

WEINBERG JOHN S
Form 4
February 05, 2010

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WEINBERG JOHN S

2. Issuer Name and Ticker or Trading Symbol
GOLDMAN SACHS GROUP INC
[GS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O GOLDMAN, SACHS &
CO., 85 BROAD STREET

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/05/2010

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
Vice Chairman

NEW YORK, NY 10004

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. I
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Sec (In	
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Year-End Restricted Stock Units	(1)	02/05/2010	A	58,381	(1)	(1)	Common Stock, par value \$0.01 per share	58,381

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WEINBERG JOHN S C/O GOLDMAN, SACHS & CO. 85 BROAD STREET NEW YORK,, NY 10004			Vice Chairman	

Signatures

/s/ Roger S. Begelman, Attorney-in-fact
02/05/2010
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

One-third of these 2009 year-end Restricted Stock Units ("RSUs") will convert into shares of the Issuer's common stock in each of (1) January 2011, January 2012 and January 2013. The shares of common stock delivered pursuant to these RSUs cannot be sold or transferred before January 2015. These RSUs comprise 100% of the Reporting Person's discretionary compensation for 2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. nd Bylaws. Each holder of our common stock is entitled to one vote per share of common stock standing in such holder's name on our records on each matter submitted to a vote of our stockholders, except as otherwise required by law. Holders of our common stock do not have cumulative voting rights so that the holders of more than 50% of the combined shares of our common stock voting for the election of directors may elect all of the directors if they choose to do so and, in that event, the holders of the remaining shares of our common stock will not be able to elect any members to our board of directors. Holders of our common stock are entitled to equal dividends and distributions, per share, when, as and if declared by our board of directors from funds legally available. Holders of our common stock do not have preemptive rights to subscribe for any of our securities nor are any shares of our common stock redeemable or convertible into any of our other securities. If we liquidate, dissolve or wind up our business or affairs, our assets will be divided up pro-rata on a share-for-share basis among the holders of our common stock after creditors and preferred shareholders, if any, are paid. Preferred Stock Our Articles of Incorporation

authorize the issuance of 10,000,000 shares of preferred stock, \$0.001 par value per share, the designation and rights of which are to be determined by our Board of Directors. As of July 20, 2006, no shares of preferred stock were issued and outstanding. Our Board of Directors has authority, without action by the shareholders, to issue all or any portion of the authorized but unissued preferred stock in one or more series and to determine the voting rights, preferences as to dividends and liquidation, conversion rights, and other rights of such series. We consider it desirable to have preferred stock available to provide increased flexibility in structuring possible future acquisitions and financing and in meeting corporate needs which may arise. If opportunities arise that would make desirable the issuance of preferred stock through either public offering or private placements, the provisions for preferred stock in our Articles of Incorporation would avoid the possible delay and expense of a shareholder's meeting, except as may be required by law or regulatory authorities. Issuance of the preferred stock could result, however, in a series of securities outstanding that will have certain preferences with respect to dividends and liquidation over the common stock which would result in dilution of the income per share and net book value of the common stock. Issuance of additional common stock pursuant to any conversion right which may be attached to the terms of any series of preferred stock may also result in dilution of the net income per share and the net book value of the common stock. The specific terms of any series of preferred stock will depend primarily on market conditions, terms of a proposed acquisition or financing, and other factors existing at the time of issuance. Therefore, it is not possible at this time to determine in what respect a particular series of preferred stock will be superior to our common stock or any other series of preferred stock which we may issue. Our Board of Directors may issue additional preferred stock in future financing, but has no current plans to do so at this time. The issuance of preferred stock could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock. We intend to furnish holders of our common stock annual reports containing audited financial statements and to make public quarterly reports containing unaudited financial information.

