

## Encompass Holdings, Inc. Restructures Stock Issue to Meet New Funding Requirements

RENO, NV, June 14, 2010 (GLOBE NEWSWIRE) -- Encompass Holdings, Inc. (Pink Sheets: [ECMH.PK](#) - [News](#)), [www.encompassholdings.com](http://www.encompassholdings.com), reported today that it has begun the process and has received initial approval to restructure its Class A Common Shares by a factor of 1 new share for every 30 existing shares.

The Encompass Board of Directors, in order to meet the requirements for the new funding necessary to meet its business objectives, unanimously voted to reduce its issued and outstanding common stock from approximately 740 million shares to just under 25 million shares; a reduction factor of 1 for 30. The exact numbers of new shares will be determined when the actual share adjustment is completed.

The new funding will be used to meet the requirements of the Encompass subsidiaries, Rotary Engines Technologies, Inc., (rotary engines) Aqua Xtremes, Inc., (XBoards) and Quadrant Data Systems, Inc. (additional virtual platform hardware purchases) as previously described in the Encompass press release of May 20, 2010.

Scott Webber, CEO and a Director of Encompass, stated, "This new funding is an absolute requirement for our businesses to succeed. Having reached our total Authorized Shares, we had no other options other than increasing the authorized shares or decreasing the issued and outstanding shares. If we would have increased the authorized shares, we would continue to see 10s of millions of share conversions at sub-penny prices. However, by reducing the issued and outstanding shares, the existing convertible debt held by the NIR Group can be paid down more quickly and with fewer shares and less dilution by maintaining a lower float and a better share price. A share reverse, as opposed to an authorized share increase, results in lower share conversion numbers with each debt conversion."

Webber continued, "We are just as concerned about the impact of our actions on our existing shareholders as we are in meeting our obligations to our creditors. Our future success depends on receiving these new funds to rapidly complete our business initiatives. We know the challenges and the importance of maintaining the new share prices after this action takes effect. We believe that this new funding will give us the ability to meet that challenge to support the share price and values our existing shareholder base deserves. Our new investors are very positive about our actions and the future of Encompass."

Forward-looking statements in this news release are made under the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Certain important factors could cause results to differ materially from those anticipated by the forward-looking statements, including the impact of changed economic or business conditions, competition, the success of existing and new product releases and other risk factors inherent in product development and other factors discussed from time to time in reports filed by the company with the Securities and Exchange Commission.

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