

The stock for China Logistics Group, Inc. (CHLO on the OTCQB) can lay claim to being the greatest destroy of equity of all time as a result of the multiple reverse splits its stock has suffered and the decline in the value of the stock that followed these splits. The stock for China Logistics Group, Inc. itself has never had a reverse split, but the companies that preceded it had multiple reverse splits which, if added together, created a cumulative one-to-two hundred quadrillion (million billion) split (in numbers, that is 1:200,000,000,000,000,000)! In the OTC markets where penny stocks (a term which gives the company the benefit of the doubt) like this reside, as the stock plunges in price, the company will do a reverse split to raise the price of the stock back to more normal levels. When the company is close to bankruptcy, rather than declaring bankruptcy, the stock gets turned over to new owners who begin the process of equity destruction all over again. China Logistics Group, Inc. was originally known as Vector Aeromotive Corp. back in 1990. Vector Aeromotive Corp. recapitalized as Vector Holding Corp. on August 15, 2000, changed its name to NCI Holdings on June 17, 2003, to Dark Dynamite, Inc. on May 7, 2004, to China International Tourism Holdings Ltd. on October 26, 2007, and to China Logistics Group, Inc. on August 10, 2009. The different companies had little if anything to do with their predecessors. Since 1990, the following reverse splits have occurred: July 9, 1990: 1:50 December 26, 1998: 1:5 July 10, 2000: 1:100 January 18, 2002: 1:25 May 7, 2003: 1:200 November 17, 2004: 1:2000 March 28, 2005 1:1000 November 3, 2005: 1:4 April 3, 2009: 1:200 Multiply this out and you get a cumulative 1:200 quadrillion reverse split. As of June 24, 2013, China Logistics Group, Inc. traded at \$0.013, which means that if you had invested \$2.6 quadrillion in Vector Aeromotive Corp. back in 1990, your wealth would have shrunk to \$0.013. So next time someone encourages you to invest in a penny stock, just remember, there is a reason they have that name.