Convertible Debentures Summary Of Warrants Period Issued Purchase Aggregate Details Issued
Warrants Price Value of Issuance 4th Quarter 2003 3,668,413 \$ - \$ - Balance of Safe ID warrants 1st Quarter 2004
857,143 \$ 0.20 \$ 171,429 Private Placement \$0.14 per unit; warrants exercise price is \$0.30 609,312 \$ 0.30 \$ 182,794
Private Placement \$0.21 per unit; warrants exercise price is \$0.30 916,667 \$ 0.24 \$ - Balance of reverse acq./share
exchange not properly determined December 31, 2003(expired) 2nd Quarter 2004 5,476,190 \$ 0.21 \$ 1,150,000
Pursuant to an Agreement with Eyewonder dated May 4, 2004 566,833 \$ 0.30 \$ 170,050 Private Placement \$0.21 per
unit; warrants exercise price is \$0.30 26,129 \$ 0.31 \$ 8,100 Pursuant to an agreement dated May 25, 2004 with Source
Capital Group, Inc. 2nd Quarter 2005 1,000,000 \$ 0.02 \$ 20,000 Private Placement \$0.02 per unit, warrant exercise
price is \$0.02 Total 13,120,687 \$ 1,702,372 Summary of Stock Options Date of Number of Exercise Options Vesting
Capacity Grant Options Price (US) Exercised Period of Grant March 30, 2004 3,200,000 \$0.165 3,200,000 March 30,
2004 Consultant 1,000,000 \$0.165 1,000,000 March 30,2004 Employee April 5, 2004 1,439,000 \$0.20 300,000 50%
August 5, 2004 Canadian Consultants and Employees and 50% August 5, 2005 April 5, 2004 2,990,000 \$0.20 36,360
Fully vested upon issuance Senior Management and Executives April 30, 2004 6,400,000 \$0.19 0 Fully vested upon
issuance Consultants (Executive Officers) April 30, 2004 2,910,000 \$0.19 0 50% October 1, 2004 and 50% October 1,
2005 US Consultants providing services in various to EYI April 30, 2004 2,000,000 \$0.19 0 Vesting on October 1,
2004 Consultant working with EYI with respect to products in Latin Countries June 1, 1004 100,000 \$0.22 0 Vesting
on August 1, 2004 Consultant working with EYI in assisting in the development and marketing of new EYI products
July 2, 2004 100,000 \$0.26 0 50% October 4, 2004 and 50% October 4, 2005 Consultants providing assistance to EYI
Senior Management September 30, 2004 2,650,000 \$0.11 400,250 Vesting on September 30, 2004 Senior
Management/Consultants October 13, 2004 500,000 \$0.08 250,000 Vesting October 13, 2004 Consultant November
1, 2004 250,000 \$0.20 0 50% February 1 2005 and 50% February 1 2006 Consultant December 27, 2004 7,450,000
\$0.08 100,000 100% December 31, 2004 Senior Management/Consultants and Employees February 9, 2005 6,000,000
\$0.06 3,000,000 100% February 9, 2005 Senior Management March 10, 2005 250,000 \$0.04 250,000 100% March
10, 2005 Consultant May 30, 2005 500,000 \$0.03 0 100% May 30, 2005 Senior Management June 1, 2005 500,000
\$0.10 0 50% October 1, 2005 and 50% August 1, 2006 Consultant November 29, 2005 140,000 \$0.02 0 50% May 29,
2006 and 50% November 29, 2006 Employees *** In addition under an Agreement dated May 4, 2004, EYI
Industries has agreed to issue options to purchase 1,100,000 shares of common stock at a price of \$0.22 per share to
certain individuals designated by Eyewonder. Secured Convertible Debentures On April 24, 2006, we entered into a
secured convertible debenture transaction with Cornell Capital Partners, Taib Bank, B. S. C. and Certain Wealth, Ltd.
in the principal amount of \$4,500,000. Pursuant to a Securities Purchase Agreement, on April 24, 2006 EYI Industries

received net proceeds of \$1,305,000, associated with the issuance of secured convertible debentures in the principal amount of \$1,500,000 and we will issue additional secured convertible debentures in the principal amount of \$1,500,000 two (2) business days prior to filing the accompanying registration statement and we will issue additional secured convertible debentures in the principal amount of \$1,500,000 two (2) business days prior to the accompanying registration statement being declared effective by the Securities and Exchange Commission. On June 8, 2006, we received net proceeds of \$1,350,000, associated with the issuance of the second tranche of secured convertible debentures in the principal amount of \$1,500,000. On June 20, 2006, we receive net proceeds of \$1,350,000, associated with the issuance of the third tranche of secured convertible debentures in the principal amount of \$1,500,000, in the following amounts: \$750,000 to Cornell Capital Partners, \$416,667 to TAIB Bank, B. S. C., and \$333,333 to Certain Wealth, Ltd. The secured convertible debentures are convertible at the holder's option any time up to maturity at a conversion price equal to the lower of (i) \$0.06 or (ii) 80% of the lowest daily volume weighted average price of our common stock for the 5 trading days immediately preceding the conversion date. The secured convertible debentures are secured by all of EYI Industries' assets. The secured convertible debentures accrue interest at a rate of 10% per year and have a term of 3 years. In the event the secured convertible debentures are redeemed, then EYI Industries will issue to the holders a warrant to purchase 100,000 shares for every \$100,000 redeemed at an exercise price equal to 20% of the principal amount being redeemed. The holders purchased the secured convertible debentures from EYI Industries in a private placement on April 24, 2006. EYI Industries is registering in this offering 615,663,401 shares of common stock underlying the secured convertible debentures. Pursuant to the terms of the Securities Purchase Agreement and the issuance of our secured convertible debentures, on April 24, 2006 we issued to Cornell Capital Partners seventeen (17) warrants to purchase up to an aggregate 124,062,678 shares of our common stock at the discretion of Cornell Capital Partners (collectively, the "Warrants") each for good and valuable consideration. Pursuant to the terms of the Warrants, Cornell Capital Partners is entitled to purchase from us: (1) 10,416,650 shares of our common stock at \$0.02 per share, (2) 13,888,866 shares of our common stock at \$0.03 per share, (3) 10,416,650 shares of our common stock at \$0.04 per share, (4) 8,333,320 shares of our common stock at \$0.05 per share, (5) 6,944,433 shares of our common stock at \$0.06 per share, (6) 5,952,371 shares of our common stock at \$0.07 per share, (7) 11,250,000 shares of our common stock at \$0.08 per share, (8) 10,000,000 shares of our common stock at \$0.09 per share, (9) 19,000,000 shares of our common stock at \$0.10 per share, (10) 8,181,818 shares of our common stock at \$0.1 per share, (11) 7,500,000 shares of our common stock at \$0.12 per share, (12) 3,333,333 shares of our common stock at \$0.15 per share, (13) 2,500,000 shares of our common stock at \$0.20 per share, (14) 2,000,000 shares of our common stock at \$0.25 per share, (15) 1,666,666 shares of our common stock at \$0.30 per share, (16) 1,428,571 shares of our common stock at \$0.35 per share and (17) 1,250,000 shares of our common stock at \$0.40 per share upon surrender of the Warrants (or as subsequently adjusted pursuant to the terms of each Warrant). Each Warrant has "piggy back" registration rights and shall expire five (5) years from the date of issuance, on or about April 24, 2011.

Disclosure Of SEC Position On Indemnification For Securities Act Liabilities Our Articles of Incorporation, as well as our By-Laws provide for the indemnification of directors, officers, employees and agents of the corporation to the fullest extent provided by the corporate laws of the State of Nevada, as well as is described in the Articles of Incorporation and the By-Laws. These sections generally provide that the Company may indemnify any person who was or is a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative except for an action by or in right of the corporation by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation. Generally, no indemnification may be made where the person has been determined to be negligent or guilty of misconduct in the performance of his or her duties to the Company. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or controlling persons of EYI Industries, pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933, and is, therefore, unenforceable.

Anti-Takeover Effects Of Provisions Of The Articles Of Incorporation Authorized And Unissued Stock The authorized but unissued shares of our common and preferred stock are available for future issuance without our shareholders' approval. These additional shares may be utilized for a variety of corporate purposes including but not limited to future public or direct offerings to raise additional capital, corporate acquisitions and employee incentive plans.

EXECUTIVE COMPENSATION The following table shows all the cash compensation paid by EYI Industries, as well as certain other compensation paid or accrued, during the fiscal years ended December 31, 2005, 2004 and 2003 to EYI Industries' named executive officers.

No restricted stock awards, long-term incentive plan payouts or other types of compensation, other than the compensation identified in the chart below, were paid to these executive officers during these fiscal years.

SUMMARY COMPENSATION TABLE

Title	Year	Salary	Bonus	Other Annual Compensation	Restricted Options/LTIP payouts	Other Stock Awarded	SARs (\$)
Jay Sargeant(1) President, CEO and Director	2005	\$240,000	(2)	1,500,000	---	2004	---
Jay Sargeant(2) Secretary, Treasurer And Director	2003	\$240,000	(2)	---	---	2003	---
Dori O'Neill(3) Chief Operations Officer, Secretary, Treasurer and Director	2005	\$240,000	(4)	1,500,000	---	2004	---
Maurizio Forigo(5) Former President and CEO	2005	N/A	N/A	N/A	N/A	N/A	N/A

