

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Provectus Pharmaceuticals, Inc.

Form: 10KSB

Date Filed: 2002-04-17

Corporate Issuer CIK:	315545
Symbol:	PVCT
SIC Code:	2834
Fiscal Year End:	12/31

U. S. Securities and Exchange Commission

Washington, D. C. 20549

FORM 10-KSB

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

For the fiscal year ended: December 31, 2001

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to

Commission File No. **0-09410**

Provectus Pharmaceutical, Inc.

(Name of Small Business Issuer in its Charter)

Nevada	83-2033011
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

4685 S. Highland Dr., Suite 202

Salt Lake City, UT 84117

(Address of Principal Executive Offices)

Issuer's Telephone Number: **(801)274-1011**

SPM Group, Inc. Zamage Digital Imaging, Inc.

5882 South 900 East, Suite 202 1050 Boundary Road

Salt Lake City, UT 84121 Burnaby, British Columbia

Canada V5K 4T3

(Former names and addresses)

Securities Registered under Section 12(b) of the Exchange Act: None.

Securities Registered under Section 12(g) of the Exchange Act: Common stock having a par value of \$.001 per share

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 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.

(1) Yes [X] No [] (2) Yes [X] No []

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of 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. []

State Issuer's revenues for its most recent fiscal year: December 31, 2001 \$0.00

State the aggregate market value of the common voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days:

As of March 31, 2002, there were 12,748,973 shares of common voting stock of the Registrant held by non-affiliates. The aggregate market value of the Registrant's voting common stock held as of March 31, 2002, by non-affiliates of the issuers was \$382,469. There are no preferred shares authorized.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

None; Not Applicable.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date:

Common Voting Stock	Preferred Stock
April 15, 2002	April 15, 2002
32,312,768	0 (None authorized)

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Item 13 of this Report.

Transitional Small Business Issuer Format Yes No [X]

FORWARD-LOOKING INFORMATION

THIS FORM 10KSB AND OTHER STATEMENTS ISSUED OR MADE FROM TIME TO TIME BY THE COMPANY OR ITS REPRESENTATIVES CONTAIN STATEMENTS WHICH MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 AND THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, 15 U.S.C.A. SECTIONS 77Z-2 AND 78U-5. THOSE STATEMENTS INCLUDE STATEMENTS REGARDING THE INTENT, BELIEF OR CURRENT EXPECTATIONS OF THE COMPANY AND MEMBERS OF ITS MANAGEMENT TEAM AS WELL AS THE ASSUMPTIONS ON WHICH SUCH STATEMENTS ARE BASED.

PROSPECTIVE INVESTORS ARE CAUTIONED THAT ANY SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE

RISKS AND UNCERTAINTIES, AND THAT ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. IMPORTANT FACTORS CURRENTLY KNOWN TO MANAGEMENT THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN FORWARD-LOOKING STATEMENTS ARE SET FORTH HEREIN. THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE FORWARD-LOOKING STATEMENTS TO REFLECT CHANGED ASSUMPTIONS, THE OCCURRENCE OF UNANTICIPATED EVENTS OR CHANGES TO FUTURE OPERATING RESULTS OVER TIME.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

BUSINESS DEVELOPMENT

The Company was incorporated in the state of Colorado on May 1, 1978. From 1991 through November 2001, the Company did not engage in any operations. In November 2001, the Company entered into an Agreement and Plan of Reorganization ("Agreement") with Zamage Digital Imaging, Inc., a privately-held Delaware corporation ("Zamage"), whereby the Company sought to acquire Zamage through a reverse merger transaction, and which Agreement specified that Zamage was required to pay its costs relating to the reverse merger with the Company within 60 days, or the Company could rescind the merger. Following nonpayment of these costs, on March 29, 2002, the Company signed an Agreement Rescinding and Terminating Merger, Release and Indemnification with Zamage, effectively rescinding the November Agreement. Because of the retroactive rescission, the results of the Company relating to the Zamage acquisition are not reported in this filing.

At the present time, the Company intends to seek, investigate, and if warranted, acquire an interest in a business opportunity. The Company does not propose to restrict its search for a business opportunity to any particular industry or geographical area and may, therefore, engage in essentially any business in any industry. The Company has unrestricted discretion in seeking and participating in a business opportunity, subject to the availability of such opportunities, economic conditions and other factors. As of the date of this filing, the Company has had discussions with numerous companies, entities and individuals concerning possible acquisitions, but none have resulted in any letters of intent or other binding agreements, and the Company continues to seek business opportunities.

The selection of a business opportunity in which to participate is complex and extremely risky and will be made by management in the exercise of its business judgement. There is no assurance that the Company will be able to identify

and acquire any business opportunity which will ultimately prove to be beneficial to the Company and its shareholders.

The activities of the Company are subject to several risks which arise primarily as a result of the fact that the Company has no specific business and may acquire or participate in a business opportunity based on the decision of management which will, in all probability, act without the consent, vote, or approval of the Company's shareholders.

Sources of Opportunities - It is anticipated that business opportunities may be available to the Company from various sources, including its officers and directors, professional advisers, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals.

The Company will seek a potential business opportunity from all known sources, but will rely principally on personal contacts of its officers and directors as well as indirect associations between them and other business and professional people. Although the Company does not anticipate engaging professional firms specializing in business acquisitions or reorganizations, if management deems it in the best interest of the Company, such firms may be retained. In some instances, the Company may publish notices or advertisements seeking a potential business opportunity in financial or trade publications.

Criteria - The Company will not restrict its search to any particular business, industry or geographical location. The Company may acquire a business opportunity or enter into a business in any industry and in any stage of development. The Company may enter into a business or opportunity involving a "start-up" or new company. The Company may acquire a business opportunity in various stages of its operation.

In seeking a business venture, the decision of management of the Company will not be controlled by an attempt to take advantage of an anticipated or perceived appeal of a specific industry, management group, or product or industry, but will be based upon the business objective of seeking long-term capital appreciation in the real value of the Company.

In analyzing prospective business opportunities, management will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; the history of operations, if any; prospects for the future; the nature of present and expected competition; the quality and experience of management services which may be available and the depth of the management; the potential for further research, development or exploration; the potential for growth and expansion; the potential for profit; the perceived public recognition or acceptance of products, services, trade or service marks, name identification; and other relevant factors.

Generally, the Company will analyze all available factors in the circumstances and make a determination based upon a composite of available facts, without reliance upon any single factor as controlling.

Methods of Participation of Acquisition - Specific business opportunities will be reviewed and, on the basis of that review, the legal structure or method of participation deemed by management to be suitable will be selected. Such structures and methods may include, but are not limited to, leases, purchase and sale agreements, licenses, joint ventures, other contractual arrangements, and may involve a reorganization, merger or consolidation transaction. The Company may act directly or indirectly through an interest in a partnership, corporation, or other form of organization.

Procedures - As part of the Company's investigation of business opportunities, officers and directors may meet personally with management and key personnel of the firm sponsoring the business opportunity, visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel, and conduct other reasonable measures.

