886
Gross profit.....	20,873	20,873
Expenses		
Selling, general and administrative expenses.....	385,244	185,244
Loss from operations.....	(364,372)	(164,372)
Other income		
Interest income.....	21,947	1,947
Loss before income taxes.....	(342,425)	(162,425)
Income tax provision.....	--	--
Net loss.....	\$ (342,425)	\$ (162,425)
Basic and diluted loss per share.....	\$ (0.11)	\$ (0.11)
Basic and diluted weighted average common shares outstanding.....	3,230,000	1,840,000

See accompanying notes to financial statements
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TOMBSTONE CARDS, INC.
Statement of Change in Shareholders' Equity

	Common Stock		Additional Paid-in Capital	Ac De
	Shares	Amount		
Balance at April 29, 2005				

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(inception).....	--	\$	--	\$	--	\$
July and August 2005, sale of common stock at \$0.01 per share, net of \$3,000 in offering costs.....	1,500,000		12,000		--	
Contributed services by founders.....	--		--		10,000	
Net loss.....	--		--		--	
	-----		-----		-----	
Balance at December 31, 2005.....	1,500,000		12,000		10,000	
April through September 2006, sale of common stock at \$0.50 per share, net of \$60,695 offering costs.....	1,730,000		804,305		--	
May 2006, stock options granted.....	--		--		4,800	
August 2006, stock options and warrants vested.....	--		--		9,025	
Contributed services by founders.....	--		--		10,000	
Net loss.....	--		--		--	
	-----		-----		-----	
Balance at December 31, 2006.....	3,230,000		816,305		33,825	
Stock options and warrants vested.....	--		--		48,205	
Net loss.....	--		--		--	
	-----		-----		-----	
Balance at December 31, 2007.....	3,230,000	\$	816,305	\$	82,030	\$
	=====		=====		=====	

See accompanying notes to financial statements
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TOMBSTONE CARDS, INC.
Statements of Cash Flows

	For the Year Ended December 31,	
	2007	2006
	-----	-----
Cash flows from operating activities:		
Net loss.....	\$ (342,425)	\$ (168,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Contributed services.....	--	10,000

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Stock-based compensation.....	48,205	13
Depreciation Expense.....	8,168	
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable.....	(9,256)	
Decrease (increase) in prepaid expenses.....	7,918	(9)
Decrease (increase) in inventory.....	(4,760)	(5)
Decrease in accounts payable.....	(1,299)	
	-----	-----
Net cash flows used in operating activities.....	(293,450)	(159)
	-----	-----
Cash flows from investing activities:		
Purchase of property and equipment.....	(27,453)	(17)
	-----	-----
Net cash flows used in investing activities.....	(27,453)	(17)
	-----	-----
Cash flows from financing activities:		
Proceeds from sale of common stock.....	--	865
Payments for stock offering costs.....	--	(60)
	-----	-----
Net cash flows provided by financing activities.....	--	804
	-----	-----
cash equivalents.....	(320,902)	628
	-----	-----
Cash and cash equivalents:		
Beginning of period.....	634,400	6
	-----	-----
End of period.....	\$ 313,498	\$ 634
	=====	=====
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes.....	\$ --	\$ --
	=====	=====
Interest.....	\$ --	\$ --
	=====	=====
Noncash investing and financing transactions:		
Equipment acquired under capital lease.....	\$ 6,768	\$
	=====	=====

See accompanying notes to financial statements

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TOMBSTONE CARDS, INC.
Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Organization and Basis of Presentation

Tombstone Cards, Inc. (referenced as "we," "us," "our" in the accompanying notes) was incorporated in the State of Colorado on April 29, 2005. We were organized to engage in the business of manufacturing and selling

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personalized playing cards.

Development Stage Company

During 2007, we emerged from the development stage.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

We consider all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. We had \$304,489 cash equivalents at December 31, 2007.

Accounts Receivable:

The allowance for doubtful accounts, which is \$-0- at December 31, 2007, is based on an assessment of the collectibility of customer accounts. We review the allowance by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

Inventories

Inventories are stated at the lower of cost (determined on an average cost) or market value.

Equipment

Equipment is recorded at cost. Expenditures that extend the useful lives of equipment are capitalized. Repairs, maintenance and renewals that do not extend the useful lives of the equipment are expensed as incurred. Depreciation is provided on the straight-line method over 3 years.

Long-lived assets

Long-lived assets include property and equipment, equity investments and intangible assets. Whenever events or changes in circumstances indicate that the carrying amounts of long-lived assets may not be recoverable, we estimate the future cash flows, undiscounted and without interest charges, expected to result from the use of those assets and their eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of those assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Financial Instruments

The Company has determined, based on available market information and appropriate valuation methodologies, that the fair value of its financial instruments approximates carrying value. The carrying amounts of cash and cash equivalents, and accounts payable approximate fair value due to the short-term maturity of the instruments.

Income Taxes

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We account for income taxes under the provisions of SFAS No. 109, Accounting for Income Taxes (SFAS 109). SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that

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TOMBSTONE CARDS, INC. Notes to Financial Statements

have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Advertising

All advertising costs are expensed as incurred. Advertising expenses were \$32,275 and \$11,667 respectively, for the years ended December 31, 2007 and 2006, respectively.

Earnings (Loss) per Common Share

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At December 31, 2007, there were no variances between basic and diluted loss per share as the impact of the 4,570,000 options, warrants and warrant units outstanding would have been anti-dilutive.

Share-Based Payment

In December 2004, the FASB issued FASB Statement No. 123(R), "Share-Based Payment", which is a revision to FASB Statement No. 123, "Accounting for Stock-Based Compensation" (FASB 123). FASB Statement No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. We adopted the fair value based method of accounting for share-based payments effective January 1, 2006 using the modified prospective method described in FASB Statement No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure. The modified prospective method requires companies to record compensation cost beginning with the effective date based on the requirements of FASB Statement No. 123(R) for all share-based payments granted after the effective date. There were no share-based payments granted prior to the effective date.

New Accounting Standards

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, or SFAS No. 157. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements; rather, it applies under other accounting pronouncements that require or permit fair value

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measurements. The provisions of this statement are to be applied prospectively as of the beginning of the fiscal year in which this statement is initially applied, with any transition adjustment recognized as a cumulative-effect adjustment to the opening balance of retained earnings. The provisions of SFAS No. 157 are effective for the fiscal years beginning after November 15, 2007; therefore, we anticipate adopting this standard as of January 1, 2008. We do not expect the adoption of SFAS No. 157 to have a material impact on our financial statements.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, or SAB No. 108, to eliminate the diversity of practice surrounding how public companies quantify financial statement misstatements. Traditionally, there have been two widely-recognized methods for quantifying the effects of financial statement misstatements: the "roll-over" method and the "iron curtain" method. The roll-over method focuses primarily on

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TOMBSTONE CARDS, INC. Notes to Financial Statements

the impact of a misstatement on the income statement, including the reversing effect of prior year misstatements, but its use can lead to the accumulation of misstatements in the balance sheet. The iron-curtain method, on the other hand, focuses primarily on the effect of correcting the period-end balance sheet with less emphasis on the reversing effects of prior year errors on the income statement. In SAB No. 108, the SEC Staff established an approach that requires quantification of financial statement misstatements based on the effects of the misstatements on each financial statement and the related financial statement disclosures. This model is commonly referred to as a "dual approach" because it requires quantification of errors under both the iron curtain and the roll-over methods. The adoption of SAB No. 108 did not have an impact on our financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109, or FIN No. 48. FIN No. 48 provides guidance on the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 requires that we recognize in the financial statements the benefit of a tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition provisions. FIN No. 48 is effective for fiscal years beginning after December 15, 2006, and we adopted FIN No. 48 at the beginning of fiscal 2007. The adoption of FIN No. 48 did not have an impact on our financial statements.

In July 2006, the FASB issued EITF Issue No. 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should be Presented in the Income Statement (that is, Gross versus Net Presentation). The adoption of EITF No. 06-3 did not have an impact on our financial statements. Our accounting policy has been to present above mentioned taxes on a net basis, excluded from revenues.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, or SFAS No. 159. The fair value option established by SFAS No. 159 permits, but does not require, all entities to choose to measure eligible items at fair value at specified election dates. An entity would report unrealized gains and losses on items for which the fair

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value option has been elected in earnings at each subsequent reporting date. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. We are currently assessing what the impact of the adoption of this Statement will be on our financial position and results of operations.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), Business Combinations, or SFAS No. 141R. SFAS No. 141R will change the accounting for business combinations. Under SFAS No. 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. SFAS No. 141R will change the accounting treatment and disclosure for certain specific items in a business combination. SFAS No. 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Accordingly, any business combinations we engage in will be recorded and disclosed following existing GAAP until January 1, 2009. We expect SFAS No. 141R will have an impact on accounting for business combinations once adopted but the effect is dependent upon acquisitions at that time.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements--An Amendment of ARB No. 51, or SFAS No. 160. SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. We have no noncontrolling interests in subsidiaries at this time.

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TOMBSTONE CARDS, INC.
Notes to Financial Statements

(2) Related Party Transactions

The President, CFO and COO/CTO contributed their management services to our business from April 29, 2005 (date on inception) through June 30, 2006. The services are reported as contributed services with a corresponding credit to additional paid-in capital totaling \$-0- and \$10,000, respectively, for the years ended December 31, 2007 and 2006.

(3) Inventories

At December 31, 2007, supplies inventory consisted of:

Card decks.....	\$ 7,032
Shipping containers.....	3,025

	10,057
	=====

(4) Property and equipment

At December 31, 2006, major classes of property and equipments were:

Computer equipment.....	\$ 27,715
Software.....	23,692

	51,407

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Less: accumulated depreciation.....	(8,993)

	\$ 42,414

Depreciation expense was \$8,168 and \$825, respectively, for the years ended December 31, 2007 and 2006.

(5) Shareholders' Equity

Common Stock

On August 31, 2006, we completed a private offering of our common stock; selling 1,730,000 units for net proceeds of \$804,305. Each unit consisted of one share of common stock, one "A" warrant exercisable at \$2.00 for up to three years and callable for redemption by the Company and one "B" warrant exercisable at \$5.00 for up to three years and callable for redemption by the Company.

Common Stock Options and Warrants

On May 8, 2006, we granted to two investors options to purchase an aggregate of 150,000 shares of our common stock at an exercise price of \$0.55 per share. The options vested on August 29, 2006 and expire on August 29, 2009. Our common stock was valued at \$0.50 per share on the grant date; however, our Board of Directors, utilizing appropriate option pricing software, estimated the fair value of the options at \$.0325 per share, or \$4,800. The \$4,800 was recorded as share-based payment in the accompanying financial statements during the year ended December 31, 2006.