Notes: (1) Mr. Sargeant was appointed as our President and Chief Executive Officer on December 31, 2003. (2) We paid management consulting fees to Flaming Gorge, Inc., a private company controlled by Mr. Sargeant, our President, CEO and director, for his management of the operation of the company and our subsidiaries, reporting to the Board of Directors, and appointing managers to oversee certain departments. Mr. Sargeant was compensated at the rate of \$20,000 per month, on a month to month basis commencing November 5, 2002. The agreement was for an initial five-year term, which is automatically renewable upon expiry of the five-year period on a year-to-year basis. Effective January 1, 2004, we extended the consulting agreement of Mr. Sargeant for an additional five years. (3) Mr. O'Neill was appointed as our Executive Vice-President, Chief Operations Officer, Secretary, Treasurer on December 31, 2003. (4) We paid management consulting fees to O'Neill Enterprises Inc., a private company controlled by Mr. O'Neill, our Executive Vice-President, COO, Secretary, Treasurer and director, for the management of day to day activities and operations of the company and our subsidiaries. Mr. O'Neill was compensated at the rate of \$15,000 per month, on a month to month basis commencing November 5, 2002. The agreement was for an initial five-year term, which is automatically renewable upon expiry of the five-year period on a year-to-year basis. Effective January 1, 2004, we increased the consulting fees payable to Mr. O'Neill to \$20,000 per month, and extended the term by five years. (5) Mr. Forigo resigned as our President and CEO on December 31, 2003. The following table contains information regarding options granted during the year ended December 31, 2005 to EYI Industries' named executive officers.

OPTION/SAR GRANTS TABLE

Name	No. Of Securities Underlying	% Total Options/SARs	Exercise or Base Expiration	Options/SARS Granted (#)	Granted to Employees	Price Date in year ended	(\$ per Share)
Jay Sargeant	1,500,000	20%	0.06	02/09/07	President, Chief Executive Officer and Director		
Dori O'Neill	1,500,000	20%	0.06	02/09/07	Chief Operations Officer, Secretary, Treasurer and Director		

The following table contains information regarding options exercised in the year ended December 31, 2005, and the number of shares of common stock underlying options held as of December 31, 2005, by EYI Industries' named executive officers.

AGGREGATED OPTIONS/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR END

Options/SAR Values	Number of Securities Underlying	Value of Unexercised Shares	Unexercised Options/SARs
In-the-Money Options/SARs	Acquired on	Value at FY-End	Exercise Realized (#) (\$)
Exercisable	Unexercisable	Exercisable	Unexercisable
Jay Sargeant	President, Chief Executive Officer and Director	-- \$-- 2,999,750	-- --
Dori O'Neill	Chief Operations Officer, Secretary, Treasurer and Director	-- \$-- 2,500,000	-- --
Rajesh Raniga	Chief Financial Officer	-- \$-- 450,000	-- --

Ownership Of Management We are not aware of any arrangement that might result in a change in control in the future. Securities Authorized For Issuance Under

Equity Compensation Plans The following table sets forth certain information concerning all equity compensation plans previously approved by stockholders and all previous equity compensation plans not previously approved by stockholders, as of the most recently completed fiscal year. On February 17, 2004, our board of directors approved the Stock Compensation Program (the "Plan"). The Plan became effective on March 30, 2004. Under the Plan, options to purchase up to 25,000,000 shares of our common stock may be granted to our employees, officers, directors, and eligible consultants of our company. The Plan provides that the option price be the fair market value of the stock at the date of grant as determined by the Board of Directors. Options granted become exercisable and expire as determined by the Board of Directors.

EQUITY COMPENSATION PLAN INFORMATION AS AT JULY 20, 2006

Category	Number of securities	Weighted-average Number of securities to be issued upon exercise	price of outstanding remaining available for exercise of outstanding options, warrants and rights	issuance under equity options, warrants and (b) compensation plans	rights (a) (excluding securities reflected in column (a) (c) Equity Compensation	Plans approved by security holders	Equity Compensation
Plans approved by security holders	16,252,390	\$0.14 per share	211,000	Plans not approved by security holders	Total	16,252,390	\$0.14 per share
Stock Compensation Program	On February 17, 2004,						

