

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Prime Resource, Inc.

(Name of small business issuer in its charter)
(Previously Prime Resource, LLC)

Utah 6411 04-3648721

(State of jurisdiction of (Primary Standard Industrial (I.R.S. Employer
incorporation or organization) Classification Code Number) Identification No.)

22 East First South, Fourth Floor, Salt Lake City, Utah 84111 (801) 521-8636

(Address and telephone number of principal executive offices)

22 East First South, Fourth Floor, Salt Lake City, Utah 84111 (801) 521-8636

(Address of principal place of business or intended principal place of business)

Mr. Julian D. Jensen, Attorney at Law, 311 S. State
Suite 380, Salt Lake City, Utah 84111
(801) 531-6600

(Name, address and telephone number of agent for service)

Approximate date of proposed sale to the public: As soon as possible after the effective date of this Registration.

If this Form is filed to register additional securities for an offering pursuant to rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [] Not currently applicable.

If this Form is a post-effective amendment filed pursuant to Rule 4629(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [] Not currently applicable.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [] Not currently applicable.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box [] Not currently applicable.

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Title of each class of securities to be registered (Rounded)	Dollar amount to be registered to maximum	Proposed maximum offering price per share	Proposed maximum aggregate offering. (1)
----- <S> <C> Common voting stock, \$198.00 150,000 (1) to be registered, no par	<C> Max: \$750,000	<C> \$5.00/share	<C> \$750,000

</TABLE>

(1) Determined pursuant to Rule 457(c) under the Securities Act of 1933, as amended, on the basis of no market price, but upon the basis of the current offering price (\$5.00/share), for the maximum number of shares to be sold for cash.

SUBJECT TO COMPLETION. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE AN AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

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PROSPECTUS

PRIME RESOURCE, INC.
A UTAH CORPORATION
22 EAST FIRST SOUTH, FOURTH FLOOR
SALT LAKE CITY, UTAH 84111
(801) 521-8636

150,000 SHARES OF COMMON STOCK OFFERED

50,000,000 AUTHORIZED
2,800,000 CURRENTLY ISSUED

Prime is registering for public sale a maximum of 150,000 common shares at \$5.00/share (\$750,000) or a minimum of 100,000 shares (\$500,000), fifty million shares authorized, no par. No shares of the existing shareholders (2,800,000 shares) are being registered. The offering will remain open for up to six months from the effective date of the prospectus, being the date appearing below. Proceeds will be placed in a segregated offering account until the minimum offering is sold or the offering is terminated. See Terms of Offering.

Our common stock is not currently listed on any national securities exchange or by the NASDAQ over-the-counter stock market.

INVESTORS IN THE COMMON STOCK SHOULD HAVE THE ABILITY TO LOSE THEIR ENTIRE INVESTMENT SINCE AN INVESTMENT IN THE COMMON STOCK IS SPECULATIVE AND SUBJECT TO MANY RISKS. SEE "RISK FACTORS," Page 8.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Date of this Prospectus: May __, 2002

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(Part II Table will not appear in Prospectus only copy; and page numbering will be modified)

SUMMARY OF THE OFFERING

The Company:

Prime Resource, Inc. was incorporated in Utah on March 29, 2002. Prime Resource, Inc. is a successor entity to a Utah limited liability known as Prime Resource, LLC, ("Prime LLC"). The principals of Prime remain essentially the same as those in Prime LLC. Prime LLC was organized in October, 1998 and has acted since inception as a parent company for its two operating subsidiaries, Belsen Getty, LLC and Fringe Benefits Analysts, LLC. These subsidiaries, in turn, are both Utah limited liability companies. Belsen Getty since 1985 has been engaged in corporate and personal financial consulting, business planning and related business and investment advisory services. Fringe Benefits Analysts since 1985 has been primarily a benefits consultant and a broker of group insurance products. The nature of these types of businesses and entities are further explained in the following paragraph. Prime, at the conclusion of this offering, would intend to operate the same type of business as presently engaged in through Belsen Getty and Fringe Benefits Analysts as a public entity. The purposes of this offering will be to sell up to 150,000 common shares to raise additional capital to expand and, hopefully, increase the revenues and profitability of the existing business operations as more particularly described in this offering. In the event of the maximum offering, the public shareholders purchasing in this offering would acquire approximately 5% of the to be issued and outstanding shares, or approximately 3.5% in the event of the minimum offering. In either event, the public shareholders acquiring through this offering will be substantial minority shareholders and will most likely never be in a position to exert any influence over the direction or control of Prime. Prime is presently a small operating company through its two subsidiaries, whose business and functions are described in more detail below and under the "Business Section" of this offering. We anticipate maintaining our principal operations in Salt Lake City, Utah and will primarily provide our services in the Intermountain area of the United States.

