

existing shareholders had committed to invest an aggregate of \$55,000, approximately, under the original terms of the Offering Memorandum. In response to the letter of June 1, 2002, FSFR will be able to raise an additional \$85,000, and FSFR's escrow agent has already received these additional funds.

6. Based on advice from legal counsel, FSFR proposes to complete the revised offering by a procedure involving use of a holding company to which one of the principals will transfer shares, with the holding company acting as the issuer for the new investors with the holding company subsequently being amalgamated with FSFR to produce the desired shareholdings.

7. FSFR intends to modify the terms disclosed in the Offering Memorandum as follows:

(a) revise the closing date offering to a date that is consistent with this Order;

(b) revise the offering such that, based on an investment of \$10,000, the investor is entitled to receive such number of common voting shares in FSFR that would, upon certain corporate reorganizations involving a holding company, entitle the investor to a .6666% (per \$10,000) holding of FSFR assuming an aggregate issuance of 30,000,000 shares in FSFR; and

(c) inform the investors of any material changes since the date of the original Offering Memorandum.

(F) FSFR needs sufficient time to incorporate a holding company and to roll a portion of the principals' shares in FSFR into that holding company and to provide an amended Offering Memorandum to each investor of the offering; and

(G) In the opinion of the Commission it would not be prejudicial to the public interest to grant the Order requested;

IT IS ORDERED:

1. THAT, pursuant to Section 20 of the Act, FSFR is exempted from Clause 91(b)(ii) of the Regulations to the Act with respect to the Offering subject to the following conditions:

(a) the Offering may continue until September 16, 2002; and

(b) this Order shall remain in effect until September 16, 2002.

2. THAT the fee for this order is \$350.00.

BY ORDER OF THE COMMISSION

Director – Legal