Using the Black-Scholes option-pricing software, our Board of Directors assumed the following in estimating the fair value of the options at the grant date:

Risk-free interest rate.....	4.99%
Dividend yield.....	0.00%
Volatility factor.....	5.00%
Weighted average expected life.....	3 years

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TOMBSTONE CARDS, INC. Notes to Financial Statements

On August 4, 2006, we granted to an outside consultant a warrant to purchase 600,000 shares of our common stock at an exercise price of \$0.55 per share. The warrant vests upon the effective date of our Registration Statement and expires on August 31, 2009. Our Board of Directors, utilizing appropriate software, estimated the fair value of the warrant at \$.0325 per share, or \$19,500, of which \$8,125 in share-based payment in the accompanying financial statements for the year ended December 31, 2006. Using the Black-Scholes option-pricing software, the Board of Directors assumed the following in estimating the fair value of the warrant at the grant date:

Risk-free interest rate.....	4.89%
Dividend yield.....	0.00%
Volatility factor.....	5.00%
Weighted average expected life.....	3 years

On August 8, 2006, we granted to a placement agent a warrant to purchase 60,000 units at an exercise price of \$0.60 per unit, in exchange for broker-dealer services. Each unit is comprised of one share of our common stock, one A warrant

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and one B warrant. The warrant vests upon the effective date of our Registration Statement and expires on August 31, 2009. Our Board of Directors, utilizing appropriate software, estimated the fair value of the warrant at \$.015 per share, or \$900, which was recorded as offering cost in the accompanying financial statements at December 31, 2006.

Using the Black-Scholes option-pricing software, the Board of Directors assumed the following in estimating the fair value of the warrant at the grant date:

Risk-free interest rate.....	4.86%
Dividend yield.....	0.00%
Volatility factor.....	5.00%
Weighted average expected life.....	3 years

On October 1, 2007, we granted to consultants, options to purchase 280,000 shares of our common stock at an exercise price of \$0.75 per share, in exchange for consulting services. The options vest immediately and expire on August 31, 2009. Our Board of Directors, utilizing appropriate software, estimated the fair value of the options at \$.1256 per share, or \$35,168, which was recorded as stock compensation cost included in general and administrative expenses in the accompanying financial statements at December 31, 2007.

Using the Black-Scholes option-pricing software, the Board of Directors assumed the following in estimating the fair value of the warrant at the grant date:

Risk-free interest rate.....	4.02%
Dividend yield.....	0.00%
Volatility factor.....	50.00%
Weighted average expected life.....	3 years

On December 7, 2007, we granted to an employee, an option to purchase 20,000 shares of our common stock at an exercise price of \$1.00 per share, in reward for employee services. The option vests immediately and expires on August 31, 2009. Our Board of Directors, utilizing appropriate software, estimated the fair value of the warrant at \$0.0831 per share, or \$1,662, which was recorded as stock compensation cost included in general and administrative expenses in the accompanying financial statements at December 31, 2007.

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TOMBSTONE CARDS, INC. Notes to Financial Statements

Using the Black-Scholes option-pricing software, the Board of Directors assumed the following in estimating the fair value of the warrant at the grant date:

Risk-free interest rate.....	2.97%
Dividend yield.....	0.00%
Volatility factor.....	50.00%
Weighted average expected life.....	3 years

Following is a schedule of changes in our common stock options and warrants for the period ended December 31, 2007:

Exercise	Weighted Average Exercise	Wei Ave Rema
----------	---------------------------------	--------------------

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	Number of Shares	Price Per Share	Price Per Share	Contr L
Outstanding at April 29, 2005 (inception).....	-	-	\$ -	N
Granted.....	4,270,000	\$0.55 - \$5.00	\$ 2.94	2.58
Exercised.....	-	-	\$ -	N
Cancelled/Expired.....	-	-	\$ -	N
Outstanding at December 31, 2006.....	4,270,000	-	\$ -	N
Granted.....	300,000	\$0.75.-.\$1.00	\$ 0.77	1.83
Exercised.....	-	-	\$ -	N
Cancelled/Expired.....	-	-	\$ -	N
Outstanding at December 31, 2007.....	4,570,000	\$0.75 - \$1.00	\$0.77	1.83
Exercisable at December 31, 2007.....	4,570,000	\$0.75 - \$1.00	\$0.77	1.83

Year Ended
December 31,

2007 2006

Total fair value of options vested during the period....\$ 48,205.50 \$ 13,825.00

Common stock awards consisted of the following options and warrants:

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TOMBSTONE CARDS, INC.
Notes to Financial Statements

	Options	Warrants	Warrant Units	To Aw
Outstanding at January 1, 2006.....	-	-	-	
Granted.....	150,000	4,060,000	60,000	4,270,000
Exercised.....	-	-	-	
Cancelled/Expired.....	-	-	-	
Outstanding at December 31, 2006.....	150,000	4,060,000	60,000	4,270,000
Granted.....	300,000	-	-	300,000

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Exercised.....	-	-	-	-
Cancelled/Expired.....	-	-	-	-
Outstanding at December 31, 2007.....	450,000	4,060,000	60,000	4,570,000

(6) Income Taxes

A reconciliation of U.S. statutory federal income tax rate to the effective rate follows:

	Year Ended December 31,	
	2007	2006
U.S. statutory federal rate.....	0.00%	27.50%
State income tax rate.....	0.00%	3.36%
Permanent differences - Contributed services...	0.00%	-1.90%
Net operating loss for which no benefit is currently available.....	0.00%	-28.96%
	0.00%	0.00%

At December 31, 2007, deferred tax assets consisted of a net tax asset of \$196,177 due to operating loss carryforwards of \$529,410 which was fully allowed for, in the valuation allowance of \$196,177. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the year ended December 31, 2007 totaled \$149,078. The net operating loss carryforward expires through the year 2027.

At December 31, 2006, deferred tax assets consisted of a net tax asset of \$47,099 due to operating loss carryforwards of \$180,912 which was fully allowed for, in the valuation allowance of \$47,099. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the year ended December 31, 2006 totaled \$45,536. The net operating loss carryforward expires through the year 2026.

The valuation allowance is evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

Should the Company undergo an ownership change as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of these losses.

(7) Concentration of Credit Risk

We have concentrated our credit risk for cash by maintaining deposits in financial institutions, which may at times, exceed the amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation

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TOMBSTONE CARDS, INC.
Notes to Financial Statements

(FDIC). The loss that would have resulted from that risk totaled \$304,489 at December 31, 2007, for the excess of the deposit liabilities reported by the financial institution over the amount that would have been covered by federal insurance. We have not experienced any losses in such accounts and believe we are not exposed to any significant credit risk to cash.

SIGNATURES

In accordance with the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

TOMBSTONE CARDS, INC.

Date: March 25, 2008

By: /s/ JOHN N. HARRIS

John N. Harris,
President

Date: March 25, 2008

By: /s/NEIL A. COX

Neil A. Cox,
Chief Financial Officer

In accordance with the Securities Exchange Act of 1924, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: April 2, 2008

By: /s/JOHN N. HARRIS

John N. Harris,
President & Director

Date: April 2, 2008

By: /s/NEIL A. COX

Neil A. Cox,
Chief Financial Officer &
Chairman of the Board

Date: April 2, 2008

By: /s/WILLIAM R. REILLY

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William R. Reilly,
 Chief Operating Officer, Chief
 Technical Officer & Director

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609 381 641 Eugene S. Sunshine... 160 226 593 707 433 745

----- AGGREGATE COMPENSATION
 FROM THE FUNDS(1)(2) -----

BOARD MEMBER CALIFORNIA CALIFORNIA INSURED INSURED CALIFORNIA CALIFORNIA
 NOMINEES SELECT QUALITY CALIFORNIA CALIFORNIA 2 PREMIUM DIVIDEND

----- Robert P. Bremner... \$1,401
 \$1,344 \$369 \$725 \$322 \$1,377 Lawrence H. Brown.... 1,273 1,221 338 659 295 1,251 Jack B. Evans..... 1,366 1,310
 358 707 312 1,342 William C. Hunter.... 842 808 280 436 245 827 David J. Kundert.... 1,112 1,066 279 575 244
 1,092 William J. Schneider..... 1,372 1,316 354 710 310 1,348 Judith M. Stockdale..... 1,097 1,052 284 568 248
 1,078 Eugene S. Sunshine... 1,275 1,223 323 660 282 1,253

----- AGGREGATE
 COMPENSATION FROM THE FUNDS(1)(2)

----- INSURED INSURED BOARD
 MEMBER CALIFORNIA CALIFORNIA CALIFORNIA CALIFORNIA CONNECTICUT CONNECTICUT
 NOMINEES DIVIDEND 2 DIVIDEND 3 DIVIDEND TAX-FREE DIVIDEND DIVIDEND 2

----- Robert P. Bremner... \$856 \$1,395
 \$900 \$334 \$126 \$114 Lawrence H. Brown.... 778 1,267 818 306 135 122 Jack B. Evans..... 834 1,359 878 324 138
 125 William C. Hunter.... 514 837 541 254 110 100 David J. Kundert.... 679 1,106 714 253 109 99 William J.
 Schneider..... 838 1,365 881 321 139 126 Judith M. Stockdale..... 670 1,092 705 257 111 100 Eugene S.
 Sunshine... 779 1,269 819 293 128 116

----- 30 AGGREGATE
 COMPENSATION FROM THE FUNDS(1)(2)

----- INSURED INSURED BOARD
 MEMBER CONNECTICUT CONNECTICUT FLORIDA FLORIDA FLORIDA FLORIDA NOMINEES
 DIVIDEND 3 PREMIUM TAX-FREE PREMIUM INVESTMENT QUALITY

----- Robert P. Bremner... \$206 \$255 \$190
 \$759 \$864 \$756 Lawrence H. Brown.... 221 273 180 715 813 712 Jack B. Evans..... 226 280 185 744 846 740
 William C. Hunter.... 180 222 161 667 759 664 David J. Kundert.... 179 221 160 682 776 679 William J.
 Schneider..... 227 280 185 739 841 736 Judith M. Stockdale..... 181 224 162 659 750 656 Eugene S. Sunshine...
 209 258 162 685 778 681 ----- AGGREGATE

COMPENSATION FROM THE FUNDS(1)(2)

----- BOARD MEMBER GEORGIA
 GEORGIA GEORGIA MARYLAND MARYLAND MARYLAND MARYLAND NOMINEES DIVIDEND DIVIDEND 2
 PREMIUM DIVIDEND DIVIDEND 2 DIVIDEND 3

----- Robert P. Bremner... \$96 \$214 \$183
 \$204 \$206 \$254 Lawrence H. Brown.... 103 229 195 218 221 272 Jack B. Evans..... 105 234 200 223 226 278
 William C. Hunter.... 84 186 159 177 179 221 David J. Kundert.... 83 185 158 176 179 220 William J.
 Schneider..... 106 235 200 223 226 279 Judith M. Stockdale..... 84 187 160 178 181 222 Eugene S. Sunshine...
 97 216 184 206 208 257 ----- AGGREGATE

COMPENSATION FROM THE FUNDS(1)(2)

----- INSURED BOARD MEMBER
 MARYLAND MASSACHUSETTS MASSACHUSETTS MASSACHUSETTS MICHIGAN MICHIGAN
 NOMINEES PREMIUM TAX-FREE DIVIDEND PREMIUM DIVIDEND PREMIUM

----- Robert P. Bremner... \$512 \$131

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\$97 \$226 \$129 \$473 Lawrence H. Brown.... 547 140 104 242 119 436 Jack B. Evans..... 561 143 106 247 125 460
 William C. Hunter.... 445 114 85 197 91 334 David J. Kundert.... 443 113 84 195 91 332 William J. Schneider.....
 562 144 107 248 124 456 Judith M. Stockdale..... 448 115 85 198 92 338 Eugene S. Sunshine... 517 132 98 228
 114 419 ----- 31 AGGREGATE
 COMPENSATION FROM THE FUNDS(1)(2)

----- BOARD MEMBER MICHIGAN
 MISSOURI NEW JERSEY NEW JERSEY NEW JERSEY NEW JERSEY NOMINEES QUALITY PREMIUM
 DIVIDEND DIVIDEND 2 INVESTMENT PREMIUM

----- Robert P. Bremner.... \$754 \$108 \$330
 \$232 \$1,060 \$626 Lawrence H. Brown.... 692 115 313 220 998 589 Jack B. Evans..... 735 118 321 226 1,038 613
 William C. Hunter.... 414 93 279 196 932 550 David J. Kundert.... 546 93 278 195 953 563 William J.
 Schneider..... 729 118 322 226 1,032 609 Judith M. Stockdale..... 542 94 281 197 920 543 Eugene S. Sunshine...
 681 109 282 198 956 564 -----
 AGGREGATE COMPENSATION FROM THE FUNDS(1)(2)

----- NORTH NORTH NORTH NORTH
 BOARD MEMBER CAROLINA CAROLINA CAROLINA CAROLINA OHIO OHIO NOMINEES DIVIDEND
 DIVIDEND 2 DIVIDEND 3 PREMIUM DIVIDEND DIVIDEND 2

----- Robert P. Bremner.... \$111 \$184 \$185
 \$304 \$261 \$194 Lawrence H. Brown.... 119 196 197 325 240 178 Jack B. Evans..... 122 201 202 333 254 188
 William C. Hunter.... 97 160 160 265 184 137 David J. Kundert.... 96 159 160 263 183 136 William J.
 Schneider..... 122 201 202 334 251 187 Judith M. Stockdale..... 97 161 161 266 186 138 Eugene S. Sunshine...
 112 185 186 307 231 171 ----- AGGREGATE
 COMPENSATION FROM THE FUNDS(1)(2)

----- BOARD MEMBER OHIO
 OHIO PENNSYLVANIA PENNSYLVANIA PENNSYLVANIA PENNSYLVANIA NOMINEES DIVIDEND 3
 QUALITY DIVIDEND DIVIDEND 2 PREMIUM 2 INVESTMENT

----- Robert P. Bremner.... \$135
 \$641 \$170 \$192 \$793 \$857 Lawrence H. Brown.... 124 591 162 182 747 807 Jack B. Evans..... 131 623 166 187 777
 839 William C. Hunter.... 95 452 144 162 697 753 David J. Kundert.... 95 450 143 162 713 770 William J.
 Schneider..... 130 618 166 187 773 834 Judith M. Stockdale..... 96 457 145 163 689 744 Eugene S. Sunshine...
 119 567 146 164 715 772 ----- 32
 AGGREGATE COMPENSATION FROM THE FUNDS(1)(2)

----- TOTAL COMPENSATION FROM
 NUVEEN FUNDS PAID TO BOARD MEMBER TEXAS VIRGINIA VIRGINIA VIRGINIA BOARD NOMINEES
 QUALITY DIVIDEND DIVIDEND 2 PREMIUM MEMBERS

----- Robert P. Bremner..... \$583 \$155
 \$282 \$435 \$133,125 Lawrence H. Brown..... 537 166 301 465 134,625 Jack B. Evans..... 567 170 308 476
 138,625 William C. Hunter..... 411 135 245 378 119,625 David J. Kundert..... 409 134 244 376 82,935
 William J. Schneider..... 562 171 309 477 136,125 Judith M. Stockdale..... 416 136 247 381 119,725 Eugene S.
 Sunshine..... 516 157 284 439 88,435

----- (1) For each Fund, the aggregate
 compensation numbers are based on a combination of the compensation schedules in effect prior to and after January
 1, 2006. (2) Includes deferred fees. Pursuant to a deferred compensation agreement with certain of the Funds, deferred
 amounts are treated as though an equivalent dollar amount has been invested in shares of one or more eligible Nuveen
 funds. Total deferred fees for the Funds (including the return from the assumed investment in the eligible Nuveen
 funds) payable are: DEFERRED FEES -----

TAX- FLOATING ADVANTAGED BOARD MEMBER FLOATING RATE FLOATING SENIOR CALIFORNIA
 CALIFORNIA NOMINEES RATE OPPORTUNITY RATE INCOME VALUE PERFORMANCE

----- Robert P. Bremner... \$449 \$269 \$116
 \$138 \$102 \$122 Lawrence H. Brown... -- -- -- -- -- Jack B. Evans..... 723 434 187 223 164 196 William C.
 Hunter... 1,593 956 412 445 391 467 David J. Kundert.... 2,104 1,263 545 635 517 617 William J. Schneider.....

2,814 1,689 729 847 638 761 Judith M. Stockdale..... 1,266 760 328 385 310 371 Eugene S. Sunshine..... 2,278
 1,367 590 709 520 620 ----- 33 DEFERRED
 FEES ----- BOARD MEMBER CALIFORNIA
 CALIFORNIA CALIFORNIA INSURED CALIFORNIA NOMINEES INVESTMENT SELECT QUALITY
 CALIFORNIA 2 DIVIDEND ----- Robert P.
 Bremner..... \$128 \$220 \$211 \$114 \$216 Lawrence H. Brown..... -- -- -- -- -- Jack B. Evans..... 207 354 339 183
 347 William C. Hunter..... 492 842 808 436 827 David J. Kundert..... 650 1,112 1,066 575 1,092 William J.
 Schneider... 802 1,372 1,316 710 1,348 Judith M. Stockdale.... 390 668 641 346 656 Eugene S. Sunshine..... 653 1,118
 1,072 579 1,099 ----- DEFERRED FEES

----- INSURED INSURED BOARD MEMBER
 CALIFORNIA CALIFORNIA CALIFORNIA FLORIDA FLORIDA NOMINEES DIVIDEND 2 DIVIDEND 3
 DIVIDEND PREMIUM INVESTMENT -----
 Robert P. Bremner..... \$134 \$219 \$141 \$120 \$136 Lawrence H. Brown..... -- -- -- -- -- Jack B. Evans..... 216 352
 227 193 220 William C. Hunter..... 514 837 541 667 759 David J. Kundert..... 679 1,106 714 682 776 William J.
 Schneider... 838 1,365 881 739 841 Judith M. Stockdale.... 408 665 429 386 440 Eugene S. Sunshine..... 683 1,113
 718 573 652 ----- DEFERRED FEES

----- BOARD MEMBER FLORIDA
 MICHIGAN NEW JERSEY NEW JERSEY PENNSYLVANIA PENNSYLVANIA NOMINEES QUALITY
 QUALITY INVESTMENT PREMIUM PREMIUM 2 INVESTMENT -----
 Robert P. Bremner..... \$119 \$116
 \$167 \$99 \$125 \$135 Lawrence H. Brown..... -- -- -- -- -- Jack B. Evans..... 193 188 270 159 202 218 William C.
 Hunter..... 664 414 932 550 697 753 David J. Kundert..... 679 546 953 563 713 770 William J. Schneider... 736 729
 1,032 609 773 834 Judith M. Stockdale.... 385 327 540 319 404 436 Eugene S. Sunshine..... 570 590 800 472 598 646

----- 34 Nuveen maintains a charitable
 matching contributions program to encourage the active support and involvement of individuals in the civic activities
 of their community. Until December 31, 2006, the Independent Board Members of the funds managed by the Adviser
 are eligible to participate in the charitable contributions program of Nuveen. Under the matching contributions
 program, Nuveen will match the personal contributions of a Board Member to Section 501(c)(3) organizations up to
 an aggregate maximum amount of \$10,000 during any calendar year. COMMITTEES The Board of each Fund has
 five standing committees: the executive committee, the audit committee, the nominating and governance committee,
 the dividend committee and the compliance, risk management and regulatory oversight committee. Robert P.
 Bremner, Judith M. Stockdale and Timothy R. Schwertfeger, Chair, serve as members of the executive committee of
 each Fund. The executive committee, which meets between regular meetings of the Board, is authorized to exercise all
 of the powers of the Board; provided that the scope of the powers of the executive committee, unless otherwise
 specifically authorized by the full Board, is limited to: (i) emergency matters where assembly of the full Board is
 impracticable (in which case management will take all reasonable steps to quickly notify each individual Board
 Member of the actions taken by the executive committee) and (ii) matters of an administrative or ministerial nature.
 The executive committee of each Fund held no meetings during its last fiscal year. Lawrence H. Brown, Jack B. Evans
 and Timothy R. Schwertfeger, Chair, are current members of the dividend committee of each Fund. The dividend
 committee is authorized to declare distributions on the Fund's shares including, but not limited to, regular and special
 dividends, capital gains and ordinary income distributions. The dividend committee of each Fund held three meetings
 during its last fiscal year, except the dividend committee of the California Funds held four meetings. Lawrence H.
 Brown, William C. Hunter, David J. Kundert, William J. Schneider, Chair, and Judith M. Stockdale are current
 members of the compliance, risk management and regulatory oversight committee of each Fund. The compliance, risk
 management and regulatory oversight committee is responsible for the oversight of compliance issues, risk
 management, and other regulatory matters affecting the Funds which are not otherwise the jurisdiction of the other
 Board committees. The compliance, risk management and regulatory oversight committee of each Fund held four
 meetings during its last fiscal year. Each Fund's Board has an audit committee, in accordance with Section 3(a)(58)(A)
 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), that is composed of Independent Board
 Members who are also "independent" as that term is defined in the listing standards pertaining to closed-end funds of
 the New York Stock Exchange and American Stock Exchange, as applicable. Robert P. Bremner, Lawrence H.

Brown, Jack B. Evans, Chair, William J. Schneider and Eugene S. Sunshine are current members of the audit committee of each Fund. The audit committee is responsible for the oversight and monitoring of (1) the accounting and reporting policies, procedures and practices and the audit of the financial statements of the Funds, (2) the quality and integrity of the financial statements of the Funds, and (3) the independent registered public accounting firm's qualifications, 35 performance and independence. The audit committee reviews the work and any recommendations of the Funds' independent registered public accounting firm. Based on such review, it is authorized to make recommendations to the Board. The audit committee is also responsible for the oversight of the Pricing Procedures of the Funds and the internal Valuation Group. The Boards have adopted a written Audit Committee Charter that conforms to the listing standards of the New York Stock Exchange and American Stock Exchange. A copy of the Audit Committee Charter is attached to the proxy statement as Appendix A. The audit committee of each Fund held four meetings during its last fiscal year. Each Fund has a nominating and governance committee that is composed entirely of Independent Board Members who are also "independent" as defined by New York Stock Exchange or American Stock Exchange listing standards, as applicable. Robert P. Bremner, Chair, Lawrence H. Brown, Jack B. Evans, William C. Hunter, David J. Kundert, William J. Schneider, Judith M. Stockdale and Eugene S. Sunshine are current members of the nominating and governance committee of each Fund. The purpose of the nominating and governance committee is to seek, identify and recommend to the Board qualified candidates for election or appointment to each Fund's Board. In addition, the committee oversees matters of corporate governance, including the evaluation of Board performance and processes, and assignment and rotation of committee members, and the establishment of corporate governance guidelines and procedures, to the extent necessary or desirable. The committee operates under a written charter adopted and approved by the Boards of each Fund, a copy of which is available on the Funds' website at www.nuveen.com/etf/products/fundGovernance.aspx. The nominating and governance committee of each Fund held four meetings during its last fiscal year. The nominating and governance committee looks to many sources for recommendations of qualified candidates, including current Board Members, employees of the Adviser, current shareholders of the Funds, third party sources and any other persons or entities that may be deemed necessary or desirable by the committee. Shareholders of the Funds who wish to nominate a candidate to their Fund's Board should mail information to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. This information must include evidence of Fund ownership of the person or entity recommending the candidate, a full listing of the proposed candidate's education, experience, current employment, date of birth, names and addresses of at least three professional references, information as to whether the candidate is an "interested person" (as such term is defined in the 1940 Act) in relation to the Fund and such other information that would be helpful to the nominating and governance committee in evaluating the candidate. All satisfactorily completed information regarding candidates will be forwarded to the chairman of the nominating and governance committee and the outside counsel to the Independent Board Members. Recommendations for candidates to the Board will be evaluated in light of whether the number of Board members is expected to change and whether the Board expects any vacancies. All nominations from Fund shareholders will be acknowledged, although there may be times when the committee is not actively recruiting new Board members. In those circumstances nominations will be kept on file until active recruitment is under way. The nominating and governance committee sets appropriate standards and requirements for nominations to the Board. In considering a candidate's qualifications, each candidate must meet certain basic requirements, including relevant skills and experience, time availability 36 and, if qualifying as an Independent Board Member candidate, independence from the Adviser or other service providers. These experience requirements may vary depending on the current composition of the Board, since the goal is to ensure an appropriate range of skills and experience, in the aggregate. All candidates must meet high expectations of personal integrity, governance experience and professional competence that are assessed on the basis of personal interviews, recommendations, or direct knowledge by committee members. The committee may use any process it deems appropriate for the purpose of evaluating candidates, which process may include, without limitation, personal interviews, background checks, written submissions by the candidates and third party references. There is no difference in the manner in which the nominating and governance committee evaluates candidates when the candidate is submitted by a shareholder. The nominating and governance committee reserves the right to make the final selection regarding the nomination of any prospective Board member. The Independent Board Members of each Fund have appointed Robert P. Bremner as their Lead Independent Director. The role of the Lead Independent Director is one of coordination and assuring the appropriate, effective and efficient functioning of the Board and the Board

processes. Specific responsibilities may include organizing and leading Independent Board Member sessions, facilitating and ensuring an appropriate level of communication among the Independent Board Members, leading the assessment of the Board's effectiveness, and working with the Adviser's staff and outside counsel on board meeting agendas, board material and workshops for Independent Board Members to ensure that the priorities of the Independent Board Members are addressed. The Board of each Fund held five regular quarterly meetings and seven special meetings during the last fiscal year, except Floating Rate, Floating Rate Opportunity, Tax-Advantaged Floating Rate, Senior Income and the Arizona, Michigan, Ohio and the Texas Funds held four regular quarterly meetings and the Connecticut, Georgia, Massachusetts, Maryland, Missouri, North Carolina and Virginia Funds held six special meetings. During the last fiscal year, each Board Member attended 75% or more of each Fund's Board meetings and the committee meetings (if a member thereof) held during the period for which such Board Member was a Board Member. The policy of the Board relating to attendance by Board Members at annual meetings of the Funds and the number of Board Members who attended the last annual meeting of shareholders of each Fund is posted on the Funds' website at www.nuveen.com/etf/products/fundgovernance.aspx. 37 THE OFFICERS The following table sets forth information as of September 18, 2006 with respect to each officer of the Funds other than Mr. Schwertfeger (who is a Board Member and is included in the table relating to nominees for the Board). Officers receive no compensation from the Funds. The officers are elected by the Board on an annual basis to serve until successors are elected and qualified.

NAME	NUMBER OF TERM OF PORTFOLIOS OFFICE AND IN FUND POSITION(S) LENGTH OF COMPLEX NAME, ADDRESS HELD WITH TIME PRINCIPAL OCCUPATION(S) SERVED BY AND BIRTH DATE FUND SERVED(1) DURING PAST 5 YEARS OFFICER
Gifford R. Zimmerman	Chief Term: Annual Managing Director (since 167 333 West Wacker Drive Administrative Length of 2002), Assistant Chicago, IL 60606 Officer Service: Secretary and Associate (9/9/56) Since 1988 General Counsel, formerly, Vice President of Nuveen Investments, LLC; Managing Director (since 2002), Assistant Secretary and Associate General Counsel, formerly, Vice President of Nuveen Asset Management; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Assistant Secretary of NWQ Investment Management Company, LLC (since 2002); Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Rittenhouse Asset Management, Inc. and Symphony Asset Management LLC (since 2003); Assistant Secretary, Santa Barbara Asset Management LLC (since 2006); previously, Managing Director (from 2002-2004), General Counsel and Assistant Secretary of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.:(2) Chartered Financial Analyst. 38
Julia L. Antonatos	Vice President Term: Annual Managing Director (since 167 333 West Wacker Drive Length of 2005), formerly, Vice Chicago, IL 60606 Service: President, formerly, (9/22/63) Since 2004 Assistant Vice President of Nuveen Investments, LLC; Chartered Financial Analyst. Michael T. Atkinson Vice President Term: Annual Vice President (since 167 333 West Wacker Drive and Assistant Length of 2002), formerly Chicago, IL 60606 Secretary Service: Assistant Vice (2/3/66) Since 2002 President, formerly, Associate of Nuveen Investments, LLC. Peter H. D'Arrigo Vice President Term: Annual Vice President and 167 333 West Wacker Drive and Treasurer Length of Treasurer (since 1999) Chicago, IL 60606 Service: of Nuveen Investments, (11/28/67) Since 1999 LLC and of Nuveen Investments, Inc.; Vice President and Treasurer of Nuveen Asset Management (since 2002) and of Nuveen Investments Advisers Inc. (since 2002); Assistant Treasurer of NWQ Investments Management Company, LLC (since 2002); Vice President and Treasurer (since 2003) of Nuveen Rittenhouse Asset Management, Inc.; and Symphony Asset Management LLC; Treasurer (since 2006), Santa Barbara Asset Management LLC; formerly, Vice President and Treasurer (from 1999 to 2004) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.:(2) Chartered Financial Analyst. 39
John N. Desmond	Vice President Term: Annual Vice President, Director 167 333 West Wacker Drive Length of of

Investment Chicago, IL 60606 Service: Operations, Nuveen (8/24/61) Since 2005 Investments, LLC (since 2005); formerly, Director, Business Manager, Deutsche Asset Management (2003-2004); formerly, Director, Business Development and Transformation, Deutsche Trust Bank Japan (2002-2003); formerly, Senior Vice President, Head of Investment Operations and Systems, Scudder Investments Japan, (2000-2002); formerly, Senior Vice President, Head of Plan Administration and Participant Services, Scudder Investments (1995-2002). Jessica R. Droeger Vice President Term: Annual Vice President (since 167 333 West Wacker Drive and Secretary Length of 2002) and Assistant Chicago, IL 60606 Service: General Counsel (since (9/24/64) Since 1998 1998), formerly, Assistant Vice President of Nuveen Investments, LLC; Vice President and Assistant Secretary (since 2005) of Nuveen Asset Management; Vice President (from 2002 to 2004) and Assistant Secretary (from 1998 to 2004) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.(2) Lorna C. Ferguson Vice President Term: Annual Managing Director (since 167 333 West Wacker Drive Length of 2004), formerly, Vice Chicago, IL 60606 Service: President of Nuveen (10/24/45) Since 1998 Investments, LLC; Managing Director of Nuveen Asset Management; formerly, Managing Director (2004), formerly, Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.(2) 40

----- NUMBER OF TERM OF PORTFOLIOS OFFICE AND IN FUND POSITION(S) LENGTH OF COMPLEX NAME, ADDRESS HELD WITH TIME PRINCIPAL OCCUPATION(S) SERVED BY AND BIRTH DATE FUND SERVED(1) DURING PAST 5 YEARS OFFICER -----

William M. Fitzgerald Vice President Term: Annual Managing Director of 167 333 West Wacker Drive Length of Nuveen Asset Management Chicago, IL 60606 Service: (since 2001); Vice (3/2/64) Since 1995 President of Nuveen Investments Advisers Inc. (since 2002); formerly, Managing Director (from 2001 to 2004), formerly, Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.(2); Chartered Financial Analyst. Stephen D. Foy Vice President Term: Annual Vice President (since 167 333 West Wacker Drive and Controller Length of 1993) and Funds Chicago, IL 60606 Service: Controller (since 1998) (5/31/54) Since 1993 of Nuveen Investments, LLC; Vice President (since 1998), formerly, Funds Controller of Nuveen Investments, Inc.; Certified Public Accountant. Walter M. Kelly Chief Term: Annual Assistant Vice President 167 333 West Wacker Drive Compliance Length of and Assistant Secretary Chicago, IL 60606 Officer Service: of the Nuveen Funds (2/24/70) Since 2003 (since 2003); Assistant Vice President and Assistant General Counsel (since 2003) of Nuveen Investments, LLC; previously, Associate (2001-2003) at the law firm of Vedder, Price, Kaufman & Kammholz, P.C. David J. Lamb Vice President Term: Annual Vice President of Nuveen 167 333 West Wacker Drive Length of Investments, LLC (since Chicago, IL 60606 Service: 2000); Certified Public (3/22/63) Since 2000 Accountant. Tina M. Lazar Vice President Term: Annual Vice President of Nuveen 167 333 West Wacker Drive Length of Investments, LLC (since Chicago, IL 60606 Service: 1999). (8/27/61) Since 2002 41

----- NUMBER OF TERM OF PORTFOLIOS OFFICE AND IN FUND POSITION(S) LENGTH OF COMPLEX NAME, ADDRESS HELD WITH TIME PRINCIPAL OCCUPATION(S) SERVED BY AND BIRTH DATE FUND SERVED(1) DURING PAST 5 YEARS OFFICER -----

Larry W. Martin Vice President Term: Annual Vice President, 167 333 West Wacker Drive and Assistant Length of Assistant Secretary and Chicago, IL 60606 Secretary Service: Assistant General (7/27/51) Since 1988 Counsel of Nuveen Investments, LLC; Vice President, Assistant General Counsel and Assistant Secretary of Nuveen Investments, Inc.; Vice President (since 2005) and Assistant Secretary (since 1997) of Nuveen Asset Management; Vice President (since 2000), Assistant Secretary and Assistant General Counsel (since 1998) of Rittenhouse Asset Management, Inc.; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Assistant Secretary of NWQ Investment Management Company, LLC (since 2002) and Symphony Asset Management LLC (since 2003); formerly, Vice President and Assistant Secretary of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.(2)

----- (1) Length of Service indicates the year the individual became an officer of a fund in the Nuveen fund complex. (2) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005. AUDIT COMMITTEE REPORT The audit committee of each Board is responsible for the oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audit of the financial statements, of each Fund, (2) the quality and integrity of the financial statements of each Fund, and (3) the independent registered public accounting firm's qualifications, performance and independence. In its oversight capacity, the committee reviews each Fund's annual financial statements with both management and the independent registered public accounting firm and the

committee meets periodically with the independent registered public accounting firm to consider their evaluation of each Fund's financial and internal controls. The 42 committee also selects, retains, evaluates and may replace each Fund's independent registered public accounting firm. The committee is currently composed of five Independent Board Members and operates under a written charter adopted and approved by the Board, a copy of which is attached as Appendix A. Each committee member meets the independence and experience requirements applicable to the Funds of the New York Stock Exchange and the American Stock Exchange, Section 10A of the 1934 Act and the rules and regulations of the Securities and Exchange Commission (the "SEC"). The committee, in discharging its duties, has met with and held discussions with management and each Fund's independent registered public accounting firm. The committee has also reviewed and discussed the audited financial statements with management. Management has represented to the independent registered public accounting firm that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards ("SAS") No. 61, (Communication with Audit Committees), as amended by SAS No. 90 (Audit Committee Communications). Each Fund's independent registered public accounting firm provided to the committee the written disclosure required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the committee discussed with representatives of the independent registered public accounting firm their firm's independence. As provided in the Audit Committee Charter, it is not the committee's responsibility to determine, and the considerations and discussions referenced above do not ensure, that each Fund's financial statements are complete and accurate and presented in accordance with generally accepted accounting principles. Based on the committee's review and discussions with management and the independent registered public accounting firm, the representations of management and the report of the independent registered public accounting firm to the committee, the committee has recommended that each Board include the audited financial statements in each Fund's Annual Report. The members of the committee are: Robert P. Bremner Lawrence H. Brown Jack B. Evans Eugene S. Sunshine William J. Schneider 43 AUDIT AND RELATED FEES. The following tables provide the aggregate fees billed by Ernst & Young LLP during each Fund's last two fiscal years for engagements directly related to the operations and financial reporting of each fund including those relating (i) to each Fund for services provided to the Fund and (ii) to the Adviser and certain entities controlling, controlled by, or under common control with the Adviser that provide ongoing services to each Fund ("Adviser Entities").

----- AUDIT FEES(1) AUDIT RELATED FEES(2) TAX FEES(3) -----																			
----- ADVISER AND ADVISER AND ADVISER ADVISER FUND FUND ENTITIES FUND ENTITIES -----				----- FISCAL FISCAL FISCAL FISCAL FISCAL FISCAL FISCAL YEAR YEAR YEAR YEAR YEAR YEAR YEAR YEAR ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED 2005 2006 2005 2006 2005 2006 2005 2006 2005 2006															
----- Floating Rate.....											\$58,333	\$62,471							
\$ 0	\$ 0	\$ 0	\$ 0	\$ 919	\$800	\$4,950	\$4,950	Floating Rate Opportunity.....	48,364	44,864	0	0	0	0	860	800	4,950	4,950	
Tax-Advantaged Floating Rate....				37,000	21,500	0	0	0	0	800	4,950	4,950	Senior Income.....	28,803	30,665	0	0	0	0
0	0	0	834	800	4,950	4,950	Arizona Dividend.....	6,513	6,919	0	0	0	586	428	2,200	2,200	Arizona Dividend 2.....	6,984	7,422
0	0	0	0	0	0	593	444	2,200	2,200	Arizona Dividend 3.....	7,234	7,696	0	0	0	597	452	2,200	
2,200	Arizona Premium.....	7,875	8,382	0	0	0	411	400	2,200	2,200	California Value.....	11,682	12,412	0	0	0	429	400	2,200
0	0	0	0	429	400	2,200	2,200	California Performance.....	12,820	13,656	0	0	0	434	400	2,200	2,200	California Opportunity.....	10,269
10,269	10,927	0	0	0	0	422	400	2,200	2,200	California Investment.....	13,228	14,056	0	0	0	436	400	2,200	2,200
18,575	19,741	0	0	0	0	462	400	2,200	2,200	California Quality.....	18,014	19,204	0	0	0	459	400	2,200	2,200
18,014	19,204	0	0	0	0	459	400	2,200	2,200	Insured California.....	9,124	9,668	0	0	0	417	400	2,200	2,200
12,370	13,145	0	0	0	0	432	400	2,200	2,200	California Premium.....	8,660	9,215	0	0	0	414	400	2,200	2,200
0	414	400	2,200	2,200	California Dividend.....	18,320	19,518	0	0	0	1,009	400	2,200	2,200	California Dividend 2.....	13,481	14,426	0	0
13,481	14,426	0	0	0	0	776	400	2,200	2,200	California Dividend 3.....	18,395	19,709	0	0	0	1,013	400	2,200	2,200
18,395	19,709	0	0	0	0	972	400	2,200	2,200	Insured California Dividend.....	13,938	14,865	0	0	0	972	400	2,200	2,200
----- ALL OTHER FEES(4) -----													----- ADVISER AND ADVISER FUND ENTITIES -----						
----- FISCAL FISCAL FISCAL FISCAL YEAR YEAR YEAR YEAR ENDED																			

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ENDED ENDED ENDED 2005 2006 2005 2006 ----- Floating Rate..... \$1,550 \$1,550
 \$ 0 \$ 0 Floating Rate Opportunity..... 1,550 1,550 0 0 Tax-Advantaged Floating Rate... 0 1,550 0 0 Senior
 Income..... 6,050 6,300 0 0 Arizona Dividend..... 2,700 2,900 0 0 Arizona Dividend 2..... 2,700
 2,900 0 0 Arizona Dividend 3..... 2,700 2,900 0 0 Arizona Premium..... 2,700 2,900 0 0 California
 Value..... 0 0 0 0 California Performance..... 2,700 2,900 0 0 California Opportunity..... 2,700 2,900 0 0
 California Investment..... 2,700 2,900 0 0 California Select..... 2,700 2,900 0 0 California Quality.....
 2,700 2,900 0 0 Insured California..... 2,700 2,900 0 0 Insured California 2..... 2,700 2,900 0 0 California
 Premium..... 2,700 2,900 0 0 California Dividend..... 2,700 2,900 0 0 California Dividend 2..... 2,700
 2,900 0 0 California Dividend 3..... 2,700 2,900 0 0 Insured California Dividend..... 2,700 2,900 0 0 44

----- AUDIT

FEES(1) AUDIT RELATED FEES(2) TAX FEES(3) -----

----- ADVISER AND ADVISER AND ADVISER ADVISER FUND FUND ENTITIES

FUND ENTITIES ----- FISCAL FISCAL FISCAL

FISCAL FISCAL FISCAL FISCAL FISCAL FISCAL FISCAL FISCAL YEAR YEAR YEAR YEAR YEAR YEAR YEAR
 YEAR YEAR YEAR ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED ENDED
 2006 2005 2006 2005 2006 2005 2006 2005 2006

----- Insured California Tax-Free..... \$ 8,764 \$
 9,342 \$ 0 \$ 0 \$ 0 \$ 0 \$ 692 \$400 \$2,200 \$2,200 Connecticut Dividend..... 7,042 7,485 0 0 0 0 578 461 2,200
 2,200 Connecticut Dividend 2..... 6,917 7,348 0 0 0 0 578 456 2,200 2,200 Connecticut Dividend 3..... 7,908
 8,406 0 0 0 0 581 501 2,200 2,200 Connecticut Premium..... 8,450 8,948 0 0 0 0 409 405 2,200 2,200 Insured
 Florida Tax-Free..... 7,667 8,162 0 0 0 0 584 467 2,200 2,200 Insured Florida Premium..... 13,625 14,396 0 0 0 0
 438 400 2,200 2,200 Florida Investment..... 14,677 15,581 0 0 0 0 443 400 2,200 2,200 Florida
 Quality..... 13,538 14,398 0 0 0 0 438 400 2,200 2,200 Georgia Dividend..... 6,722 7,143 0 0 0 0 577
 447 2,200 2,200 Georgia Dividend 2..... 7,991 8,495 0 0 0 0 581 504 2,200 2,200 Georgia Premium.....
 7,649 8,130 0 0 0 0 406 403 2,200 2,200 Maryland Dividend..... 7,877 8,374 0 0 0 0 581 499 2,200 2,200
 Maryland Dividend 2..... 7,906 8,401 0 0 0 0 581 501 2,200 2,200 Maryland Dividend 3..... 8,411 8,955 0 0
 0 0 582 524 2,200 2,200 Maryland Premium..... 11,195 11,902 0 0 0 0 417 410 2,200 2,200 Insured
 Massachusetts Tax-Free..... 7,091 7,543 0 0 0 0 578 450 2,200 2,200 Massachusetts Dividend..... 6,733
 7,147 0 0 0 0 403 448 2,200 2,200 Massachusetts Premium..... 8,115 8,626 0 0 0 0 407 404 2,200 2,200 Michigan
 Dividend..... 6,790 7,220 0 0 0 0 590 437 2,200 2,200 Michigan Premium..... 9,785 10,362 0 0 0 0 420
 400 2,200 2,200 Michigan Quality..... 12,181 12,895 0 0 0 0 431 400 2,200 2,200 Missouri Premium.....
 6,839 7,269 0 0 0 0 404 402 2,200 2,200 New Jersey Dividend..... 9,138 9,707 0 0 0 0 624 516 2,200 2,200 New
 Jersey Dividend 2..... 8,105 8,617 0 0 0 0 609 481 2,200 2,200 New Jersey Investment..... 16,737 17,682 0 0 0
 0 453 400 2,200 2,200 ----- ALL OTHER FEES(4)

----- ADVISER AND ADVISER FUND ENTITIES ----- FISCAL

FISCAL FISCAL FISCAL YEAR YEAR YEAR ENDED ENDED ENDED ENDED ENDED 2005 2006 2005 2006

----- Insured California Tax-Free..... \$2,700 \$2,900 \$ 0 \$ 0 Connecticut Dividend..... 2,650
 2,850 0 0 Connecticut Dividend 2..... 2,650 2,850 0 0 Connecticut Dividend 3..... 2,650 2,850 0 0 Connecticut
 Premium..... 2,650 2,850 0 0 Insured Florida Tax-Free..... 2,700 2,900 0 0 Insured Florida Premium..... 2,700
 2,900 0 0 Florida Investment..... 2,700 2,900 0 0 Florida Quality..... 2,700 2,900 0 0 Georgia
 Dividend..... 2,650 2,850 0 0 Georgia Dividend 2..... 2,650 2,850 0 0 Georgia Premium..... 2,650
 2,850 0 0 Maryland Dividend..... 2,650 2,850 0 0 Maryland Dividend 2..... 2,650 2,850 0 0 Maryland
 Dividend 3..... 2,650 2,850 0 0 Maryland Premium..... 2,650 2,850 0 0 Insured Massachusetts
 Tax-Free..... 2,650 2,850 0 0 Massachusetts Dividend..... 2,650 2,850 0 0 Massachusetts Premium.....
 2,650 2,850 0 0 Michigan Dividend..... 2,700 2,900 0 0 Michigan Premium..... 2,700 2,900 0 0 Michigan
 Quality..... 2,700 2,900 0 0 Missouri Premium..... 2,650 2,850 0 0 New Jersey Dividend..... 2,700
 2,900 0 0 New Jersey Dividend 2..... 2,700 2,900 0 0 New Jersey Investment..... 2,700 2,900 0 0 45

----- AUDIT

FEES(1) AUDIT RELATED FEES(2) TAX FEES(3) -----

----- ADVISER AND ADVISER AND ADVISER ADVISER FUND FUND ENTITIES

FUND ENTITIES ----- FISCAL FISCAL FISCAL

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Premium..... 3,111 3,300 2,200 2,200 0 0 5,311 California Value..... 429 400 2,200 2,200 0 0 2,629
 California Performance..... 3,134 3,300 2,200 2,200 0 0 5,334 California Opportunity..... 3,122 3,300 2,200 2,200 0
 0 5,322 California Investment..... 3,136 3,300 2,200 2,200 0 0 5,336 California Select..... 3,162 3,300 2,200
 2,200 0 0 5,362 California Quality..... 3,159 3,300 2,200 2,200 0 0 5,359 Insured California..... 3,117 3,300
 2,200 2,200 0 0 5,317 Insured California 2..... 3,132 3,300 2,200 2,200 0 0 5,332 California Premium..... 3,114
 3,300 2,200 2,200 0 0 5,314 California Dividend..... 3,709 3,300 2,200 2,200 0 0 5,909 California Dividend 2.....
 3,476 3,300 2,200 2,200 0 0 5,676 California Dividend 3..... 3,713 3,300 2,200 2,200 0 0 5,913 Insured California
 Dividend..... 3,672 3,300 2,200 2,200 0 0 5,872 ----- FUND TOTAL

----- FISCAL YEAR ENDED 2006 ----- Floating
 Rate..... \$7,300 Floating Rate Opportunity.... 7,300 Tax-Advantaged Floating Rate..... 7,300 Senior
 Income..... 12,050 Arizona Dividend..... 5,528 Arizona Dividend 2..... 5,544 Arizona Dividend
 3..... 5,552 Arizona Premium..... 5,500 California Value..... 2,600 California Performance..... 5,500
 California Opportunity..... 5,500 California Investment..... 5,500 California Select..... 5,500 California
 Quality..... 5,500 Insured California..... 5,500 Insured California 2..... 5,500 California Premium.....
 5,500 California Dividend..... 5,500 California Dividend 2..... 5,500 California Dividend 3..... 5,500 Insured
 California Dividend..... 5,500 47

----- TOTAL
 NON-AUDIT FEES BILLED TO ADVISER AND ADVISER ENTITIES (ENGAGEMENTS RELATED TOTAL
 NON-AUDIT FEES DIRECTLY TO THE OPERATIONS BILLED TO ADVISER AND TOTAL NON-AUDIT
 FEES AND FINANCIAL REPORTING ADVISER ENTITIES (ALL OTHER FUND BILLED TO FUND OF
 FUND) ENGAGEMENTS) TOTAL -----

----- FISCAL YEAR FISCAL YEAR FISCAL YEAR FISCAL YEAR FISCAL YEAR
 FISCAL YEAR FISCAL YEAR ENDED 2005 ENDED 2006 ENDED 2005 ENDED 2006 ENDED 2005 ENDED
 2006 ENDED 2005

----- Insured
 California Tax-Free..... \$ 3,392 \$ 3,300 \$ 2,200 \$ 2,200 \$ 0 \$ 0 \$ 5,593 Connecticut Dividend..... 3,228
 3,311 2,200 2,200 0 0 5,428 Connecticut Dividend 2..... 3,228 3,306 2,200 2,200 0 0 5,428 Connecticut Dividend
 3..... 3,231 3,351 2,200 2,200 0 0 5,431 Connecticut Premium..... 3,059 3,255 2,200 2,200 0 0 5,259 Insured
 Florida Tax-Free..... 3,284 3,367 2,200 2,200 0 0 5,484 Insured Florida Premium..... 3,138 3,300 2,200 2,200 0 0
 5,338 Florida Investment..... 3,143 3,300 2,200 2,200 0 0 5,343 Florida Quality..... 3,138 3,300 2,200 2,200 0
 0 5,338 Georgia Dividend..... 3,227 3,297 2,200 2,200 0 0 5,427 Georgia Dividend 2..... 3,231 3,354 2,200
 2,200 0 0 5,431 Georgia Premium..... 3,056 3,253 2,200 2,200 0 0 5,256 Maryland Dividend..... 3,231 3,349
 2,200 2,200 0 0 5,431 Maryland Dividend 2..... 3,231 3,351 2,200 2,200 0 0 5,431 Maryland Dividend 3.....
 3,232 3,374 2,200 2,200 0 0 5,432 Maryland Premium..... 3,067 3,260 2,200 2,200 0 0 5,267 Insured
 Massachusetts Tax-Free..... 3,228 3,300 2,200 2,200 0 0 5,428 Massachusetts Dividend..... 3,053 3,298
 2,200 2,200 0 0 5,253 Massachusetts Premium..... 3,057 3,254 2,200 2,200 0 0 5,257 Michigan Dividend.....
 3,290 3,337 2,200 2,200 0 0 5,490 Michigan Premium..... 3,120 3,300 2,200 2,200 0 0 5,320 Michigan
 Quality..... 3,131 3,300 2,200 2,200 0 0 5,331 Missouri Premium..... 3,054 3,252 2,200 2,200 0 0 5,254

----- FUND TOTAL ----- FISCAL YEAR ENDED 2006

----- Insured California Tax-Free..... \$ 5,500 Connecticut Dividend..... 5,511
 Connecticut Dividend 2..... 5,506 Connecticut Dividend 3..... 5,551 Connecticut Premium..... 5,455 Insured
 Florida Tax-Free..... 5,567 Insured Florida Premium..... 5,500 Florida Investment..... 5,500 Florida
 Quality..... 5,500 Georgia Dividend..... 5,497 Georgia Dividend 2..... 5,554 Georgia Premium.....
 5,453 Maryland Dividend..... 5,549 Maryland Dividend 2..... 5,551 Maryland Dividend 3..... 5,574
 Maryland Premium..... 5,460 Insured Massachusetts Tax-Free..... 5,500 Massachusetts Dividend.....
 5,498 Massachusetts Premium..... 5,454 Michigan Dividend..... 5,537 Michigan Premium..... 5,500
 Michigan Quality..... 5,500 Missouri Premium..... 5,452 48

----- TOTAL
 NON-AUDIT FEES BILLED TO ADVISER AND ADVISER ENTITIES (ENGAGEMENTS RELATED TOTAL
 NON-AUDIT FEES DIRECTLY TO THE OPERATIONS BILLED TO ADVISER AND TOTAL NON-AUDIT
 FEES AND FINANCIAL REPORTING ADVISER ENTITIES (ALL OTHER FUND BILLED TO FUND OF

FUND) ENGAGEMENTS) TOTAL -----											
----- FISCAL YEAR FISCAL YEAR FISCAL YEAR FISCAL YEAR FISCAL YEAR											
FISCAL YEAR FISCAL YEAR ENDED 2005 ENDED 2006 ENDED 2005 ENDED 2006 ENDED 2005 ENDED											
2006 ENDED 2005 ----- New											
Jersey Dividend.....	\$ 3,324	\$ 3,416	\$ 2,200	\$ 2,200	\$ 0	\$ 0	\$ 5,524	New Jersey Dividend 2.....	3,309	3,381	2,200
2,200	0	0	5,509	New Jersey Investment.....	3,153	3,300	2,200	2,200	0	0	5,353
3,300	2,200	2,200	0	0	5,331	North Carolina Dividend.....	3,228	3,304	2,200	2,200	0
0	0	5,428	North Carolina Dividend 2....	3,056	3,340	2,200	2,200	0	0	5,256	North Carolina Dividend 3....
3,230	3,340	2,200	2,200	0	0	5,430	North Carolina Premium.....	3,060	3,256	2,200	2,200
0	0	5,260	Ohio Dividend.....	3,133	3,376	2,200	2,200	0	0	5,333	Ohio Dividend 2.....
3,124	3,356	2,200	2,200	0	0	5,324	Ohio Dividend 3.....	3,117	3,339	2,200	2,200
0	0	5,317	Ohio Quality.....	3,126	3,300	2,200	2,200	0	0	5,326	Pennsylvania Dividend.....
3,300	3,360	2,200	2,200	0	0	5,500	Pennsylvania Dividend 2.....	3,303	3,368	2,200	2,200
0	0	5,503	Pennsylvania Premium 2.....	3,140	3,300	2,200	2,200	0	0	5,340	Pennsylvania Investment.....
3,143	3,300	2,200	2,200	0	0	5,343	Texas Quality.....	3,124	3,300	2,200	2,200
0	0	5,324	Virginia Dividend.....	3,055	3,325	2,200	2,200	0	0	5,255	Virginia Dividend 2.....
3,233	3,387	2,200	2,200	0	0	5,433	Virginia Premium.....	3,064	3,258	2,200	2,200
0	0	5,264	----- FUND TOTAL ----- FISCAL YEAR ENDED 2006								
----- New Jersey Dividend..... \$ 5,616 New Jersey Dividend 2..... 5,582 New Jersey Investment..... 5,500 New Jersey Premium..... 5,500 North Carolina Dividend..... 5,504 North Carolina Dividend 2.... 5,540 North Carolina Dividend 3.... 5,540 North Carolina Premium..... 5,456 Ohio Dividend..... 5,576 Ohio Dividend 2..... 5,556 Ohio Dividend 3..... 5,539 Ohio Quality..... 5,500 Pennsylvania Dividend..... 5,560 Pennsylvania Dividend 2..... 5,568 Pennsylvania Premium 2..... 5,500 Pennsylvania Investment..... 5,500 Texas Quality..... 5,500 Virginia Dividend..... 5,525 Virginia Dividend 2..... 5,587 Virginia Premium..... 5,458											

49 AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES. Generally, the audit committee must approve each Fund's independent registered public accounting firm's engagements (i) with the Fund for audit or non-audit services and (ii) with the Adviser and Adviser Entities for non-audit services if the engagement relates directly to the operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent registered public accounting firm for each Fund and the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund), such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the audit committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the audit committee at the next audit committee meeting if they are expected to be for an amount under \$5,000. For engagements with Ernst & Young LLP entered into on or after May 6, 2003, the audit committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to each Fund and to the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund). None of the services rendered by Ernst & Young LLP to each Fund or the Adviser or Adviser Entities were pre-approved by the audit committee pursuant to the pre-approval exception under Rule 2.01(c)(7)(i)(C) or Rule 2.01(c)(7)(ii) of Regulation S-X. ADDITIONAL INFORMATION APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM Each Board has appointed Ernst & Young LLP as independent registered public accounting firm to audit the books and records of each Fund for its fiscal year. A representative of Ernst & Young LLP will be present at the Annual Meetings to make a statement, if such representative so desires, and to respond to shareholders' questions. Ernst & Young LLP has informed each Fund that it has no direct or indirect material financial interest in the Funds, Nuveen, the Adviser or any other investment company sponsored by Nuveen. SECTION 16(a) BENEFICIAL INTEREST REPORTING COMPLIANCE Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members and officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of a Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the New York Stock Exchange or American Stock Exchange, as applicable. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that its Board Members and officers, investment adviser and affiliated persons of the investment adviser have complied with all applicable Section 16(a)

filing requirements during its last fiscal year. To the knowledge of management of the Funds, no shareholder of a Fund owns more than 10% of a registered class of a Fund's equity securities, except a report on Schedule 13G was filed on June 10, 2005 on behalf of First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation indicating shared beneficial ownership of 10.5% of the common shares of Senior Income.