The Company will generally request that it be provided with written materials regarding the business opportunity containing such items as a description of product, service and company history; management resumes; financial information; available projections with related assumptions upon which they are based; an explanation of proprietary products and services; evidence of existing patents, trademarks or service marks or rights thereto; present and proposed forms of compensation to management; a description of transactions between the prospective entity and its affiliates; relevant analysis of risks and competitive conditions; a financial plan of operation and estimated capital requirements; and other information deemed relevant.

PRINCIPAL PRODUCTS OR SERVICES AND MARKETS

None; not applicable

COMPETITION

The Company expects to encounter substantial competition in its efforts to acquire a business opportunity. The primary competition is from other companies organized and funded for similar purposes, small venture capital partnerships and

corporations, small business investment companies and wealthy individuals.

DEPENDENCE ON ONE OR A FEW MAJOR CUSTOMERS

None; not applicable

PATENTS, TRADEMARKS, LICENSES, FRANCHISES, CONCESSIONS, ROYALTY AGREEMENTS OR LABOR CONTRACTS, INCLUDING DURATION

None

NEED FOR ANY GOVERNMENT APPROVAL OF PRINCIPAL PRODUCTS OR SERVICES

None; not applicable

TIME SPENT DURING THE LAST TWO FISCAL YEARS ON RESEARCH AND DEVELOPMENT ACTIVITIES

None; not applicable.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS

None; not applicable.

NUMBER OF TOTAL EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES

The Company does not currently have any employees but relies upon the efforts of its officers and directors to conduct the business of the Company.

ITEM 2. DESCRIPTION OF PROPERTY.

The Company does not own any property. The Company currently utilizes office space, free of charge, from shareholders of the Company.

ITEM 3. LEGAL PROCEEDINGS.

The Company is not the subject of any pending legal proceedings; and to the knowledge of management, no proceedings are presently contemplated against the Company by any federal, state or local governmental agency.

Further, to the knowledge of management, no director or executive officer is party to any action in which any has an interest adverse to the Company.

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

On November 15, 2001 a shareholders' meeting was held to approve an Agreement and Plan of Reorganization between the Company and Zamage Digital Imaging, Inc., a Delaware corporation, and any other business that may come before the meeting. Pursuant to affirmative shareholder approval, and Agreement and Plan of Reorganization with Zamage Digital Imaging, Inc. of Delaware was entered into and the name of the Company was subsequently changed to Zamage Digital Imaging, Inc.

Approval to change the domicile from Colorado to Nevada was also approved at the shareholders' meeting on November 15, 2001.

SUBSEQUENT EVENTS

On March 29, 2002 an Agreement Rescinding and Terminating Merger, Release and Indemnification ("Rescission Agreement") was signed by the Company and Zamage Digital Imaging, Inc. of Delaware rescinding the Agreement and Plan of Reorganization approved in the November 2001 shareholders' meeting. Pursuant to the Rescission Agreement approximately 22,000,000 shares will be cancelled. The Company has also agreed to change its name. The new name of the Company is Provectus Pharmaceutical, Inc.

On April 3, 2002, the Company effected a change of domicile from Colorado to Nevada through the formation of, and merger with, a Nevada subsidiary as was approved at the November 2001 shareholders' meeting. Concurrently, the par value was changed from no par value to \$.001 per share. The authorization of 100,000,000 common shares remained the same.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET INFORMATION

During the past five years, there has been a very limited "public market" for shares of common stock of the Company. It is therefore difficult to determine the market value of the stock. Based on the last trade reported for the Company's Common Stock on March 31, 2001, the market value of shares held by nonaffiliates would be \$382,469. There are no preferred shares authorized.

The Company is listed on the Over the Counter Bulletin Board ("OTCBB"), under the symbol "PVCT".

Set forth below are the high and low bid prices for the Company's Common Stock since 1998. These represent prices between dealers and do not include retail markup, markdown or commission. In addition, these quotations do not represent actual transactions.

Quarter Ended	High Bid	Low Bid
March 1998	.001	.001
June 1998	.001	.0001
September 1998	.0001	.0001
December 1998	.0001	.0001
March 1999	.0001	.0001
June 1999	.0001	.0001
September 1999	.0001	.0001
December 1999	.0001	.0001
March 2000	.005	.0001
June 2000	.005	.0001
September 2000	10.50	1.50
December 2000	3.25	1.50
March 2001	2.00	1.75
June 2001	2.75	1.50
September 2001	1.50	1.01
December 2001	3.00	1.00
March 2002	2.60	.02

HOLDERS

The number of record holders of the Company's common stock as of April 15, 2002, was 1,499; this number does not include an indeterminate number of stockholders whose shares are held by brokers in street name. The number of stockholders has been substantially the same during the past five years.

DIVIDENDS

There are no present material restrictions that limit the ability of the Company to pay dividends on common stock or that are likely to do so in the future. The Company has not paid any dividends with respect to its common stock, and does not intend to pay dividends in the foreseeable future.

RECENT SALES OF UNREGISTERED SECURITIES

None

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

PLAN OF OPERATION

The Company is seeking to acquire assets or shares of an entity actively engaged in business which generates revenues. The Company has no particular acquisitions in mind and has not entered into any negotiations regarding such an

acquisition. None of the Company's officers, directors, promoters or affiliates have engaged in any substantive contact or discussions with any representative of any other company regarding the possibility of an acquisition or merger between the Company and such other company as of the date of this quarterly report. The Board of Directors intends to obtain certain assurances of value of the target entity's assets prior to consummating such a transaction. Any business combination or transaction will likely result in a significant issuance of shares and substantial dilution to present stockholders of the Company. The Company was incorporated in the state of Colorado on May 1, 1978. From 1991 through November 2001, the Company did not engage in any operations. In November 2001, the Company entered into an Agreement and Plan of Reorganization ("Agreement") with Zamage Digital Imaging, Inc., a privately-held Delaware corporation ("Zamage"), whereby the Company sought to acquire Zamage through a reverse merger transaction, and which Agreement specified that Zamage was required to pay its costs relating to the reverse merger with the Company within 60 days, or the Company could rescind the merger. Following nonpayment of these costs, on March 29, 2002, the Company signed an Agreement Rescinding and Terminating Merger, Release and Indemnification with Zamage, effectively rescinding the November Agreement. Because of the retroactive rescission, the results of the Company relating to the Zamage acquisition are not reported in this filing.

The Company has, and will continue to have, no capital with which to provide the owners of business opportunities with any significant cash or other assets. However, management believes the Company will be able to offer owners of acquisition candidates the opportunity to acquire a controlling ownership interest in a publicly registered company without incurring the cost and time required to conduct an initial public offering. The owners of the acquisition candidate will, however, incur significant legal and accounting costs in connection with the acquisition of a business opportunity, including the costs of preparing Form 8-K's, 10-KSB's, 10-QSB's, agreements and related reports and documents.

LIQUIDITY AND CAPITAL RESOURCES

The Company remains in the development stage and has experienced no significant change in liquidity or capital resources or stockholder's equity since re-entering of Development Stage. The Company's balance sheet as of December 31, 2001, reflects a total asset value of \$0.00. The Company has no cash or line of credit, other than that which present management may agree to extend to or invest in the Company, nor does it expect to have one before a merger is effected. The Company will carry out its plan of business as discussed above. The Company cannot predict to what extent its liquidity and capital resources will be diminished prior to the consummation of a business combination or whether its capital will be further depleted by the operating losses (if any) of the business entity which the Company may eventually acquire.