we established our Stock Compensation Program. The purpose of the Plan is to advance the interests of our company and our stockholders by strengthening our ability to obtain and retain the services of the types of employees, consultants, officers and directors who will contribute to our long term success and to provide incentives which are linked directly to increases in stock value which will inure to the benefit of all our stockholders. The Plan is administered by our Board of Directors or by a committee of two or more non-employee directors appointed by the Board of Directors (the "Administrator"). Subject to the provisions of the Plan, the Administrator has full and final authority to grant the awards of stock options and to determine the terms and conditions of the awards and the number of shares to be issued pursuant thereto. Options granted under the Plan may be either "incentive stock options," which qualify for special tax treatment under the Internal Revenue Code of 1986, as amended, (the "Code"), nonqualified stock options or restricted shares. All of our employees and members of our Board of Directors are eligible to be granted options. Individuals who have rendered or are expected to render advisory or consulting services to us are also eligible to receive options. The maximum number of shares of our common stock with respect to which options or rights may be granted under the Plan to any participant is 25,000,000 shares, subject to certain adjustments to prevent dilution. The exact terms of the option granted are contained in an option agreement between us and the person to whom such option is granted. Eligible employees are not required to pay anything to receive options. The exercise price for incentive stock options must be no less than 70% of the fair market value of the common stock on the date of grant. The exercise price for nonqualified stock options is determined by the Administrator in its sole and complete discretion. An option holder may exercise options from time to time, subject to vesting. Options will vest immediately upon death or disability of a participant and upon certain change of control events. The Administrator may amend the Plan at any time and in any manner, subject to the following: (1) no recipient of any award may, without his or her consent, be deprived thereof or of any of his or her rights thereunder or with respect thereto as a result of such amendment or termination; and (2) any outstanding incentive stock option that is modified, extended, renewed, or otherwise altered must be treated in accordance with Section 424(h) of the Code. The Plan terminates on March 30, 2014 unless sooner terminated by action of the Board of Directors. All awards granted under the Plan expire ten years from the date of grant, or such shorter period as is determined by the Administrator. No option is exercisable by any person after such expiration. If an award expires, terminates or is canceled, the shares of our common stock not purchased thereunder may again be available for issuance under the Plan. We filed a registration statement under the Securities Act of 1933, as amended, to register the 25,000,000 shares of our common stock reserved for issuance under the Plan on March 30, 2004. Repricing of Options in 2004 During the year ended December 31, 2004, our board of directors approved the re-pricing of: options to purchase 3,200,000 shares of our common stock granted in favor of Mr. Sargeant, our President and Chief Executive Officer on April 30, 2004 at a price of \$0.19; and (ii) options to purchase 3,200,000 shares of our common stock granted in favor of Mr. O'Neill, our Chief Operating Officer on April 30, 2004 at a price of \$0.19. The option price was reduced to \$0.08 per share in order that the exercise price was more reflective of the then current trading price of our common stock and in order to provide a continuing performance incentive. The 6,400,000 options were cancelled on December 27, 2004 and 3,200,000 options were issued on December 27, 2004 to each of Mr. O'Neill and Mr. Sargeant to replace their cancelled options. The options have an \$0.08 exercise price and expire December 27, 2006. On February 9, 2005 the Company cancelled 3,200,000 options for both Mr. O'Neill and Mr. Sargeant. On the same date the Company issued 1,500,000 options at \$0.06 to both Mr. O'Neill and Mr. Sargeant. Compensation Arrangements Compensation Of Directors All of our directors receive reimbursement for out-of-pocket expenses for attending Board of Directors meetings. From time to time we may engage certain members of the Board of Directors to perform services on behalf of the Company and may compensate such persons for the performance of those services. In November 2002, we entered into a consulting agreement with Flaming Gorge, Inc., a company controlled by Jay Sargeant, our President, Chief Executive Officer and a member of our Board of Directors. Pursuant to this agreement, we agreed to pay Flaming Gorge, Inc. \$20,000 per month in consideration of management consulting services provided by Mr. Sargeant to us. The agreement automatically renews on a year-to-year basis at the end of the initial five (5) year term. Effective January 1, 2004, we extended the term of the agreement for five years. In November 2002, we entered into a consulting agreement with O'Neill Enterprises, Inc., a company controlled by Dori O'Neill, our Executive Vice President, Chief Operations Officer, Secretary, Treasurer and a member of our Board of Directors. Pursuant to the agreement, we agreed to pay \$15,000 per month in consideration of management consulting services provided by Mr. O'Neill to us. This agreement automatically renews on a year-to-year basis at the end of the initial five (5) year term. Effective January 1, 2004, we

increased the consulting fees payable to O'Neill Enterprises, Inc., to \$20,000 per month for management consulting services provided by Mr. O'Neill and extended the term for five years. Long-Term Incentive Plans We do not have any long-term incentive plans, pension plans, or similar compensatory plans for our directors or executive officers.