50 INFORMATION ABOUT THE ADVISER The Adviser, located at 333 West Wacker Drive, Chicago, Illinois 60606, serves as investment adviser and manager for each Fund. The Adviser is a wholly-owned subsidiary of Nuveen, 333 West Wacker Drive, Chicago, Illinois 60606. Founded in 1898, Nuveen and its affiliates had over \$149 billion of assets under management as of June 30, 2006. Nuveen is a publicly-traded company and is listed on the New York Stock Exchange and trades under the symbol "JNC."

SHAREHOLDER PROPOSALS To be considered for presentation at the annual meeting of shareholders of the Funds to be held in 2007, a shareholder proposal submitted pursuant to Rule 14a-8 of the 1934 Act must be received at the offices of that Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than June 6, 2007. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 must, pursuant to each Fund's By-Laws, submit such written notice to the Fund not later than August 20, 2007 or prior to August 5, 2006, 2007. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

SHAREHOLDER COMMUNICATIONS Fund shareholders who want to communicate with the Board or any individual Board Member should write to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. The letter should indicate that you are a Fund shareholder and note the Fund or Funds that you own. If the communication is intended for a specific Board Member and so indicates it will be sent only to that Board Member. If a communication does not indicate a specific Board Member and so indicates it will be sent to the Lead Independent Director and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

EXPENSES OF PROXY SOLICITATION The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement will be paid by the Funds pro rata based on the number of shareholder accounts. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives.

FISCAL YEAR The last fiscal year end for each Fund, except Floating Rate, Floating Rate Opportunity, Tax-Advantaged Floating Rate, Senior Income, the Arizona Funds, the California Funds, the Florida Funds, the Michigan Funds, the New Jersey Funds, the Ohio Funds, the Pennsylvania Funds and Texas Quality, was May 31, 2006. The last fiscal year end for the Florida Funds, the New Jersey Funds and the Pennsylvania Funds was June 30, 2006. The last fiscal year end for Floating Rate, Floating Rate Opportunity, Tax-Advantaged Floating Rate, Senior Income, 51 the Arizona Funds, the Michigan Funds, the Ohio Funds and Texas Quality was July 31, 2006. The last fiscal year end for the California Funds was August 31, 2006.

ANNUAL REPORT DELIVERY Annual reports will be sent to shareholders of record of each Fund following each Fund's fiscal year end. Each Fund will furnish, without charge, a copy of its annual report and/or semi-annual report as available upon request. Such written or oral requests should be directed to such Fund at 333 West Wacker Drive, Chicago, Illinois 60606 or by calling 1-800-257-8787. Please note that only one annual report or proxy statement may be delivered to two or more shareholders of a Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report or proxy statement, or for instructions as to how to request a separate copy of such documents or as to how to request a single copy if multiple copies of such documents are received, shareholders should contact the applicable Fund at the address and phone number set forth above.

GENERAL Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Annual Meetings. However, if other matters are properly presented to an Annual Meeting for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund. A list of shareholders entitled to be present and to vote at each Annual Meeting will be available at the offices of the Funds, 333 West Wacker Drive, Chicago, Illinois, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the Annual Meeting. Failure of a quorum to be present at any Annual Meeting will necessitate adjournment and will subject that Fund to additional expense. The persons named in the enclosed proxy may also move for an adjournment of any Annual Meeting to permit further solicitation of proxies with respect to the proposal if they determine that adjournment and further solicitation is reasonable and in the best interests of the shareholders. Under each Fund's By-Laws, an adjournment of a meeting requires the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting.

IF YOU CANNOT BE PRESENT AT THE MEETING, YOU ARE REQUESTED TO FILL IN, SIGN

AND RETURN THE ENCLOSED PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. Jessica R. Droege Vice President and Secretary October 4, 2006 52 APPENDIX A NUVEEN FUND BOARD AUDIT COMMITTEE CHARTER JANUARY 26, 2006 I. ORGANIZATION AND MEMBERSHIP

There shall be a committee of each Board of Directors/Trustees (the "Board") of the Nuveen Management Investment Companies (the "Funds" or, individually, a "Fund") to be known as the Audit Committee. The Audit Committee shall be comprised of at least three Directors/ Trustees. Audit Committee members shall be independent of the Funds and free of any relationship that, in the opinion of the Directors/Trustees, would interfere with their exercise of independent judgment as an Audit Committee member. In particular, each member must meet the independence and experience requirements applicable to the Funds of the New York Stock Exchange, the American Stock Exchange, Section 10a of the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission (the "Commission"). Each such member of the Audit Committee shall have a basic understanding of finance and accounting, be able to read and understand fundamental financial statements, and be financially literate, and at least one such member shall have accounting or related financial management expertise, in each case as determined by the Directors/Trustees, exercising their business judgment (this person may also serve as the Audit Committee's "financial expert" as defined by the Commission). The Board shall appoint the members and the Chairman of the Audit Committee, on the recommendation of the Nominating and Governance Committee. The Audit Committee shall meet periodically but in any event no less frequently than on a semi-annual basis. Except for the Funds, Audit Committee members shall not serve simultaneously on the audit committees of more than two other public companies.

II. STATEMENT OF POLICY, PURPOSE AND PROCESSES The Audit Committee shall assist the Board in oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audits of the financial statements, of the Funds; (2) the quality and integrity of the financial statements of the Funds; (3) the Funds' compliance with legal and regulatory requirements, (4) the independent auditors' qualifications, performance and independence; and (5) oversight of the Pricing Procedures of the Funds and the Valuation Group. In exercising this oversight, the Audit Committee can request other committees of the Board to assume responsibility for some of the monitoring as long as the other committees are composed exclusively of independent directors. In doing so, the Audit Committee shall seek to maintain free and open means of communication among the Directors/Trustees, the independent auditors, the internal auditors and the management of the Funds. The Audit Committee shall meet periodically with Fund management, the Funds' internal auditor, and the Funds' independent auditors, in separate executive sessions. The Audit Committee shall prepare reports of the Audit Committee as required by the Commission to be included in the Fund's annual proxy statements or otherwise.

A-1 The Audit Committee shall have the authority and resources in its discretion to retain special legal, accounting or other consultants to advise the Audit Committee and to otherwise discharge its responsibilities, including appropriate funding as determined by the Audit Committee for compensation to independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for a Fund, compensation to advisers employed by the Audit Committee, and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, as determined in its discretion. The Audit Committee may request any officer or employee of Nuveen Investments, Inc. (or its affiliates) (collectively, "Nuveen") or the Funds' independent auditors or outside counsel to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Funds' independent auditors and internal auditors shall have unrestricted accessibility at any time to Committee members.

RESPONSIBILITIES Fund management has the primary responsibility to establish and maintain systems for accounting, reporting, disclosure and internal control. The independent auditors have the primary responsibility to plan and implement an audit, with proper consideration given to the accounting, reporting and internal controls. Each independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Funds shall report directly to the Audit Committee. The independent auditors are ultimately accountable to the Board and the Audit Committee. It is the ultimate responsibility of the Audit Committee to select, appoint, retain, evaluate, oversee and replace any independent auditors and to determine their compensation, subject to ratification of the Board, if required. These Audit Committee responsibilities may not be delegated to any other Committee or the Board. The Audit Committee is responsible for the following:

WITH RESPECT TO FUND FINANCIAL STATEMENTS: 1. Reviewing and discussing the annual audited financial statements and semi-annual financial statements with Fund management and the independent auditors including major issues regarding accounting and auditing principles and practices, and the Funds' disclosures in its periodic reports under "Management's

Discussion and Analysis." 2. Requiring the independent auditors to deliver to the Chairman of the Audit Committee a timely report on any issues relating to the significant accounting policies, management judgments and accounting estimates or other matters that would need to be communicated under Statement on Auditing Standards (sas) No. 90, Audit Committee Communications (which amended sas No. 61, Communication with Audit Committees), that arise during the auditors' review of the Funds' financial statements, which information the Chairman shall further communicate to the other members of the Audit Committee, as deemed necessary or appropriate in the Chairman's judgment. 3. Discussing with management the Funds' press releases regarding financial results and dividends, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be done generally, consisting of A-2 discussing the types of information to be disclosed and the types of presentations to be made. The Chairman of the Audit Committee shall be authorized to have these discussions with management on behalf of the Audit Committee. 4. Discussing with management and the independent auditors (a) significant financial reporting issues and judgments made in connection with the preparation and presentation of the Funds' financial statements, including any significant changes in the Funds' selection or application of accounting principles and any major issues as to the adequacy of the Funds' internal controls and any special audit steps adopted in light of material control deficiencies; and (b) analyses prepared by Fund management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative gaap methods on the financial statements. 5. Discussing with management and the independent auditors the effect of regulatory and accounting initiatives on the Funds' financial statements. 6. Reviewing and discussing reports, both written and oral, from the independent auditors and/or Fund management regarding (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative treatments and disclosures, and the treatment preferred by the independent auditors; and (c) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences. 7. Discussing with Fund management the Funds' major financial risk exposures and the steps management has taken to monitor and control these exposures, including the Funds' risk assessment and risk management policies and guidelines. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to risk assessment and risk management. 8. Reviewing disclosures made to the Audit Committee by the Funds' principal executive officer and principal financial officer during their certification process for the Funds' periodic reports about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Funds' internal controls. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to deficiencies in internal controls, material weaknesses, or any fraud associated with internal controls. WITH RESPECT TO THE INDEPENDENT AUDITORS: 1. Selecting, appointing, retaining or replacing the independent auditors, subject, if applicable, only to Board and shareholder ratification; and compensating, evaluating and overseeing the work of the independent auditor (including the resolution of disagreements between Fund management and the independent auditor regarding financial reporting). A-3 2. Meeting with the independent auditors and Fund management to review the scope, fees, audit plans and staffing for the audit, for the current year. At the conclusion of the audit, reviewing such audit results, including the independent auditors' evaluation of the Funds' financial and internal controls, any comments or recommendations of the independent auditors, any audit problems or difficulties and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information, any significant disagreements with management, any accounting adjustments noted or proposed by the auditor but not made by the Fund, any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement, any significant changes required from the originally planned audit programs and any adjustments to the financial statements recommended by the auditors. 3. Pre-approving all audit services and permitted non-audit services, and the terms thereof, to be performed for the Funds by their independent auditors, subject to the de minimis exceptions for non-audit services described in Section 10a of the Exchange Act that the Audit Committee approves prior to the completion of the audit, in accordance with any policies or procedures relating thereto as adopted by the Board or the Audit Committee. The Chairman of the Audit Committee shall be authorized to give pre-approvals of such non-audit services on behalf of the Audit Committee. 4. Obtaining and reviewing a report

or reports from the independent auditors at least annually (including a formal written statement delineating all relationships between the auditors and the Funds consistent with Independent Standards Board Standard 1, as may be amended, restated, modified or replaced) regarding (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditor and the Funds and their affiliates, in order to assist the Audit committee in assessing the auditor's independence. After reviewing the foregoing report[s] and the independent auditor's work throughout the year, the Audit Committee shall be responsible for evaluating the qualifications, performance and independence of the independent auditor and their compliance with all applicable requirements for independence and peer review, and a review and evaluation of the lead partner, taking into account the opinions of Fund management and the internal auditors, and discussing such reports with the independent auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.