RESULTS OF OPERATIONS

During the period from January 1, 2001 through December 31, 2001, the Company has engaged in no significant operations other than maintaining its reporting status with the SEC and seeking a business combination. No revenues were received by the Company during this period.

For the current fiscal year, the Company anticipates incurring a loss as a result of legal and accounting expenses, and expenses associated with locating and evaluating acquisition candidates. The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues, and may continue to operate at a loss after completing a business combination, depending upon the performance of the acquired business.

NEED FOR ADDITIONAL FINANCING

Based upon current management's willingness to extend credit to the Company and/or invest in the Company until a business combination is completed, the Company believes that its existing capital will be sufficient to meet the Company's cash needs required for the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended, and for the costs of accomplishing its goal of completing a business combination, for an indefinite period of time. Accordingly, in the event the Company is able to complete a business combination during this period, it anticipates that its existing capital will be sufficient to allow it to accomplish the goal of completing a business combination. There is no assurance, however, that the available funds will ultimately prove to be adequate to allow it to complete a business combination, and once a business combination is completed, the Company's needs for additional financing are likely to increase substantially. In addition, as current management is under no obligation to continue to extend credit to the Company and/or invest in the Company, there is no assurance that such credit or investment will continue or that it will continue to be sufficient for future periods.

ITEM 7. FINANCIAL STATEMENTS.

FOR THE PERIOD ENDED DECEMBER 31, 2001

The financial statements of the Company are included following the signature page of this form 10-KSB.

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

None.

PART III

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

IDENTIFICATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, the names and the nature of all positions and offices held by all directors and executive officers of the Company for the Company year ending December 31, 2001 and to the date hereof, and the period or periods during which each such director or executive officer served in his or her respective positions.

Name and age	Position and background
Kelly Adams, 48	Sole officer and Director
	Mr. Adams was the General Sales Manager for The Utah Auto Collection, a new and used automobile dealership. He has worked in the automobile industry since 1988. Over the years, he has received numerous awards and certifications including the Ford Motor Credit Top Five Dealer Award.

TERM OF OFFICE

The term of office of the current directors shall continue until new directors are elected or appointed.

FAMILY RELATIONSHIPS

None of the present officer and directors have any family relationship between one another.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

During the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

- (1) Was a general partner or executive officer of any business by or against which any bankruptcy petition was filed, whether at the time of such filing or two years prior thereto;
- (2) Was convicted in a criminal proceeding or named the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and
- (4) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;
- (5) Was found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Kelly Adams, who owns approximately 3% of the Company's issued and outstanding shares, has not filed a Form 3 or Form 5. No other director, executive officer or 10% shareholder of the Company has effected any transactions in the Company's securities through the date of filing this report.

ITEM 10. EXECUTIVE COMPENSATION.

Kelly Adams, the Company's President received 1,000,000 shares of the Company's common stock for services rendered, valued at \$10,000 or \$.01 per share.

COMPENSATION OF DIRECTORS

There are no arrangements pursuant to which any of the Company's directors were compensated during the Company's last completed fiscal year or the previous two fiscal years for any service provided as director.

TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENT

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any former employees, officers or directors which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth the shareholdings of those persons who own more than five percent of the Company's common stock as of the date hereof:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class				
Common	Kelly Adams	1,000,000	3%				
	4685 S. Highland Dr., Suite 202, Salt Lake City, UT 84117						
					Officers and Directors as a Group: 1 person	1,000,000	3%
				Common			

(1) Officer and/or director.

CHANGES IN CONTROL

None; not applicable.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.**TRANSACTIONS WITH MANAGEMENT AND OTHERS**

None; not applicable

CERTAIN BUSINESS RELATIONSHIPS

None; not applicable

INDEBTEDNESS OF MANAGEMENT

None; not applicable

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K.

Exhibit No.	Description
10	Agreement Rescinding and Terminating Merger, Release and Indemnification
3.i.1	Articles of Amendment - Colorado
3.i.2	Articles of Incorporation - Nevada

3.i.3	Articles of Merger
3.ii	By-Laws

DOCUMENTS INCORPORATED BY REFERENCE

None; not applicable.

REPORTS ON FORM 8-K

On November 21, 2001 an 8-K was filed relating to the Agreement and Plan of Reorganization between the Company and Zamage Digital Imaging, Inc., a Delaware corporation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Provectus Pharmaceutical, Inc.

Date: April 17, 2002 By: /s/ Kelly Adams

Kelly Adams, President

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Date: April 17, 2002 /s/ Kelly Adams

Kelly Adams, Director

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

FINANCIAL STATEMENTS

DECEMBER 31, 2001 & 2000

[Letterhead]

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Provectus Pharmaceutical, Inc.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

We have audited the accompanying balance sheets of Provectus Pharmaceutical, Inc., (a Nevada Corporation), (a development stage company) at December 31, 2001 and 2000, and the related statements of operations, retained

earnings, and cash flows for the years then ended. 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 audit.

We conducted our audit in accordance with generally accepted auditing standards, in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides 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 Provectus Pharmaceutical, Inc., as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles, in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note #5 to the financial statements, the Company has an accumulated deficit and a negative net worth at December 31, 2001. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note #5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Bierwolf, Nilson & Associates

Bierwolf, Nilson & Associates

Salt Lake City, Utah

April 11,2002

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Balance Sheets

December 31

	2001	2000
Assets		
Current Assets	\$ -	\$ -
Total Assets	\$ -	\$ -
	=====	=====
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable - related	\$2,100	\$ -
Accounts payable	1,544	-
Total Current Liabilities	3,644	-
Stockholders' Equity		

Common stock authorized, 100,000,000 shares at \$.001 par value, 25,719,181 and 179,567 shares issued and outstanding respectively	25,719	180
Additional Paid-in Capital	5,719,617	5,618,806
Accumulated deficit	(5,748,980)	(5,618,986)
Total Stockholders' Equity	(3,644)	-
Total Liabilities & Stockholders' Equity	\$ -	\$ -
	=====	=====

The accompanying notes are an integral part of these financial statements.

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Statements of Operations

	2001	2000	1999	Period from January 1, 1992 Through December 31, 2001
Revenue	\$ -	\$ -	\$ -	\$ -
Expenses				
General & Administrative	129,994	11,500	-	155,205
Interest	-	-	-	11,649
Total Expenses	129,994	-	-	166,854
Operating Income (Loss)	(129,994)	(11,500)	-	(166,854)
Other Income (Expense)				
Gain from Extinguishment Of Debt	-	-	-	361,263
Total Other Income (Expenses)	-	-	-	361,263
Income (Loss) from Operations	\$(129,994)	\$(11,500)	\$ -	\$194,409
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Statement of Stockholders' Equity

