

FINANCIAL RESOURCES, INC.

Balance sheet

June 30, 2001

ASSETS

Cash and cash equivalents	\$ 58,150
Current portion of notes receivable, unsecured	521,682
Current portion of mortgage notes receivable, First mortgage	5,001
Current portion of mortgage notes receivable, Second mortgages	41,175
Current portion of notes receivable, Factoring with recourse	821,200
Note receivable, related party	<u>126,800</u>
	1,574,008
Property and equipment, at cost	22,588
Less - accumulated depreciation	<u>11,275</u>
	11,313
Non-performing notes and mortgage receivables	521,751
Less - allowance for non-performing loans	<u>390,177</u>
	131,574
	<u>1,716,895</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Demand notes payable	942,175
Accounts payable	14,175
Accrued expenses	<u>2,176</u>
Total current liabilities	958,526

STOCKHOLDERS' EQUITY

Common stock - \$1 par value, 15,000 shares Authorized, 15,000 shares issued and Outstanding.	15,000
Preferred stock, \$1,000 par value, 93 shares Authorized, issued and outstanding.	146,000
Retained earnings	<u>597,369</u>
	758,369

Nancy O'Connor
NANCY O'CONNOR

1,716,895

Original Returned For
Notary & Seal

My Commission expires December 6, 2005
These are true to the best of my knowledge.

Scott D. Farah
Scott D. Farah, Pres.

Exhibit to: