EXHIBIT 3
DATE 2-16-05
HB 638

On September 1st I sent in the application for a new license for the salon as we had been asked to move the business. On September 23rd, I wrote a letter to state board enclosing a floor plan and a request for a variance so that we could obtain a temporary license. From September 20th to November 10th Beach Bumz tanning and salon was unable to open for business due to fact that we were unable to get the temporary license from State Board of Cosmetology. We were told that we would not be able to have a variance granted to us until the Board met at their next regular meeting which was set for January!

On the 6th of October Charity and I went to Senator Max Baucaus office and told them of our situation. We were told to write a letter to the Senator explaining everything . I wrote that letter and have a copy .

On November 4th, a phone conference was set up with the board and Charity. After asking her questions they said that they would approve the variance asked for and issue us a temporary license until the salon could be inspected. I have written a letter to the Senators office thanking him for getting into this issue and notifying them.

Had we not persued this issue we would not have gotten the license at that time and we would not have been able to open the salon for business.

In the waiting of the opening we lost a large amount of clients and professional personal as well as a large amount of money. I stayed at the salon to answer the phone and take appointments for the tanning section for 3 months without pay. After the holidays I could no longer keep this up and had to get another job and one where I was making a salary. I have since been employed at Sally Beauty Supply. I go to the salon when I am needed and when I have extra time off.

Charity has not been able to regroup from this loss meaning that she has not been able to pay back the amount borrowed for getting the new salon set up, with the remodeling and new equipment etc.

At the present time we have 2 part time stylists and one nail tech. We are in need of 3 more stylists and 2 nail techs, part time or 3 full time stylists and 2 nail techs.

I am not totally against state board as they are there or I should say the laws are there for our protection in many ways. But I feel that they need to be there to help the hairdressers not go against them with the on going businesses as well as the new ones that are starting. The businesses are the back bone of the people and that is what a lot of us depend on as for a living.

As I stated in the letter to the senator I feel that the issue with the variance and everything involved was blown clear out of line and was of no help to us whatsoever.

I do hope that the rules can be changed to assist the stylist in the future so that this doesn't happen to them and have them go thru what we just went thru. It is totally unrealitic to have this come up for anyone in a business or occupation.

September 23,2004

Board of Cosmetologists
PO Box 200513
Helena, Montana 59620-0513

To Whom it May Concern,

Beach Bumz Tanning and Salon of 801 Grand Ave.
Billings, Montana has relocated to 645 Grand Ave.
Billings, Montana.
We have enclosed a floor plan of the salon and due to the fact that the restroom is (1)One foot outside the side door in an adjoining hallway, we are asking for a variance for a license to be issued to this salon after inspection has been done. We are currently licensed at the 801 Grand Ave location.
Your consideration and reply to this matter is very much appreciated as soon as possible as we would like to resume our business.

Thank You,

The staff of Beach Bumz tanning
And Salon.

Beach Bumz Tanning and Salon
645 Grand Avenue, suite A
Billings, Montana 59101

Senator Max Baucus
222North 32nd st
Billings, Montana 59101

October 7, 2004

Dear Senator Baucus.

I am writing in regards to a problem with the licensing department of Barbers and Cosmetology.
We had a tanning and beauty salon at 801 Grand Avenue in Billings. On the first of September of this year we moved to another building just 2 blocks away to 645 Grand Avenue, as we were asked to move as the landlord wanted someone else in the building that would pay more money per month in rent. In doing so we borrowed and spent thousands of dollars doing the remodeling and paying contractors and getting all new equipment for this salon to make it a nicer and better place for our customers and to add more services. We are now a full service salon for the family.
The state of Montana will not transfer a license from one building to another and we know that . We applied for a new one and sent all the necessary paper work to them including a check.. papers that were notarized . floor plan..and a letter asking for a variance from the Board as the restroom in this area is ONE foot beyond the side door of the salon going to other offices. Due to the fact that the restroom is not in the same area as the salon we had to do this for the board. The Board was to meet on October 4, 2004. I made sure that the letter and paperwork reached there for their meeting which they received it on October 1,2004. Before hand we called and asked if it was alright to send the letter and application and they said yes that would be fine as it would reach them in time and that would be all that we needed. At this time I talked to a Mr. Jason Steffins.
On October 5,2004 I called the state board office to see what the outcome of the meeting was. A gentleman by the name of Royce said that the paperwork was returned to us and not read in the meeting as it didn't get there in time.. that it should have been there 10 days in advance. There is nowhere in the regulation book that says that this is the case. He said that we needed to

show proof of insurance and another floor plan showing the adjoining offices that use the restroom. I said that this would not be a problem. I then asked if it would be approved at the next board meeting. I asked when the next one would be,,, ASSUMING that it would be next month.. Well he said that they don't meet again until in January of 2005 and that it would be brought up then and we would have to wait for the license then because of the variance.

Now I think that is totally unrealistic and unheard of to have us wait that long before we can be back in service. We cannot expect our hairdressers and nail techs to sit and wait that long so therefore we will have lost all of them and the business that they bring in to the salon. We have worked very hard to get this salon in the shape that it is today. We cannot go 3 months without an income . Could you?

As I have said we have spent thousands of dollars getting this business off the ground and many hours of very hard work. We cannot afford to be shut down this long., and expect to regroup from this. We have an investor that needs to be paid back on a regular base.

The state board book states that it can issue a temporary license for 90 days or until the salon can be inspected. I do not know why they cant do this regardless of the request for the variance. There has to be a way that the board can work with us on this issue. We have already been licensed and up to date 2BLOCKS away!!.

The staff and I would appreciate anything that you can do to help us in this matter, and I thank you for your time to read this letter.

Sincerely,

Beach Bumz Tanning and Salon and
The Entire staff

November 5,2004

Senator Max Baucaus
222 North 32nd Street
Billings, Montana 59101

Dear Senator Baucaus,

I would like to Thank You for the time and efforts and phone calls and output on the issue of our Beauty Salon and the license with the State Board. We could not have gotten it without your help.
As you know we had a phone conference with the state board of cosmetology yesterday and after a brief discussion.. they accepted our variance and will be sending out the license this week. It is a temporary one until they can come and do the inspection, Im sure and that's fine. We just need to get OPEN!
I would like to go to Helena and try to voice my opinion in this matter . Someday I would like to serve on that Board.
Thank you again.
Bunny Kouf & Charity Stuart
Beach Bumz Tanning&Salon
245 Grand Ave.
Billings, Montana 59101