December 31, 2001

	Common Stock		Paid-in Capital	Accumulated Deficit
	Shares	Amount		
BALANCE, January 1, 1992	168,367	\$168	\$5,607,318	\$(5,943,389)
Net Loss for the year ended December 31, 1992	-	-	-	(1,550)
BALANCE, December 31, 1992	168,367	168	5,607,318	(5,944,939)
Net Gain for the year ended December 31, 1993	-	-	-	337,453
BALANCE, December 31, 1993	168,367	168	5,607,318	(5,607,486)
No Operations from January 1, 1994 to December 31, 1999	-	-	-	-
BALANCE, December 31, 1999	168,367	168	5,607,318	(5,607,486)
Issued for Services at \$1.03 Per Share	3,920	4	4,021	-
Shares Issued in Relief of Debt at \$1.03 Per Share	7,280	8	7,467	-
Net Loss for the year ended December 31, 2000	-	-	-	(11,500)
BALANCE, December 31, 2000	179,567	180	5,618,806	(5,618,986)
Shares issued for services at \$.01 per share	1,000,000	1,000	9,000	-
Shares issued to acquire Zamage Digital Imaging, Inc.	22,212,614	22,212	(22,212)	-
Shares issued for services at \$.05 per share	2,327,000	2,327	114,023	-
Net Loss for the year ended December 31, 2001	-	-	-	(129,994)
BALANCE, December 31, 2001	25,719,181	\$25,719	\$5,719,617	\$(5,748,980)
	=====	=====	=====	=====

The accompanying notes are an integral part of this financial statement.

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Statements of Cash Flows

--

	2001	2000	1999	Period from January 1, 1992 through December 31, 2001
Cash Flows From Operating Activities:				
Net Income (Loss)	\$(129,994)	\$(11,500)	\$ -	\$ 194,409
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities;				
Stock Issued for Services	126,350	11,500	-	163,210
Increase (Decrease) in Accounts Payable	3,644	-	-	3,644
Gain from Extinguishment if Debt	-	-	-	(361,263)
Net Cash Provided by Operating Activities	-	-	-	-
Cash Flows From Investing Activities:	-	-	-	-
Cash Flows From Financing Activities:	-	-	-	-
Net Increase (Decrease) in Cash	-	-	-	-
Cash at Beginning of Period	-	-	-	-
Cash at End of Period	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====
Disclosures from Operating Activities				
Interest	\$ -	\$ -	\$ -	\$11,649
Taxes	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

PROVECTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Notes to Financial Statements

December 31, 2001

NOTE #1 - Organization

Zamage Digital Imaging, Inc. was incorporated on May 1, 1978, under the laws of the state of Colorado. In 1991, Zamage Digital Imaging, Inc. ceased operations and was considered to be a development stage company effective January 1, 1992. On April 3, 2002 the Company changed its domicile through the formation and merger with a subsidiary in Nevada. The Company also changed its par value from no par value to \$.001 per share. The Company has authority to issue 100,000,000 shares of common stock.

NOTE #2 - Significant Accounting Policies

A. The Company uses the accrual method of accounting.

B. Revenues and directly related expenses are recognized in the period in which they occur.

C. The Company considers all short term, highly liquid investments that are readily convertible, within three months, to known amounts as cash equivalents. The Company currently has no cash equivalents.

D. Basic Earnings Per Share are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted Earnings Per Share shall be computed by including contingently issuable shares with the weighted average shares outstanding during the period. When inclusion of the contingently issuable shares would have an antidilutive effect upon earnings per share no diluted earnings per share shall be presented.

E. Inventories: Inventories are stated at the lower of cost, determined by the FIFO method or market.

F. Depreciation: The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The cost of leasehold improvements is amortized over the lesser of the length of the lease of the related assets or the estimated lives of the assets. Depreciation and amortization are computed on the straight line method.

G. Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE #3 - Income Taxes

The Company has adopted Statements of Financial Accounting Standards No. 109, Accounting for Income Taxes. The Company has net operating losses of approximately \$6,400,000 which expire through 2007. In 2000, there was a significant change in control of the ownership of the Company which will prohibit the use of net operating losses sustained by the Company in prior years.

PROVCTUS PHARMACEUTICAL, INC.

Formerly Zamage Digital Imaging, Inc.

(A Development Stage Company)

Notes to Financial Statements

December 31, 2001

NOTE #4 - Stockholders' Equity

Common Stock:

During the year the Company issued 1,000,000 shares of common stock to an officer for services performed on behalf of the Company. The cost of the services has been charged to operations and additional paid-in capital has been increased by \$9,000, representing the excess of the cost of the services over the par value of the common stock issued.

On November 15, 2001, the Company entered into an Agreement and Plan of Reorganization with Zamage Digital Imaging, Inc., a Delaware corporation. The Company issued 22,212,614 shares of its common stock in exchange for 100 percent of the stock of Zamage Digital Imaging, Inc., pursuant to the acquisition.

On November 15, 2001, the Company issued 2,327,000 shares of its common stock for services rendered pursuant to an S-8 Registration Statement at \$.05 per share. Accordingly \$114,023 has been charged to additional paid-in capital.

NOTE #5 - Going Concern

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplates continuation of the company as a going concern. However, the Company has sustained substantial operating losses in recent years. In addition, the Company currently has no assets or operations from which it can provide working capital. Under new management in 2001, the Company seeks to acquire or merge with an operating entity that can provide capital and managerial leadership to enable it to continue in existence.

NOTE #6 - Subsequent Events

On March 29, 2001, an Agreement Rescinding and Terminating Merger, Release and Indemnification ("Recission Agreement") was signed by the Company and Zamage Digital Imaging, Inc., a Delaware Corporation, rescinding the

Agreement and Plan of Reorganization approved in the November 2001 shareholders' meeting. The Company is in the process of executing the Rescission Agreement and returning the Company back to the status it was immediately prior to November 15, 2001. Pursuant to the Rescission Agreement 22,212,614 shares will be canceled.

In addition to the Rescission Agreement, during April 2002 the Company changed its name to Provectus Pharmaceutical, Inc. As a result of the changes, management has decided to present the financial statements with the new name of the Company in order to eliminate confusion about ownership of the Company to users of the financial statements.

AGREEMENT RESCINDING AND TERMINATING MERGER, RELEASE AND INDEMNIFICATION

SPM Group, Inc.(1), a publicly-held Colorado corporation ("SPM"), Zamage Digital Imaging, Inc., a privately-held Delaware corporation, ("Zamage"), and Pacific Management Services, Inc., a privately-held Utah corporation, ("Pacific"), hereby agree, for value received, the receipt and sufficiency of which are hereby acknowledged, as follows:

WHEREAS, the Parties acknowledge that SPM and Zamage entered into an AGREEMENT AND PLAN OF REORGANIZATION; and

WHEREAS, the Parties acknowledge that Zamage and Pacific Management entered into a LETTER OF AGREEMENT; and

WHEREAS the Parties acknowledge that the purpose of the two agreements was to create a merged company with sufficient business, capital investment, assets and sales to bring long-term value to shareholders; and

WHEREAS this purpose was not achieved; and

WHEREAS it is the desire of the Parties to terminate their rights and interests under the two agreements through this Agreement;

NOW THEREFORE the Parties hereby agree, represent and acknowledge as follows:

1. Zamage is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and has the corporate power and is and will be duly authorized, qualified, franchised, and licensed under all applicable laws, regulations, ordinances, and orders of public authorities to own all of its properties and assets and to carry on its business in all material respects as it is now being conducted, and there are no other jurisdictions in which it is not so qualified in which the character and location of the assets owned by it or the nature of the material business transacted by it requires qualification, except where failure to do so would not have a material adverse effect on its business, operations, properties, assets or condition. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated by this Agreement in accordance with the terms hereof will not, violate any provision of Zamage's articles of incorporation or bylaws, or other material agreement to which it is a party or by which it is bound.
2. Zamage has full power, authority, and legal right and has taken, or will take, all action required by law, its articles of incorporation, bylaws, or otherwise to execute and deliver this Agreement and to consummate the transactions herein contemplated. The board of directors of Zamage have authorized and approved the execution, delivery, and performance of this Agreement and the transactions contemplated hereby.
3. Except as disclosed prior to the signing of this Agreement, there are no material actions, suits, claims, or proceedings pending or, to the knowledge of Zamage or SPM, threatened by or against Zamage or SPM, or adversely affecting Zamage or SPM, at law or in equity.
4. Except as disclosed in writing prior to the signing of this agreement, SPM is not in default in any material respect under the terms of any outstanding contract, agreement, lease, or other commitment which is material to the business, operations, properties, assets, or condition of Zamage or SPM, and there is no event of default or other event which, with notice or lapse of time or both, would constitute a default in any material respect under any such contract, agreement, lease, or other commitment in respect of which Zamage or SPM has not taken adequate steps to prevent such a default from occurring.
5. The execution of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in the breach of any term or provision of, or constitute an event of default under, any material indenture, mortgage, deed of trust, or other material contract, agreement, or instrument to which Zamage or SPM is a party or to which any of its properties or operations are subject.
6. The AGREEMENT AND PLAN OF REORGANIZATION and the LETTER OF AGREEMENT between the parties are hereby rescinded pursuant to the terms herein and the terms set forth in said agreements.
7. Zamage agrees to return all books, records, and corporate documentation of SPM, acquired by Zamage pursuant to the transactions between the parties.
8. SPM agrees to return all books, records, and corporate documentation of Zamage, acquired by SPM pursuant to the

transactions between the parties.

9. To the extent they are found liable by a court of law or an administrative agency, Zamage will indemnify and hold harmless SPM and Pacific and their directors and officers, and each person, if any, who control SPM or Pacific within the meaning of the Securities Act of 1933, from and against any and all losses, claims, damages, expenses, liabilities, or actions to which any of them may become subject under applicable law (including the Securities Act and the Securities Exchange Act) and will reimburse them for any legal or other expenses reasonably incurred by them in connection with investigating or defending any claims or actions, whether or not resulting in liability, insofar as such losses, claims, damages, expenses, liabilities, or actions arise out of or are based upon any breach of contracts, or any illegal actions or inaction by Zamage while it operated as a public or private company, or upon any untrue statement or alleged untrue statement of material fact, oral or written, or arising out of or based upon the omission or alleged omission to state a material fact required to be stated therein, or necessary in order to make the statements not misleading, and made by or at the direction of, or which should have been made or at the direction of, any control person of Zamage while it operated as a public or private company, prior to the the date of this agreement. The indemnity agreement contained in this section shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of SPM or Pacific.

10. To the extent it is found liable by a court of law or an administrative agency, SPM and Pacific will indemnify and hold harmless Zamage, from and against any and all losses, claims, damages, expenses, liabilities, or actions to which it may become subject under applicable law (including the Securities Act and the Securities Exchange Act) and will reimburse it for any legal or other expenses reasonably incurred by it in connection with investigating or defending any claims or actions, whether or not resulting in liability, insofar as such losses, claims, damages, expenses, liabilities, or actions arise out of or are based upon any breach of contracts, or any illegal actions or inaction by SPM prior to the execution of the Agreement and Plan of Reorganization, or following the execution of this Agreement, or any untrue statement or alleged untrue statement of a material fact contained in any application or statement filed with a governmental body or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein, or necessary in order to make the statements therein not misleading, and made by or at the direction of, or which should have been made or at the direction of, SPM or its directors and officers, or any person, if any, who controls SPM within the meaning of the Securities Act of 1933, prior to the execution of the Agreement and Plan of Reorganization, or following the execution of this Agreement. The indemnity agreement contained in this section shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of Zamage.

11. Zamage agrees that all stock of SPM issued pursuant to the Agreement, other than stock subsequently sold to innocent third parties and bona fide purchasers, and other shares identified by SPM as validly issued, shall be canceled, and any shares issued to, in possession of or control of Zamage shall be returned to SPM prior to execution of this Agreement. In addition, copies of all records in the possession or control of Zamage related to stock transactions between SPM and any SPM shareholder shall be delivered to SPM prior to execution of this Agreement.

12. SPM agrees that all stock of Zamage transferred pursuant to the Agreement, shall be returned to Zamage commensurate with the execution of this Agreement, as set forth in Schedule 1 and Schedule 2 attached hereto. Any stock referenced in Schedule 2 that cannot be returned shall be set forth by Zamage pursuant to a separate schedule, with an explanation as to why the stock cannot be returned.

13. Zamage agrees, within 48 hours of the closing of this agreement, to identify all SPM stock sold, transferred, issued, pledged, promised, or alleged to have been promised by Zamage, and with respect to such stock, to identify or explain:

A. The basis for the issuance or the claim to issuance of the stock;

B. The use of proceeds, if any, from the issuance of the stock;

C. Any written documentation concerning such sale, transfer, issuance, promise, or pledge.

14. All debts and accounts payable of Zamage shall be the sole responsibility of Zamage, and Zamage agrees to indemnify SPM from any and all liability on any outstanding obligations to creditors of Zamage, and to notify as necessary any creditors of Zamage that Zamage is solely responsible for their debts and obligations.

15. All debts and accounts payable of SPM and Pacific shall be the sole responsibility of SPM and Pacific, respectively, and SPM and Pacific agree to indemnify Zamage from any and all liability on any outstanding obligations to creditors of SPM and Pacific, and to notify as necessary any creditors of SPM and/or Pacific that SPM and/or Pacific are solely responsible for their debts and obligations.

16. Pacific and SPM agree that upon receipt of the signed rescission agreement, they shall cause to be filed a Form 8-K with the SEC, and shall cause to be issued a press release and shareholder notice, setting forth the rescission and related information. In addition, Pacific and SPM shall file an amendment to the articles of incorporation of SPM changing the

name from Zamage Digital Imaging, Inc., and shall file any and all other documents necessary as a result of the signing of the rescission agreement with all necessary government entities, both federal and state, and shall send confirmation copies of all of the above-referenced documents to Zamage.

17. The parties agree that they will not disparage one another or any of their subsidiaries or affiliates and their respective officers, directors, employees, shareholders, suppliers, customers or promoters, and will not do anything to harm one another or any of their subsidiaries or affiliates or their respective businesses or to interfere with their respective relations with their officers, directors, employees, shareholders, suppliers, customers or promoters.

18. Nothing in this Agreement is intended to be, nor will be deemed to be, an admission of liability by any party that it has violated any state or federal statute, local ordinance, or principal of common law, or that it has engaged in any wrongdoing.

19. This Agreement supersedes all prior oral and written agreements and communications between the parties, and any and all claims which any party might have against the other are fully released and discharged by this Agreement.

20. This Agreement constitutes the entire agreement between the parties, and the parties agree that there were no inducements or representations leading to the execution of this Agreement except as stated in this Agreement.

21. In case any one or more of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained in this Agreement will not in any way be affected or impaired thereby.

22. This Agreement will be construed and interpreted in accordance with the laws of the State of Utah.

23. Any suit, action or proceeding between the parties with respect to this Agreement or any judgment entered by any court in respect of any thereof may be brought in the courts of the State of Utah or in the U.S. District Court for the District of Utah as a party hereto may elect, and the other party hereby accepts the nonexclusive jurisdiction of those courts for the purpose of any such suit, action or proceeding.

24. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, successors or assigns.

25. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Facsimile signatures shall be treated as originals.

DATED this ____ day of March, 2002.

Zamage Digital Imaging, Inc. SPM Group, Inc.

Pacific Management Services, Inc.

(1) All references to SPM Group, Inc. are to the public company, which is currently operated under the name Zamage Digital Imaging, Inc., but which shall revert to SPM Group, Inc. following the execution of this Agreement.

**ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF**

ZAMAGE DIGITAL IMAGING, INC.

Pursuant to the provisions of the Colorado Corporation Code, the Undersigned Corporation adopts the following amendment to the Articles of Incorporation.

The following amendment of the Articles of Incorporation was adopted by the shareholder consent on November 15, 2001, said articles are hereby amended and shall read as follows:

Article I

Name

The name of the corporation is Provectus Pharmaceutical, Inc.

Article IV

Capitalization

Section 1. The authorized capital of this corporation shall consist of the following stock: One hundred million (100,000,000) common shares, par value \$.001 per share. Each common share shall have equal rights as to voting and in the event of dissolution and liquidation. There shall be no cumulative voting by shareholders.

The number of shares outstanding at the time of adoption was 1,179,567; and the number of shares entitled to vote thereon was the same.

The number of shares represented at the meeting of the shareholders was 1,000,000. All shares voted in favor of the amendment. The shares represented a majority of the issued and outstanding shares. There were no shares voting against the amendment.

Effective the 1st day of April 2002

Kelly Adams

President

ARTICLES OF INCORPORATION

OF

PROVECTUS PHARMACEUTICAL, INC.

The undersigned, a natural person being more than eighteen years of age, acting as incorporator of a corporation pursuant to the provisions of the General Corporation Laws of the State of Nevada, does hereby adopt the following Articles of Incorporation for such corporation:

Article I

Name

The name of the corporation is Provectus Pharmaceutical, Inc.

Article II

Duration

The duration of the corporation is perpetual.

Article III

Purposes

The purposes for which this corporation is organized are:

Section 1. To engage in any lawful business or activity which may be conducted under the laws of the State of Nevada or any other state or nation wherein this corporation shall be authorized to transact business.

Section 2. To purchase or otherwise acquire, own, mortgage, sell, manufacture, assign and transfer or otherwise dispose of, invest, trade, deal in and with real and personal property, of every kind, class and description.

Section 3. To issue promissory notes, bonds, debentures and other evidences of indebtedness in the furtherance of any of the stated purposes of the corporation.

Section 4. To enter into or exercise contracts of any kind and character, sealed or unsealed, with individuals, firms, associations, corporations (private, public or municipal), political subdivisions of the United States or with the Government of the United States.

Section 5. To acquire and develop any interest in patents, trademarks and copyrights connected with the business of the corporation.

Section 6. To borrow money, without limitation, and give a lien on any of its property as security for any borrowing.

Section 7. To acquire by purchase, exchange or otherwise, all or any part of, or any interest in, the properties, assets, business and good will of any one or more persons, firms, associations or corporations either within or out of the State of Nevada heretofore or hereafter engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Nevada; pay for the same in cash, property or the corporation's own securities; hold, operate, reorganize, liquidate, sell or in any manner dispose of the whole or any part thereof; and in connection therewith, assume or guaranty performance of any liabilities, obligations or contracts of such persons, firms, associations or corporations and to conduct the whole or any part of any business thus acquired.

Section 8. To purchase, receive, take, acquire or otherwise acquire, own and hold, sell, lend, exchange, reissue, transfer or otherwise dispose of, pledge, use, cancel and otherwise deal in and with the corporation's shares and its other securities from time to time to the extent, in the manner and upon terms determined by the Board of Directors; provided that the corporation shall not use its funds or property for the purchase of its own shares of capital stock when its capital is impaired

or when the purchase would cause any impairment of the corporation's capital, except to the extent permitted by law.

Section 9. To reorganize, as an incorporator, or cause to be organized under the laws of any state of the United States of America, or of any commonwealth, territory, agency or instrumentality of the United States of America, or of any foreign country, a corporation or corporations for the purpose of conducting and promoting any business or purpose for which corporations may be organized, and to dissolve, wind up, liquidate, merge or consolidate any such corporation or corporations or to cause the same to be dissolved, wound up, liquidated, merged or consolidated.

Section 10. To do each and every thing necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the corporation.

Article IV

Capitalization

Section 1. The authorized capital of this corporation shall consist of the following stock: One hundred million common shares (100,000,000), par value \$.001 per share. Each common share shall have equal rights as to voting and in the event of dissolution and liquidation. There shall be no cumulative voting by shareholders.

Section 2. The shareholders shall have no preemptive rights to acquire any shares of this corporation.

Section 3. The common and preferred stock of the corporation, after the amount of the subscription price has been paid in, shall not be subject to assessment to pay the debts of the corporation.

Article V

Principal Office

The address of the registered office and registered agent of the corporation is Gateway Enterprises, 3230 E. Flamingo Road, Suite 156, Las Vegas, Nevada, zip code 89121, Clark county. The corporation may maintain such other office, either within or out of the State of Nevada, as the Board of Directors may from time to time determine or the business of the corporation may require.

Article VI

Directors

The corporation shall be governed by a Board of Directors. There shall be one (1) or more directors as to serve, from time to time, as elected by the Shareholders, or by the Board of Directors in the case of a vacancy. The original Board of Directors shall be comprised of one (1) person and the name and address of the person who is to serve as director until the first annual meeting of shareholders and until successors are elected is:

Kelly Adams

4685 S Highland Dr., Ste 202

Salt Lake City, UT 84117

Article VII

Indemnification

As the Board of Directors may from time to time provide in the By-laws or by resolution, the corporation may indemnify its officers, directors, agents and other persons to the full extent permitted by the laws of the State of Nevada.

Article VIII

Incorporator

The name and address of the incorporator is:

Kelly Adams

4685 S Highland Dr., Ste 202

Article IX

Controlling Interest

The provisions of NRS 78.378 to 78.3793 inclusive shall not be applied to any acquisition of a controlling interest in the corporation.

Dated this 1st day of April, 2002.

Kelly Adams

CERTIFICATE OF ACCEPTANCE OF APPOINTMENT BY RESIDENT AGENT

In the matter of Provectus Pharmaceutical, Inc., Gateway Enterprises, with the address at 3230 E. Flamingo Road, Suite 156, Las Vegas, Nevada 89121, Clark county, hereby accepts the appointment as Resident Agent of the above entitled corporation in accordance with NRS 78.090.

FURTHERMORE, the mailing address for the above registered office is the same as the above address.