PRINCIPAL HOLDERS OF VOTING SECURITIES Security Ownership Of Certain Beneficial Owners And Management The following table sets forth information about the beneficial ownership of our common stock as of July 20, 2006 by each person who we know is the beneficial owner of more than 5% of the outstanding shares of common stock each of our directors or those nominated to be directors, and executive officers, and all of our directors and executive officers as a group. Title of Class Name and Address Amount and Nature Percentage of Beneficial Owner of Beneficial Ownership of Common Stock(1) Directors and Executive Officers Common Stock Jay Sargeant 44,958,896 16.67% 3324 Military Avenue Direct Los Angeles, California and Indirect(2) Common Stock Dori O'Neill 12,363,361 4.58% 6520 Walker Avenue Direct Burnaby, British Columbia and Indirect (3) Canada Common Stock Rajesh Raniga 700,000 shares * 13357-56 Avenue Direct Surrey, British Columbia and Indirect(4) Canada Common Stock All Directors and Executive Officers as a Group 57,672,257 shares (Three Persons) Direct and Indirect 21.39%

Holder of More than 5% of Our Common Stock Common Stock Barry Larose 22,067,084 shares(5) 8.18% 20080 84th Avenue Indirect Langley, British Columbia Canada Common Stock Jay Sargeant 44,958,896 16.67% 3324 Military Avenue Direct and Indirect(2) Los Angeles, California Common Stock Dori O'Neill 12,363,361 4.58% 6520 Walker Avenue Direct and Indirect (3) Burnaby, British Columbia Canada Notes * Less than 1%. (1) Applicable percentage of ownership is based on 269,593,647 shares of common stock outstanding as of July 20, 2006 together with securities exercisable or convertible into shares of common ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock subject to securities exercisable or convertible into shares of common stock that are currently exercisable or exercisable by the person holding such options for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. (2) The shares are held as follows: (i) 146,419 shares are held by Mr. Jay Sargeant (ii) 50,000 shares are held by Northern Colorado, Inc., a company controlled by Mr. Sargeant; (iii) 42,462,727 shares are held by Viper Network, Inc., a company controlled by Mr. Sargeant; (iv) 2,299,750 shares which may be acquired by Mr. Sargeant on exercise of incentive stock options within 60 days of July 20, 2006. (3) The shares are held as follows: 2,454,500 shares of our common stock are held by Dori O'Neill directly, 7,308,861 shares are held by O'Neill Enterprises Inc., a company controlled by Mr. O'Neill and 2,500,000 shares may be acquired by Mr. O'Neill on exercise of incentive stock options within 60 days of July 20, 2006. (4) Consists of 250,000 shares held directly by Mr. Raniga and 100,000 shares which may be acquired by Mr. Raniga on exercise of incentive stock options within 60 days of July 20, 2006. (5) Barry LaRose indirectly holds 22,067,084 shares which are currently held in trust.

PRINCIPAL ACCOUNTANT FEES AND SERVICES Audit Fees The aggregate fees billed for the two most recently completed fiscal years ended December 31, 2005 and 2004 for professional services rendered by the principal accountant for the audit of the Corporation's annual financial statements and review of the financial statements included in our Quarterly Reports on Form 10-QSB, and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods, were as follows: Year Ended Year Ended December 31, December 31, 2005 2004 Audited Related Fees \$ 56,664 \$ 106,500 Tax Fees 5,823 0 All Other Fees 1,899 0 Total \$ 64,386 \$ 106,500

OTHER MATTERS TO BE ACTED UPON AT THE SPECIAL MEETING OF STOCKHOLDERS The management of EYI knows of no other matters to be presented at the Special Meeting. Should any matter requiring a vote of the stockholders other than those listed in this Proxy Statement arise at the meeting, the persons named in the proxy will vote the proxies in accordance with their best judgment.

ADDITIONAL INFORMATION Proxy Solicitation Costs. EYI is soliciting the enclosed proxies. The cost of soliciting proxies in the enclosed form will be borne by EYI. Officers and regular employees of EYI may, but without compensation other than their regular compensation, solicit proxies by further mailing or personal conversations, or by telephone, telex, facsimile or electronic means. EYI will, upon request, reimburse brokerage firms for their reasonable expenses in forwarding solicitation materials to the beneficial owners of stock. Incorporation by Reference. Certain financial and other information required pursuant to Item 13 of the Proxy Rules is incorporated by reference to EYI's Annual Report on Form 10-KSB for the year ended December 31, 2005, which are being delivered to the shareholders with this proxy statement. In order to facilitate compliance with Rule 2-02(a) of Regulation S-X, one copy of the definitive proxy statement will include a manually signed copy of the accountant's report. July 20, 2006 /s/ Jay Sargeant Burnaby,

British Columbia President, CEO and Director APPENDIX A REVOCABLE PROXY EYI INDUSTRIES, INC. The undersigned hereby appoints JAY SARGEANT and DORI O'NEILL, or each of them individually, with full power of substitution, to act as proxy and to represent the undersigned at the 2006 Annual Meeting of shareholders and to vote all shares of common stock of EYI Industries, Inc. which the undersigned is entitled to vote if personally present at said meeting to be held at THE OFFICES OF KIRKPATRICK & LOCKHART NICHOLSON GRAHAM LLP, 10100 SANTA MONICA BOULEVARD, SEVENTH FLOOR, LOS ANGELES, CALIFORNIA 90062, on August 22, 2006, beginning at 9:30 a.m., Pacific Daylight Time, and at all postponements or adjournments thereof upon all business as may properly come before the meeting with all the powers the undersigned would possess if then and there personally present. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. THIS PROXY, WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL OF THE NOMINEES FOR DIRECTOR LISTED IN PROPOSAL 1. PROXIES ARE GRANTED THE DISCRETION TO VOTE UPON ALL OTHER MATTERS THAT MAY PROPERLY BE BROUGHT BEFORE THE MEETING OR ANY POSTPONEMENT OR ADJOURNMENT THEREOF. THIS PROXY, WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE, THE SHARES WILL BE VOTED "FOR" PROPOSAL ONE. SUCH PROXY ALSO DELEGATES DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF. (CONTINUED, AND TO BE SIGNED ON REVERSE SIDE) PLEASE RETAIN THIS ADMISSION TICKET FOR THE SPECIAL MEETING OF STOCKHOLDERS OF EYI INDUSTRIES, INC. AT THE OFFICES OF KIRKPATRICK & LOCKHART NICHOLSON GRAHAM LLP 10100 SANTA MONICA BOULEVARD, SEVENTH FLOOR LOS ANGELES, CALIFORNIA 90062 AUGUST 22, 2006 9:30 A.M., PACIFIC DAYLIGHT TIME PRESENT THIS TICKET TO A EYI INDUSTRIES, INC. REPRESENTATIVE AT THE ENTRANCE TO THE MEETING ROOM

Vote By Mail Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided or return it to EYI Industries, Inc., c/o Jay Sargeant, 7865 Edmonds Street, Burnaby, British Columbia, Canada V3N 1B9. IT IS IMPORTANT THAT YOUR SHARES ARE REPRESENTED AT THIS MEETING, WHETHER OR NOT YOU ATTEND THE MEETING IN PERSON. TO MAKE SURE YOUR SHARES ARE REPRESENTED, WE URGE YOU TO COMPLETE AND MAIL THE PROXY CARD BELOW. IF YOU PLAN TO ATTEND THE SPECIAL MEETING OF STOCKHOLDERS, PLEASE MARK THE APPROPRIATE BOX ON THE PROXY CARD BELOW. THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED EYI INDUSTRIES, INC.

Vote on Proposals

1. To approve an amendment to EYI's Articles of Incorporation to increase the number of shares of authorized common stock, par value \$0.001, from 1,000,000,000 to 3,000,000,000 shares. FOR AGAINST ABSTAIN
2. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof. THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE NOTICE OF SPECIAL MEETING AND PROXY STATEMENT OF THE COMPANY. Please sign your name exactly as it appears on your stock certificate. When signing as attorney-in-fact, executor, administrator, trustee or guardian, please add your title as such. When signing as joint tenants, all parties in the joint tenancy must sign. If signer is a corporation, please sign in full corporate name by duly authorized officer or officers and affix the corporate seal. Please indicate if you plan to attending this meeting: Yes No Signature Date Signature (Joint Owners) Date