5. Reviewing any reports from the independent auditors mandated by Section 10a(b) of the Exchange Act regarding any illegal act detected by the independent auditor (whether or not perceived to have a material effect on the Funds' financial statements) and obtaining from the independent auditors any information about illegal acts in accordance with Section 10a(b).

6. Ensuring the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit A-4 as required by law, and further considering the rotation of the independent auditor firm itself.

7. Establishing and recommending to the Board for ratification policies for the Funds', Fund management or the Fund adviser's hiring of employees or former employees of the independent auditor who participated in the audits of the Funds.

8. Taking, or recommending that the Board take, appropriate action to oversee the independence of the outside auditor.

WITH RESPECT TO ANY INTERNAL AUDITOR:

1. Reviewing the proposed programs of the internal auditor for the coming year. It is not the obligation or responsibility of the Audit Committee to confirm the independence of any Nuveen internal auditors performing services relating to the Funds or to approve any termination or replacement of the Nuveen Manager of Internal Audit.

2. Receiving a summary of findings from any completed internal audits pertaining to the Funds and a progress report on the proposed internal audit plan for the Funds, with explanations for significant deviations from the original plan.

WITH RESPECT TO PRICING AND VALUATION OVERSIGHT:

1. The Board has responsibilities regarding the pricing of a Fund's securities under the 1940 Act. The Board has delegated this responsibility to the Committee to address valuation issues that arise between Board meetings, subject to the Board's general supervision of such actions. The Committee is primarily responsible for the oversight of the Pricing Procedures and actions taken by the internal Valuation Group ("Valuation Matters"). The Valuation Group will report on Valuation Matters to the Committee and/or the Board of Directors/Trustees, as appropriate.

2. Performing all duties assigned to it under the Funds' Pricing Procedures, as such may be amended from time to time.

3. Periodically reviewing and making recommendations regarding modifications to the Pricing Procedures as well as consider recommendations by the Valuation Group regarding the Pricing Procedures.

4. Reviewing any issues relating to the valuation of a Fund's securities brought to the Committee's attention, including suspensions in pricing, pricing irregularities, price overrides, self-pricing, nav errors and corrections thereto, and other pricing matters. In this regard, the Committee should consider the risks to the Funds in assessing the possible resolutions of these Valuation Matters.

5. Evaluating, as it deems necessary or appropriate, the performance of any pricing agent and recommend changes thereto to the full Board.

6. Reviewing any reports or comments from examinations by regulatory authorities relating to Valuation Matters of the Funds and consider management's responses to any such comments and, to the extent the Committee deems necessary or appropriate, propose to management and/or the full Board the modification of the Fund's policies and procedures relating to such matters. The Committee, if deemed necessary or desirable, may also meet with regulators.

A-5

7. Meeting with members of management of the Funds, outside counsel, or others in fulfilling its duties hereunder, including assessing the continued appropriateness and adequacy of the Pricing Procedures, eliciting any recommendations for improvements of such procedures or other Valuation Matters, and assessing the possible resolutions of issues regarding Valuation Matters brought to its attention.

8. Performing any special review, investigations or oversight responsibilities relating to Valuation as requested by the Board of Directors/Trustees.

9. Investigating or initiating an investigation of reports of improprieties or suspected improprieties in connection with the Fund's policies and procedures relating to Valuation Matters not otherwise assigned to another Board committee.

OTHER

RESPONSIBILITIES: 1. Reviewing with counsel to the Funds, counsel to Nuveen, the Fund adviser's counsel and independent counsel to the Board legal matters that may have a material impact on the Fund's financial statements or compliance policies. 2. Receiving and reviewing periodic or special reports issued on exposure/controls, irregularities and control failures related to the Funds. 3. Reviewing with the independent auditors, with any internal auditor and with Fund management, the adequacy and effectiveness of the accounting and financial controls of the Funds, and eliciting any recommendations for the improvement of internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper. 4. Reviewing the reports of examinations by regulatory authorities as they relate to financial statement matters. 5. Discussing with management and the independent auditor any correspondence with regulators or governmental agencies that raises material issues regarding the Funds' financial statements or accounting policies. 6. Obtaining reports from management with respect to the Funds' policies and procedures regarding compliance with applicable laws and regulations. 7. Reporting regularly to the Board on the results of the activities of the Audit Committee, including any issues that arise with respect to the quality or integrity of the Funds' financial statements, the Funds' compliance with legal or regulatory requirements, the performance and independence of the Funds' independent auditors, or the performance of the internal audit function. 8. Performing any special reviews, investigations or oversight responsibilities requested by the Board. 9. Reviewing and reassessing annually the adequacy of this charter and recommending to the Board approval of any proposed changes deemed necessary or advisable by the Audit Committee. 10. Undertaking an annual review of the performance of the Audit Committee. A-6 11. Establishing procedures for the receipt, retention and treatment of complaints received by the Funds regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of Fund management, the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the Funds, as well as employees of the Funds. Although the Audit Committee shall have the authority and responsibilities set forth in this Charter, it is not the responsibility of the Audit Committee to plan or conduct audits or to determine that the Funds' financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors or to ensure compliance with laws and regulations. A-7 [NUVEEN INVESTMENTS LOGO] Nuveen Investments 333 West Wacker Drive Chicago, IL 60606-1286 (800) 257-8787 www.nuveen.com JFR1106 (NUVEEN LOGO) NUVEEN INVESTMENTS Nuveen Investments 333 West Wacker Dr. Chicago, IL 60606 www.nuveen.com [Insert Fund Name] 999 999 999 999 99 MUNIPREFERRED SHARES 3 EASY WAYS TO VOTE YOUR PROXY 1. Automated Touch Tone Voting: Call toll-free 1-800-221-0697 and follow the recorded instructions. 2. On the Internet at www.proxyweb.com, and follow the simple instructions. 3. Sign, Date and Return this proxy card using the enclosed postage-paid envelope. THIS PROXY IS SOLICITED BY THE BOARD OF THE FUND FOR AN ANNUAL MEETING OF SHAREHOLDERS, NOVEMBER 14, 2006 The Annual Meeting of shareholders will be held in the 33rd floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, November 14, 2006 at 12:00 p.m., Central time. At this meeting, you will be asked to vote on the proposal described in the proxy statement attached. The undersigned hereby appoints Timothy R. Schwertfeger, Jessica R. Droeger and Gifford R. Zimmerman, and each of them, with full power of substitution, proxies for the undersigned, to represent and vote the shares of the undersigned at the Annual Meeting of shareholders to be held on November 14, 2006, or any adjournment or adjournments thereof. WHETHER OR NOT YOU PLAN TO JOIN US AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED. AS AN ALTERNATIVE, PLEASE CONSIDER VOTING BY TELEPHONE (800) 221-0697 OR OVER THE INTERNET (www.proxyweb.com). Date: ----- SIGN HERE EXACTLY AS NAME(S) APPEAR(S) ON LEFT. (Please sign in Box) ----- NOTE: PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS ON THIS PROXY. IF SHARES ARE HELD JOINTLY, EACH HOLDER MUST SIGN THE PROXY. IF YOU ARE SIGNING ON BEHALF OF AN ESTATE, TRUST OR CORPORATION, PLEASE STATE YOUR TITLE OR CAPACITY. NOV - MA MUNIPREF - MM In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting. PROPERLY EXECUTED PROXIES

WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, SUCH SHARES WILL BE VOTED "FOR" THE ELECTION OF NOMINEES TO THE BOARD. PLEASE FILL IN BOX(ES) AS SHOWN USING BLACK OR BLUE INK OR NUMBER 2 PENCIL. [X] PLEASE DO NOT USE FINE POINT PENS. 1. Election of Board Members: Class I: Class II: Class III: FOR WITHHOLD (01) Lawrence H. Brown (03) William C. Hunter (06) Robert P. Bremner NOMINEES AUTHORITY (02) Judith M. Stockdale (04) David J. Kundert (07) Jack B. Evans listed at left to vote for (05) Eugene S. Sunshine (except as all nominees marked to listed at left the contrary) [] [] Preferred Shares Only (08) William J. Schneider (09) Timothy R. Schwertfeger (INSTRUCTION: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE(S), WRITE THE NUMBER(S) OF THE NOMINEE(S) ON THE LINE PROVIDED ABOVE.) -----

PLEASE SIGN ON REVERSE SIDE NOV - MA PREF - MM (NUVEEN LOGO) NUVEEN INVESTMENTS Nuveen Investments 333 West Wacker Dr. Chicago, IL 60606 www.nuveen.com [INSERT FUND NAME] 999 999 999 999 99 COMMON SHARES 3 EASY WAYS TO VOTE YOUR PROXY 1. Automated Touch Tone Voting: Call toll-free 1-800-221-0697 and follow the recorded instructions. 2. On the Internet at www.proxyweb.com, and follow the simple instructions. 3. Sign, Date and Return this proxy card using the enclosed postage-paid envelope. THIS PROXY IS SOLICITED BY THE BOARD OF THE FUND FOR AN ANNUAL MEETING OF SHAREHOLDERS, NOVEMBER 14, 2006 The Annual Meeting of shareholders will be held in the 33rd floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, November 14, 2006 at 12:00 p.m., Central time. At this meeting, you will be asked to vote on the proposal described in the proxy statement attached. The undersigned hereby appoints Timothy R. Schwertfeger, Jessica R. Droeger and Gifford R. Zimmerman, and each of them, with full power of substitution, proxies for the undersigned, to represent and vote the shares of the undersigned at the Annual Meeting of shareholders to be held on November 14, 2006, or any adjournment or adjournments thereof. WHETHER OR NOT YOU PLAN TO JOIN US AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED. AS AN ALTERNATIVE, PLEASE CONSIDER VOTING BY TELEPHONE (800) 221-0697 OR OVER THE INTERNET (www.proxyweb.com). Date: ----- SIGN HERE EXACTLY AS NAME(S) APPEAR(S) ON LEFT. (Please sign in Box) -----

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PLEASE SIGN ON REVERSE SIDE November - Common - MM