In witness whereof, the duly authorized officer has hereunto set his hand this 1st day of April, 2002.

Gateway Enterprises

Resident Agent

By: _____

NRS 78.090 Except during any period of vacancy described in NRS 78.097, every corporation must have a resident agent, who may be either a natural person or a corporation, resident or located in the state. Every resident agent must have a street address, where he maintains an office for the service of process, and may have a separate mailing address such as a post office box, which may be different from the street address. The address of the resident agent may be any bank or banking corporation, or other corporation, located and doing business in this state. This certificate of acceptance must be filed at the time of the initial filing of the corporate papers.

ARTICLES OF MERGER

OF

PROVECTUS PHARMACEUTICAL, INC.

(A Colorado Corporation)

INTO

PROVECTUS PHARMACEUTICAL, INC.

(A Nevada Corporation)

The Undersigned, being sole Director of Provectus Pharmaceutical, Inc., a Colorado Corporation, and the sole officer and director of Provectus Pharmaceutical, Inc., a Nevada Corporation, hereby certify as follows:

A merger for the purpose of changing domicile has been approved by the Board of Directors of Provectus Pharmaceutical, Inc., a Colorado corporation, and Provectus Pharmaceutical, Inc., a Nevada corporation. The Plan of Merger is located at the registered office of the surviving corporation.

Shareholders owning 1,000,000 of the shares of common stock of Provectus Pharmaceutical, Inc., a Colorado corporation, voted in favor of such merger on November 15, 2001, which number of shares is a majority of the 1,179,567 shares outstanding and are sufficient in number for approval. The sole shareholder of Provectus Pharmaceutical, Inc., a Nevada corporation, voted for such a plan of merger on April 1, 2002.

A Notice, including a summary of the merger, was mailed to all shareholders of the Colorado corporation on or about November 5, 2001.

Provectus Pharmaceutical, Inc., a Nevada corporation, hereby agrees that it will promptly pay to the dissenting shareholders, if any, of Provectus Pharmaceutical, Inc., a Colorado corporation, the amount, if any, to which they shall be entitled under the provisions of the Colorado Corporation Statutes with respect to the rights of dissenting shareholders.

Effective the 1st day of April, 2002.

PROVECTUS PHARMACEUTICAL, INC. PROVECTUS PHARMACEUTICAL, INC. A Colorado Corporation A Nevada Corporation

By: _____ By: _____

Kelly Adams, President/Secretary Kelly Adams, President/Secretary

BYLAWS OF

Provectus Pharmaceutical, Inc.

ARTICLE 1

Corporate Identification

- 1.01. **Name.** The corporation shall transact business under the name of Provectus Pharmaceutical, Inc.
- 1.02. **Corporate Offices.** The Corporation shall maintain such offices, within or without the State of Nevada, as the Board of Directors may from time to time designate. The location of the principle office may be changed by the Board of Directors.
- 1.03. **Seal.** The Board of Directors shall provide for a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the corporation, the state of incorporation, and the words "Corporate Seal."
- 1.04. **Fiscal Year.** The fiscal year of the corporation shall begin on the 1st day of January, and shall end on the 31st day of December.

ARTICLE 2

Shareholders

- 2.01. **Place of Meetings.** Meetings of the shareholders of the corporation shall be held at the principal office of the corporation, unless all shareholders entitled to vote agree in writing to meet elsewhere.
- 2.02. **Annual Meetings.** The annual meeting of the shareholders shall be held at 10:00 o'clock a.m. on the first Tuesday of April each year. If this day is a legal holiday, then the meeting shall be held on the first following day that is not a legal holiday. A failure to hold the annual meeting shall not impair the ability of the corporation to act or transact business.
- 2.03. **Special Meetings.** Special meetings of the shareholders may be called by the President or by the Board of Directors, and shall be called by the President upon the signed written request of the holders of ten percent or more of the outstanding shares of the corporation entitled to vote at the meeting. Only business within the purpose or purposes described in the notice of the meeting may be conducted at a special meeting of the shareholders.
- 2.04. **Action Without Meeting.** Any action required or permitted to be taken at a meeting of the shareholders, may be taken without a meeting if a consent, in writing, setting forth the action so taken is signed by a majority of the shareholders who would have been entitled to vote on the action had a meeting been held.
- 2.05. **Notice of Meetings.** Written notice stating the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or mailed to each shareholder who is entitled to vote at the meeting with the written or printed signature of the President and Secretary subscribed thereto, not less than ten nor more than sixty days before the date of the meeting. A waiver of the notice of any meeting, in writing, signed by the person entitled to the notice, whether before, at, or after the time stated therein, shall be deemed equivalent of such notice. Attendance by a shareholder, without objection to the notice, whether in person or by proxy, at a shareholders' meeting shall constitute a waiver of notice of the meeting.
- 2.06. **Closing of Transfer Books.** For the purposes of determining the shareholders who are entitled to notice of or to vote at a meeting of shareholders or an adjournment thereof, or the shareholders who are entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the corporation may provide that the stock transfer books shall be closed for a stated period not to exceed fifty days. If the stock transfer book shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty days and, in the case of a meeting of shareholders, not less

than ten days prior to the date on which the particular action requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of shareholders, or of shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of closing has expired.

2.07. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order with the address of, and the number of shares held by each shareholder, which list, for the period between its compilation and the meeting for which it was compiled, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any shareholder at any time during normal business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any shareholder during the meeting. The original stock transfer book shall be prima facie evidence of the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

2.08. Quorum and Voting. A majority of the outstanding shares of the corporation entitled to vote, when represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time (but not to exceed sixty days) without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally scheduled. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of shareholders sufficient to leave less than a quorum. Unless a greater vote on a particular matter is required by law, by the Articles of Incorporation, or by these Bylaws, a majority vote of the shares present and entitled to vote shall carry any action proposed or voted on at a shareholders' meeting.

2.09. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's authorized attorney in fact. Such proxy may be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

2.10. Voting of Shares by Certain Holders. Shares standing in the name of another corporation may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provisions, as the Board of Directors of such corporation may determine, provided, however, that no shares held by another corporation, the election of whose directors is controlled by this corporation, shall be entitled to vote.

Shares held by an administrator, executor, guardian, or conservator may be voted by such person, either in person or by proxy, without a transfer of such shares into such person's name. Shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but a trustee shall not be entitled to vote shares so held without a transfer of such shares into the trustee's name.

Shares standing in the name of a receiver may be voted by the receiver, and shares held by or under the control of a receiver may be voted by the receiver without the transfer thereof into the receiver's name if the authority to do so is contained in an appropriate order of the court by whom the receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

ARTICLE 3

Board of Directors

3.01. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors, except as otherwise provided by law or by the Articles of Incorporation.

3.02. Number, Tenure, and Qualifications. The number of directors of the corporation shall be no less than one and no more than five. The number of directors may be changed only as provided in the Articles of Incorporation. Each director

shall hold office until the next annual meeting of the shareholders and until his or her successor shall have been elected and qualified. Directors need not be residents of any particular state or shareholders of the corporation.

3.03. Regular Meetings. A meeting of the Board of Directors shall be held without notice other than this provision immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

3.04. Special Meetings; Notice. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, wherever located, as the place for holding a special meeting of the Board of Directors called by them. Written notice of a special meeting shall be given to each director at least two days prior to a special meeting, except that if the written notice is mailed to a director or is given by telegram at least four days prior notice must be given, which notice shall be deemed given when mailed or telegraphed. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.05. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent setting forth the action so taken is signed by all of the directors that would have been entitled to vote on the action had a meeting been held.

3.06. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority be present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The directors present at a meeting may continue to transact business until adjournment notwithstanding the withdrawal of directors sufficient to leave less than a quorum.

3.07. Voting Requirements. Except as otherwise provided by law, in the Articles of Incorporation, or in these Bylaws, a majority vote of the directors present at a meeting at which a quorum is present shall be required for an act or resolution under consideration to constitute an act or resolution of the Board of Directors.

3.08. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors until an annual meeting is held and new directors are elected by the shareholders. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of shareholders or at a special meeting of shareholders called for that purpose. A director chosen to fill a vacancy resulting from an increase in the number of directors shall hold office until the director's successor shall have been elected and qualified.

3.09. Compensation. By resolution of the Board of Directors the directors may be paid their expenses, if any, for attendance at any meeting of the Board of Directors, and, if such compensation is approved by a majority vote of the shareholders entitled to vote, may be paid a fixed sum for attendance at any meeting of the Board of Directors or a stated salary as director. No payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

3.10. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the dissent of the director shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action before adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of the action dissented to.

3.11. Removal of Directors. At a special meeting of the shareholders called expressly for that purpose, Directors may be removed in the manner provided in this section. One or more directors or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors. No director may be removed if the votes cast against a director's removal would be sufficient to elect the director if cumulatively voted at an election of the entire Board of Directors. A director shall be entitled to receive notice of and a hearing with respect to his or her removal for cause.

3.12. Standards of Conduct. A director shall discharge his or her duties as a director, including his or her duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and in a manner that he or she reasonably believes to be in the best interests of the corporation.

In discharging his or her duties a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(1) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(2) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

A director is not acting in good faith if the director has knowledge concerning the matter in question that makes otherwise permissible reliance unwarranted.

A director is not liable for any action taken as a director, or any failure to take any action, if he or she performed the duties of office in compliance with this section.

ARTICLE 4

Officers

4.01. Number, Election and Tenure. The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. All officers of the corporation shall serve at the pleasure of the Board of Directors for the compensation fixed under Section 4.09 of these Bylaws. Any two or more offices may be held by the same person, except as otherwise provided by law.

4.02. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, with or without cause, by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.03. Vacancies. Whenever a vacancy shall occur in any office by reason of death, resignation, increase in number of offices of the corporation, or otherwise, the vacancy shall be filled by the Board of Directors, and the officer so elected shall hold office as provided in Section 4.01 of these Bylaws.

4.04. President. The President shall be the principal executive officer of the corporation, and, subject to the control of the Board of Directors, shall have general control of the business, affairs, and property of the corporation, and control over its agents, officers, and employees. The President shall, when present, preside at all meetings of the shareholders and of the Board of Directors, and shall perform such other duties and exercise such other powers as from time to time may be assigned to the President by these Bylaws or by the Board of Directors.

4.05. Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as from time to time may be assigned to the Vice President by these Bylaws or by the Board of Directors.

4.06. The Secretary. The Secretary shall: (a) keep the minutes of the shareholders' meetings and of the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws as required by law; (c) be the custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal, is duly authorized; (d) keep a register of the address of each shareholder, which shall be furnished to the secretary by such shareholder; (e) sign with the President, or the Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Directors.

4.07. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever; (c) deposit all monies received in the name of the corporation in the banks or other depositories as shall be selected in accordance with the provisions of Article 5 of these Bylaws; and (d) perform the duties as from time to time may be assigned to the Treasurer by the President or the Board of Directors.

4.08. Assistant Secretaries and Treasurers. One or more Assistant Secretaries or Assistant Treasurers may be appointed by the Board of Directors. Such persons shall have such duties as from time to time may be assigned to them by

the Board of Directors, the President, or the Secretary or Treasurer, as the case may be.

4.09. **Compensation.** The compensation of the officers shall be fixed or approved from time to time by the Board of Directors and no officer shall be prevented from receiving such compensation by reason of the fact that the officer is also a director of the corporation.

ARTICLE 5

Contracts, Loans, Checks, Deposits, and Official Books and Records

5.01. **Contracts.** The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific matters.

5.02. **Loans.** No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. The Board of Directors shall have the following power with respect to the lending of funds:

(a) Loans of Funds, Generally. To lend money in furtherance of any of the purposes of the Corporation; to invest and reinvest the funds of the Corporation from time to time; and to take and hold any property as security for the payment of funds so loaned or invested.

(b) Loans to Employees and Directors. If approved by the holders of a majority of the voting shares, to lend money and use its credit to assist any employee or director of the Corporation, if the Board of Directors determines that such loan or assistance may benefit the Corporation.

5.03. **Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation shall be signed by such officer or agent of the corporation and in such manner as shall from time to time be determined by a resolution of the Board of Directors.

5.04. **Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks or other depositories as the Board of Directors may by resolution select.

5.05. **Official Books and Records.** The official books and records of the corporation shall consist of the minute book, the stock book, the stock transfer book, and the books and records of account. The Secretary shall be responsible for their upkeep and safekeeping. Any shareholder, either in person or by representative, shall have the right to inspect and make copies or extracts of the official books and records at any reasonable time for any lawful purpose.

ARTICLE 6

Capital Stock

6.01. **Certificates for Shares.** Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President or the Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and the date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificates shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

6.02. **Consideration for Shares.** The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the Corporation. When payment of the consideration for which shares are to be issued shall have been received by the Corporation, such shares shall be deemed to be fully paid and nonassessable. In the absence of fraud in the transaction, the judgment of the Board of Directors as to the value of the consideration received for shares shall be conclusive. No certificate shall be issued for any share until the share is fully paid.

6.03. **Issuance of Shares.** Shares of capital stock of the corporation shall not be issued except on a majority vote of the Board of Directors. The vote of each director shall appear in the written minutes of each Board of Directors' meeting in which the issuance of shares was approved.

6.04. **Dividends.** The holders of the capital stock of the Corporation shall be entitled to receive, when and as declared by the Board of Directors, solely out of unreserved and unrestricted earned surplus, dividends payable either in cash, in

property, or in shares of capital stock. No dividends shall be paid upon the capital stock in any medium if the source out of which it is proposed to pay the dividend is due to or arises from unrealized appreciation in value or from a revaluation of assets, or if the Corporation is, or is thereby rendered, incapable of paying its debts as they become due in the usual course of its business.

6.05. **Uncertified Shares.** Shares of the capital stock of the Corporation shall not be issued without a certificate.

ARTICLE 7

Amendments

7.01. **Amendment.** These Bylaws may be amended or repealed, and new bylaws may be adopted, by the holders of a majority of the voting shares at any annual or special meeting or by a majority vote of the Board of Directors at any regular or special meeting, except that the shareholders in amending or repealing a particular bylaw may provide that the Board of Directors may not amend or repeal that bylaw.

Accepted and Adopted by the Board of Directors on the 1st day of April 2002.

By: _____

Kelly Adams, President