Nature and Operation of Subsidiaries:

As briefly noted above, Prime Resource, Inc., which is the successor to Prime Resource, LLC, will not directly engage in any business activities, but will act as a parent corporation to its two operating subsidiaries, Belsen Getty, LLC and Fringe Benefits Analysts, LLC. The "LLC" designation stands for Limited Liability Company. You should understand, as a prospective investor in this offering, that an LLC is a relatively new form of business entity created by statute in Utah and other jurisdictions whereby the company operates very much in the nature of a partnership with decisions being collectively made by its members (owners) and with day-to-day operations usually handled by a

manager. There is limited liability to the members and the manager arising out of legitimate business activities. The earnings, if any, for this type of entity are not charged or taxed at the LLC level, but pass through to the owners known as members. In this case, the only owner is Prime, which will receive all net profits, if any, generated by Belsen Getty and Fringe Benefits Analysts. It should also be noted that limited liability companies, unlike the parent corporation, are not perpetual entities but have a fixed term. In this case, the existence of the operating entities, Belsen Getty and Fringe Benefits, will terminate not later than December 31, 2021. If Prime is still successfully operating at the time of the expiration date of these entities, it would be intended that the assets and operations of such entities would be rolled over into a new LLC or other form of business entity. This contingency should not have a significant impact on the economic welfare of Prime. You should also understand, however, that you are not acquiring a direct interest in the operating subsidiaries but only in the parent company. Prime will direct and control the ownership and operation of the subsidiaries for and on behalf of the shareholders as the sole owner. By way of brief description, Belsen Getty is a business consulting and financial management company which provides investment management, financial planning and pension and retirement planning for various individual and business clients. In these capacities, it often provides investment advice. Belsen Getty has been in operation since 1985. Its revenues are primarily fee based. Since 1985 Fringe Benefits Analysts has been primarily a business insurance provider of health, life, dental and disability insurance coverages. Both entities concentrate their business activities in the state of Utah, though they have various clients throughout the western United States. The managers for the entities are Mr. Terry Deru for Belsen Getty and Mr. Scott Deru for Fringe Benefits. These entities, their relationship and their management are more fully described under the "Description of Business" section.

The Offering:

Prime is attempting to sell a very limited number of its shares to the public as a self underwriting, without commissions. Up to 5% of the to be issued and outstanding shares in the company may be sold at an offering price of \$5.00/share. The maximum offering would be \$750,000 from the sale of 150,000 shares and the minimum offering would be the sale of 100,000 shares at \$5.00/share for \$500,000. We, Prime Management, will place the offering proceeds into a segregated subscription account for a period up to 180 days from the effective date of the offering (the date appearing on the prospectus cover). If the minimum offering is not fully subscribed by the end of that offering period, investors will be returned their subscription without deduction or interest. Prime may elect to close the offering at any time after the minimum is sold within the offering term up to the maximum offering. There is no assurance or warranty that the company will be successful in the sale of its public shares. See "Terms of the Offering".

Trading Market

To date Prime has not obtained any trading symbol, nor have its shares been Symbol qualified or registered for trading by the National Association of Securities Dealers (NASDAQ) in the over-the-counter markets. It is intended that we, concurrently with this registration, will apply to one or more broker/ dealers for listing on the NASDAQ Electronic Bulletin Board, but can give no assurance or warranty that the shares will be qualified for trading on any over-the-counter market. In all events, there may be a very limited or non-existent public trading market for Prime's shares. See "Risk Factors".

Summary
Financial Data:

The following summary financial data should be read in conjunction with, and is subject to, the complete Financial Statements, and notes, included elsewhere in

this Prospectus. The operating data and the balance sheet data was derived from Prime's predecessor entity, Prime LLC's Financial Statements, included elsewhere in this Prospectus. These results do not necessarily indicate the results to be expected for any future period.

CONSOLIDATED BALANCE SHEET			
DATA: (Predecessor Entity, Prime, LLC.)			
	December 31st (Audited)		March 31, 2002 (Unaudited)
	2001	2000	
Assets	\$ 580,128	\$ 660,615	\$ 437,628
Liabilities	\$ 360,805	\$ 162,416	\$ 245,431
Members' Equity	\$ 220,338	\$ 498,199	\$ 193,604
Accumulated Other Comprehensive Loss	\$ (1,015)	--	\$ (1,407)
Total Liabilities, Members' Equity, and Accumulated Other Comprehensive Loss	\$ 580,128	\$ 660,615	\$ 437,628

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STATEMENT OF CONSOLIDATED OPERATIONS DATA:
(Predecessor Entity--Prime LLC)

	Years Ended December 31st (Audited)		Three Months Ended March 31st (Unaudited)	
	2001	2000	2002	2001
Revenues:				
<S> Commissions	\$1,557,246	\$1,498,016	\$ 434,852	\$418,578
Investment Advisory Fees	449,031	707,537	89,988	156,197
Interest and Dividends	15,204	7,716	3,278	1,731
	2,021,481	2,213,269	528,118	576,506
Expenses:				
Operating	2,057,452	1,957,107	667,677	496,089
Interest	674	662	175	169
	2,058,126	1,957,769	667,852	496,258
Net Income (loss)	(36,645)	255,500	(139,734)	80,248
Comprehensive Income (Loss)	(\$37,660)	\$255,500	\$ (140,126)	\$80,248

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RISK FACTORS

The following constitutes what we believe to be the most significant risk factors in this offering. No particular significance should be attached to the order in which the risk factors are listed:

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Certain forward-looking statements are based on our current expectations and are susceptible to a number of risks, uncertainties and other factors, and our actual results performance and achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include the factors discussed in this section entitled "Risk Factors", as well as the following: development and operating costs, changing trends in customer tastes and demographic patterns, changes in business strategy or development plans, general economic, business and political conditions in the countries and territories in which we may operate, changes in, or failure to comply with, government regulations, including accounting standards, environmental laws and taxation requirements, costs and other effects of legal and administrative proceedings, impact of general economic conditions on consumer spending, and other risks and uncertainties referred to in this prospectus and in our other current and

periodic filings with the Securities and Exchange Commission, all of which are difficult or impossible to predict accurately and many of which are beyond our control.

1. CONTROL BY EXISTING SHAREHOLDERS. There is a particular risk of investment in this offering because even if the maximum offering is sold to the public, the present shareholders will continue to own approximately 95% of the shares. We have determined that Prime can adequately go forward with expanding its business by only offering a limited number of securities to the public. The offering range which has been prescribed by management is between 100,000 shares at \$5.00/share, for a minimum offering of \$500,000 to 150,000 shares for a maximum offering of \$750,000. If the company is successful in selling all shares in the maximum offering, the public would only own approximately 5% of the issued and outstanding shares and 3.5% in the event only the minimum offering is sold. As a result, it is not likely that investors in this offering will ever exercise any significant influence or control over the direction or operation of the company as shareholders.

2. MARKET IMPACT-MAJORITY SHARE TRANSACTIONS. Because the existing shareholders have and will continue to own the vast majority of the outstanding shares, any market transaction by them may have a significant adverse impact on the market price of your shares. The majority shareholders will continue, for the foreseeable future, to own almost all of the issued and outstanding shares, whether or not such shares are currently registered for sale. Each investor in this offering should understand that the majority shareholders, either pursuant to registration or the probable application of an exemption from registration in the future, will eventually be in a position to sell their shares if a public market is developed for the shares. In the event of such public market and subsequent transaction by the majority shareholders, the majority may significantly influence the price of the stock by selling even a small portion of their shares. This ability to affect future stock prices by a small group of initial shareholders creates a significant market risk to anyone investing in this offering.

3. LACK OF DIRECT CONTROL. There is a special risk factor in this offering in that the business operations and potential revenue generating functions of the company are accomplished through subsidiaries which are not directly owned by the investors in this offering. Each prospective investor in this offering should understand that the operations of Prime are conducted only through the business operations of the two operating subsidiaries for Prime. These subsidiaries are held in turn by the public company, but have separate management structure as explained below in the Business Section. As a result,

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the investors in this offering will not have any direct influence or control over the operation of the subsidiary entities which are wholly owned by Prime, but which have an independent management structure.

4. LIMITED CAPITAL. There remains a question of whether there is sufficient capital being raised in this offering to significantly finance the activities intended by Prime. Prime believes that the limited amount of capital being raised by this offering, \$500,000 to \$750,000 in gross proceeds, will help it expand the marketing and implementation of its current business activities through its two subsidiary entities. However, each prospective investor must understand that \$500,000 to \$750,000 in gross proceeds is a relatively limited amount of capital to make any significant expansion or affect the subsidiaries' activities and the expected or anticipated results by management. This risk factor is more thoroughly discussed under the Use of Proceeds and Business Sections, but no assurance or warranty can be given that such business objectives can be met.

5. NO PUBLIC MARKET. At the present time there is no public market for our shares and there is no assurance that any public market will be developed for these shares. The company does not have any trading markets for its shares and the mere completion or sale of this Registration Statement will not insure

that a public market will or can be developed for the trading of the company's shares. If we are not able to develop obtain an Electronic Bulletin Board Listing and develop resulting public trading market for our shares, there may be limited liquidity of the shares, investors may be forced to hold such shares for an indefinite period of time and rely upon the uncertain prospects of private sales of their securities in order to have some type of exit strategy or liquidity. Even if a public market develops, there is no reasonable projection that can be made at what price the shares may trade.

6. DILUTION. Dilution is a concept which attempts to measure the difference between what a prospective shareholder will pay for the Prime shares as contrasted to the value of those shares measured by the net worth of the company immediately after the close of the offering. Substantial dilution is anticipated to purchasers of Prime shares. This probable dilution means that the actual value of your shares, based upon the net worth of the company, will likely be substantially lower than any arbitrary price which you may pay for acquiring these shares at the time of purchase. See Dilution Section.

7. MANAGEMENT AFFILIATION. There is a substantial risk to Prime and its shareholders if present management does not continue their affiliation. You should understand that because the intended products and services are very

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unique and keyed to a relatively narrow market group, there are few individuals with interests, contacts or expertise who can take over and operate the present activities of the Prime subsidiaries. Should any member of management decide not to continue his affiliation, Prime and its shareholders may be substantially and immediately adversely affected. Further, there is only a three year employment contract with each member of management.

8. POTENTIAL TO BE DEEMED A PENNY STOCK. While not believed to be currently classified as a penny stock, our stock, if a trading market is established, may trade below \$5.00/share and become a penny stock and become subject to certain additional regulations in trading. The stock of Prime if it

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successfully trades should not initially be defined as a "penny stock", but could become such if traded below \$5.00/share. As a result, the shares of Prime may be subject to special regulations by the SEC known as "penny stock rules" which require additional screening and limitations on trading by individuals buying or selling certain defined speculative low price shares through a broker/dealer.

9. LACK OF MANAGEMENT EXPERIENCE. Your management will have very little experience in the operation of a public company. The current management of Prime has limited experience in the management of a public company. You will be relying upon us to be able to manage a public company, complete the complex reporting requirements and to learn and discharge other responsibilities incident to the operation of a publicly held reporting company if this Offering is successfully closed. Your management believes that such limited inexperience should be considered as a potential risk factor.

10. LIMITED REVENUE GROWTH AND NET LOSS. There is an inherent risk factor in this offering to the extent that Prime has only had very limited revenue growth from the time of its initial business conception in 1985 to the present and experienced a net loss in 2001. Each prospective investor in this offering should understand that one of the anticipated objectives of participating in a public company is to participate in a company which has significant future potential for revenue growth and resulting net earnings. In this particular offering, the historical record has shown a very modest amount of revenue growth by Prime from its inception and even less significant growth in net profits, with a loss in 2001. There remains a question of whether investment return can be maximized to investors in this offering unless the limited amount of proceeds being raised by this offering significantly contribute to an increase in revenues and net income which assumption must remain an open question until actual revenues are expended and operating results

are computed.

11. GOVERNMENT REGULATION AND POLICIES: There is particular risk in

this offering in that each of the areas of financial services in which Prime

participates is subject to significant governmental regulation and policy

control. Each investor in this offering should be aware that the areas of

financial and business planning, health and business insurance and other facets
of the services in which Prime participates through its two operating
subsidiaries are significantly controlled by government regulation and policy.
For instance, the sale of insurance is regulated by an insurance commission or
other governmental agency on the state level. Additionally, the providing of
investment advice and services is regulated on the federal and state level as
investment advisory services. The change or modification of government
regulation and policy in any of these or other related areas in which the
company operates may have a significant adverse impact on its future earnings or
earnings potential.

12. NATURE OF BUSINESS AS POTENTIAL LIMITING FACTOR: There is a special

risk factor in this offering in that the nature of business provided by Prime,

through its operating subsidiaries, has historically been associated with

personal contacts and relationships which may limit potential future growth of

the company. Each investor in this offering should understand that much of the

limited success of Prime to date revolves around and has arisen out of the
personal expertise and contacts of its principal management personnel in meeting

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with and personally providing the services which the company extends to other
business entities and individuals. There is no certainty that even with
additional capital raised with this or any funding activities, Prime will be
able to create significant growth in this type of industry due to the

requirement of the personal nature of such contacts and efforts to increase
business activities. This consideration should remain as a significant risk
factor to prospective investors.

13. FUTURE CAPITAL NEEDS. There is a particular risk factor in this

offering in that Prime may need future capital to maintain or increase business

activities in the future and no assurance can be given that such future capital

can be obtained.

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You will be subject to a risk in this offering in that the company may, in the
future, require substantial additional capital either to maintain its existing
operations or to attempt to further grow and expand operations to reach a level
of significant profitability. In such event, there is no assurance that Prime
will be able to raise significant future capital either through borrowing,
private placement sales or a subsequent public offering.

14. LARGE INSTITUTIONAL COMPETITORS. There is a particular risk factor

in this offering that the company may come under price and marketing pressure

from large institutional service providers providing essentially the same or

related types of services or financial products at a lower cost due to economies

of scale. There appears to be a growing trend in financial and insurance

services where large institutional companies such as national CPA firms,
insurance companies and brokerage firms provide various forms of financial
planning and insurance services. There appears to be a significant risk factor
in this offering to you that Prime, in the future, may not be able to compete
effectively with such large institutional service companies who may provide
financial and business planning and other related business planning or insurance
on a lower cost basis than the company can afford to provide due to economies of
scale and worldwide marketing abilities.

USE OF PROCEEDS

In this offering, Prime will receive gross offering proceeds, if the offering is closed, either of \$500,000 in the event of the minimum offering, or a maximum of \$750,000. The company reserves the right to close the offering during the offering term at any point between the minimum offering and the maximum offering. As a result, the following use of proceeds between the minimum and maximum offering constitute a range as to how proceeds will be used in the assumed event of either the minimum or the maximum with the offering proceeds also being employed at some pro rated amount between the minimum and maximum offerings in the event the offering is closed at more than the minimum but less than the maximum. From the gross proceeds, the company will also deduct the estimated offering cost of approximately \$45,000 which are estimated to be allocated between audit and accounting work, legal services and for printing, filing fees & miscellaneous costs of the offering.

From the anticipated net offering proceeds, Prime would employ the proceeds in three specific applications. First, in the event of the maximum offering, approximately \$380,000 would be used by Prime directly for additional management personnel, general administrative costs and working capital and acquisition reserves with the balance of the proceeds being allocated approximately \$220,000 to Fringe Benefit Analysts and \$115,000 to Belsen Getty to be specifically applied as set-out in the following estimated net proceeds chart.

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EACH PROSPECTIVE INVESTOR SHOULD UNDERSTAND THAT THE FOLLOWING TABLE CONSTITUTES OUR BEST PRESENT ESTIMATE OF THE USE OF PROCEEDS, BUT THAT WE MAY VARY FROM THIS OUTLINE IN BOTH TYPE AND AMOUNT OF EXPENDITURE IN THE EXERCISE OF SOUND BUSINESS JUDGMENT. MOREOVER, FUNDS HELD FOR ACQUISITION MAY BE USED IN DIFFERENT AREAS IF SUITABLE ACQUISITION OPPORTUNITIES ARE NOT FOUND WITHIN A REASONABLE PERIOD OF TIME.

MAXIMUM OFFERING: \$750,000

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General Description of Intended Expenditure	Dollar Amount	Percentage of Offering (Rounded)
1. Estimated offering cost	\$ 45,000	6%
2. Estimated allocation to Prime Resource	\$ 370,000	
a. Salaries and management fees	\$ 50,000	6.7%
b. General and administrative costs	\$ 50,000	6.7%
c. Working capital reserves ¹	\$ 270,000	36%
3. Fringe Benefits Analysts	\$220,000	
a. Advertising	\$ 25,000	3.3%
b. Recruiting new agents	\$ 75,000	10.0%
c. Trade show related expenses	\$ 10,000	1.3%
d. Marketing FBA Advantage program(TM) ²	\$ 50,000	6.6%
e. Additional sales materials	\$ 10,000	1.3%
f. New service personnel	\$ 50,000	6.7%
4. Belsen Getty	\$ 115,000	
a. Marketing budget	\$ 50,000	6.7%
b. Relocation budget	\$ 10,000	1.3%
c. New equipment and software	\$ 10,000	1.3%
d. New service personnel	\$ 30,000	4.0%
e. Consulting service personnel (part-time)	\$ 15,000	2.0%
TOTAL	\$ 750,000	100%

(1) Prime is maintaining a large working/acquisition capital reserve in the maximum offering in anticipation that Fringe Benefits Analysts will request to draw upon this reserve to continue its efforts to acquire other insurance brokerage companies or their book of business.

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(2) The "FBA Advantage program" is generally defined as a unique proprietary fee discount program whereby a Fringe Benefits Analysts client purchases multiple benefit insurance lines such as retirement plans, cafeteria plan

programs, cobra coverage and related programs and is able to eliminate all ongoing administrative fees to the client.

MINIMUM OFFERING: \$500,000

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General Description of Intended Expenditure	Dollar Amount	Percentage of Offering (Rounded)
<S>	<C>	<C>
1. Estimated offering cost	\$ 45,000	9%
2. Estimated allocation to Prime Resource	\$120,000	
a. Salaries and management fees	50,000	10%
b. General and administrative costs	50,000	10%
c. Working capital reserves	20,000	4%
3. Fringe Benefits Analysts	\$220,000	
a.. Advertising	25,000	5%
b. Recruiting new agents	75,000	15%
c. Trade show related expenses	10,000	2%
d. Marketing FBA advantage program	50,000	10%
e. Additional sales materials	10,000	2%
f. New service personnel	50,000	10%
4. Belsen Getty	\$115,000	
a. Marketing budget	50,000	10%
b. Moving office budget	10,000	2%
c. New equipment and software	10,000	2%
d. New service personnel	30,000	6%
e. Consulting service personnel (part-time)	15,000	3%
TOTAL	\$ 500,000	100%

</TABLE>

See also "Plan of Operations" under Description of Business for a more detailed description of intended business activities and expenditures over the next year.

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DETERMINATION OF OFFERING PRICE

The price at which the shares are to be sold in this offering have been arbitrarily set by the Board of Directors of Prime and do not attempt to reflect any valuation or evaluation of the company's net worth or future trading price, if any.

DILUTION

Dilution is a term which normally defines the reduction in value per share which occurs to the investor in certain offerings compared to the purchase price of those shares. By way of specific illustration, an investor in this offering is paying \$5.00 per share. It is estimated that the net worth per share after the completion of the maximum offering will only be approximately \$0.30 per share. Therefore, each investor in this offering will suffer an immediate estimated dilution to his investment of \$ 4.70 per share or 94 % in the maximum offering; and \$ 4.78 per share or 96 % in the minimum offering. Dilution would generally be pro rated between the minimum and maximum offering if closed between those extremes. These dilution ranges are illustrated in the following graphical representations:

[GRAPHIC OMITTED]

Minimum offering		Maximum Offering	
Value Subscription	Value share after offering	Value Subscription	Value share after offering
\$5.00/share	\$0.30/share (Rounded)	\$5.00/share	\$ 0.22/share (Rounded)
100%		100%	
	Dilution 94%		Dilution 96%
	\$4.70/Share		\$4.78/Share

In this offering dilution primarily arises because the original founders, who organized the corporation and the predecessor limited liability company, received shares or other ownership interests for intangible

contributions to Prime which are difficult to value. As a result, there will not be a significant net worth per share prior to this offering and your cash subscription will, as a result, be "diluted" in value.

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SELLING SECURITY HOLDERS

In this offering none of the existing security holders are registering their shares, nor do any intend to sell shares pursuant to this registration statement. The current principal shareholders of the company hold 2,800,000 shares. If this offering is fully subscribed there will be an additional 150,000 registered shares issued. At some future date, one or more of the initial security holders may elect to attempt to sell their shares pursuant to a subsequent registration or a claimed exemption from registration. At present, the company has no plans to engage in any further registration beyond this current registration. Further, the existing shareholders holding unregistered securities would have to avail themselves of an exemption from registration to sell in the future, which exemption would, in most cases, not be available unless this registration is completed and a trading market is established for the shares so that the current principal shareholders could avail themselves of Rule 144, or similar exemption provisions, to engage in a future sale of their shares after a required holding period. See Risk Factors and Plan of Distribution as to the implications of potential future sales by affiliates.

PLAN OF DISTRIBUTION

Prime does not intend to employ the services of any underwriter or other broker/dealer to place or sell its securities. Prime believes it can place the limited amount of securities being offered by this registration through the efforts of a member of its own management group who will not be paid any consideration, commission or other compensation for his selling and placement efforts. Consequently, no provisions for commissions have been provided for in this prospectus. Should management determine, at any time, that it is necessary to sell this offering through the use of commissions to an underwriter, management will reserve the right to amend this registration and prospectus to reflect any such commission arrangements and to continue with the offering in accordance with all other terms and provisions.

It is anticipated that Mr. Limpert will be primarily responsible for the efforts to sell the Prime shares in this offering to various business contacts and acquaintances through delivery of this prospectus. We cannot promise the offering will be sold, as management will only engage in these efforts as they deem necessary. Obviously, there is an indirect benefit to management, as principal shareholders, if the shares are sold in this offering as the management shareholders would most likely realize an increase in the value of their shares after this offering and potentially an active market for their shares.

Mr. Limpert has been licensed on one prior occasion in Utah to act as an issuer/agent and will seek such designation in this offering.

Each officer, director or affiliated persons may purchase shares in this offering for cash at the offering price without restriction. There is no limitation on the number of securities which may be purchased by these affiliated persons. In like manner, there is no obligation or commitment by any officer, director or affiliate to purchase any shares in this offering. All

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securities purchased by any officer, director, or person able to direct or influence the company as a control person will not be freely tradeable, but will be subject to restrictions on resales, and must be purchased for investment purposes requiring, in most instances, a holding period.

The costs of this offering are estimated at \$45,000, and include legal, accounting, filing or permit fees, printing and related distribution costs. These amounts are estimates but are believed reasonably accurate for the intended size of this offering. Funds paid for offering costs will limit the amount of net proceeds available for actual business purposes.

Proceeds of the offering, up to the minimum amount, will be placed in a segregated subscription account under control of Prime and will not be employed for any business purposes of the company until or unless the minimum offering is sold within the offering term of 180 days from the date appearing on the face of this prospectus. If the minimum offering is not fully sold and collected within such offering period, then the offering will be terminated and all proceeds will be returned without deduction for costs or addition of any interest. Prime will obtain an address from each subscriber and will return all proceeds within ten days of the termination of the offering to that address. Any interest earned on the subscription account will be employed by Prime to pay for anticipated offering costs and return of subscription proceeds to investors.

In the event of the close of the minimum offering, Prime will employ any additional proceeds of this offering upon receipt without further utilizing the subscription account.

Prime reserves the right to close the offering at any time within the offering term of 180 days whenever the minimum offering proceeds have been received in the subscription account, even if less than the maximum offering has been sold. Factors which may influence Prime's decision to close the offering would be the effort required to continue sales and the rate at which subscriptions were obtained up to the minimum offering. In all events, the company will not sell more than the maximum offering and will close the offering at any time that the maximum amount has been sold. The Use of Proceeds Section reflects Prime's best present estimate of the use of proceeds in the event of either the minimum or maximum offering amount being received. The offering most likely will be closed at some point between the minimum and maximum and the use of proceeds will be adjusted accordingly, though no assurance is given or represented that such adjustment will be exactly pro rata to the percentage difference between the minimum and maximum offering.

We intend this offering will be sold primarily to citizens of the State of Utah, based upon a coordination filing in that jurisdiction. Should Prime deem it appropriate, it may attempt to place its securities in one or more additional jurisdictions where the offered shares may be qualified or registered by coordination or similar rule or process. That is, Prime will be deemed to be qualified as a registered offering in those jurisdictions upon clearance of this registration with the SEC and a notice type filing in the appropriate state. If the offering is offered or sold in other jurisdictions, the offering must be registered or qualified under the applicable state law of that jurisdiction. Prime does not intend to register or qualify this offering in any other jurisdiction for sale unless such registration can primarily be achieved by coordination without the necessity of merit review or substantial additional disclosure requirements. However, should Prime elect to sell in any jurisdiction that imposes any additional disclosure requirements, they will be included in this offering as a supplemental disclosure.

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Prime has not secured a commitment to list or trade the securities being registered through any broker/dealer and there is no present assurance that a public market will exist for the securities, even in the event of a successful completion of this offering. Each prospective investor should consider the potential lack of a public market developing as a significant risk factor. Management will work to obtain the listing of the securities after or concurrently with this offering by one or more broker/dealers, but can give no warranty or assurance that they will be successful in such efforts.

No shares of current management or original shareholders are being registered pursuant to this offering and no intent or obligation exists by Prime to currently register existing issued shares in any manner.

LEGAL PROCEEDINGS

We are not aware of any pending or threatened legal proceedings or claims in which we are involved.

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DIRECTORS, EXECUTIVE OFFICERS, OR CONTROL PERSONS

NAME	POSITION	CURRENT TERM OF OFFICE
Mr. Terry Deru*	Director, CEO/ President/ Chairman of the Board	Appointed Director in Organizational Minutes-April, 2002. Will serve as a Director until first annual meeting, not yet set. Will serve as an officer pursuant to leave of the Board of Directors.
Mr. Scott Deru*	Director/V.P. Operations	Appointed Director in Organizational Minutes - April, 2002. Will serve as Director until first annual meeting, not yet set. Will service as an officer pursuant to leave of the Board of Directors.

Mr. Andrew Limpert*

Director/Treasurer/Secretary/ CFO

Appointed Director in
Organizational Minutes - April,
2002. Will serve as Director until
first annual meeting, not yet set.
Will service as an officer pursuant
to leave of the Board of Directors.

</TABLE>

* Mr. Scott Deru and Mr. Terry Deru are brothers. Mr. Limpert was not an owner of Prime LLC, but acted as an advisor to Prime LLC and has become a shareholder of Prime Resource, Inc.

MR. TERRY DERU - DIRECTOR , CEO/PRESIDENT, CHAIRMAN OF THE BOARD
Age:47

Mr. Deru is currently an owner and consultant with Belsen Getty LLC. He also served in its predecessor form of operation as a corporation. Belsen Getty is a Salt Lake City, Utah based financial and retirement planning firm. The firm, or its predecessor, has been a licensed investment advisory firm with the SEC and Utah since 1984. Mr. Deru is a Certified Financial Planner and a Registered Financial Consultant. Mr. Deru has been with Belsen Getty since 1985. Mr. Deru will continue on a part-time affiliation with Belsen Getty while acting as the part-time officer of the Company. Mr. Deru also acts as a part-time CEO for Kinship Systems, Inc., a small public company which is not presently active.

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Mr. Deru obtained a B.A. degree from the University of Utah in Salt Lake City, Utah, in finance in 1977 and an M.B.A. degree from that institution in 1979.

MR. SCOTT DERU - DIRECTOR, VICE-PRESIDENT OPERATIONS
Age: 41

Mr. Deru has been employed full-time since 1982 as the Manager and principal officer of Fringe Benefits Analysts, LLC, one of the current subsidiary operating companies of Prime. In this capacity, he has primarily been engaged in creating and selling life, health and other insurance products for business clients of Prime, LLC, to now be known as Prime, Inc. In addition to his full-time services to Fringe Benefits Analysts, LLC he worked as a director of insurance for Care of Utah, Inc., developing insurance programs, primarily for the health care industry. Mr. Deru is a 1984 graduate of the University of Utah with a B.S. degree in finance from that institution. He is also a Registered Health Underwriter and a Registered Employee Benefit Consultant. He presently is also a licensed insurance consultant within the state of Utah.

MR. ANDREW LIMPERT - DIRECTOR/SECRETARY/TREASURER/CFO
Age: 32

Mr. Limpert has been a financial and retirement planner associated with the Salt Lake based firm of Belsen Getty, LLC since 1998, but he is not a certified financial planner. In this capacity, Mr. Limpert has completed licensing requirements and testing prescribed by the State of Utah to be an investment advisor. Mr. Limpert plans to continue his full-time employment with Belsen Getty. Prior to that position, he worked with Pro Source Software of Park City, Utah as a software sales agent from 1993 to 1998. Mr. Limpert is assisting Prime on a limited as needed basis. Mr. Limpert also acts as a business and financial consultant to various small public and private companies. Mr. Limpert holds a B.S. degree in finance from the University of Utah in Salt Lake City, Utah in 1995 and an M.B.A. from Westminster College of Salt Lake City, Utah in 1998.

Remuneration of Directors & Officers

Directors

No director will be provided remuneration for service in that capacity, but may be paid a stipend for attending meetings as future revenues may permit. It is anticipated Directors will receive \$500 per Board Meeting.

Officers

Historically, the present officers in Prime, except for Mr. Limpert, acted as working members of Prime, LLC from inception. Mr. Limpert became a member in January, 2002. Prime LLC also had associated as a member Mr. William

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Campbell, whose interest in Prime LLC was bought out by Prime LLC and transferred to Andrew Limpert prior to the organization of Prime, Inc., as more particularly described under "Description of Business". As previously indicated, Prime, LLC has as its wholly owned subsidiaries Belsen Getty, LLC and Fringe Benefits Analysts, LLC. These subsidiaries, in turn, pass through, as limited liability companies, all of their net earnings or losses to Prime, LLC, which then distributes or attributes earnings or losses pro rata to the ownership interest.

Under the present organization of the company, it will not be possible for Prime corporation to simply pass through earnings derived from its operating subsidiaries. Alternatively, each of the principal officers, named above, will agree to serve the company for the following annual base salary: Mr. Terry Deru \$240,000, Mr. Scott Deru \$240,000 and Mr. Andrew Limpert \$120,000, but increasing incrementally to \$210,000 on October 1, 2002. The terms of this compensation are more fully set- out in a set of Board Minutes and concurrently executed three year employment agreements. Mr. Terry Deru and Mr. Scott Deru will also primarily serve Prime by continuing to act as a manager of the subsidiaries. Mr. Andrew Limpert will devote most of his time commitment to executive responsibilities of Prime. It is anticipated Mr. Scott Deru and Mr. Terry Deru will serve full-time in their responsibilities with the subsidiaries and discharge responsibilities to Prime on an as-needed basis.

Shares Held By Management and Certain Security Holders

The following tables set forth the ownership, as of April 5, 2002, the corporate organizational date, of our common stock by each person known by us to be the beneficial owner of 5% or more of our outstanding common stock; by each of our directors; and by all executive officers and our directors as a group. To the best of our knowledge, all persons named have sole voting and investment power with respect to such shares, except as otherwise may be noted.

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Title of Class	Name and Address of Owner	Amount owned 4/5/2002 (Organization Date)	Percent of Total Common in the event Max. Off. Sold (Rounded)
<S> Common Stock	<C> Terry Deru	1,000,000	34%
Common Stock	Scott Deru	1,000,000	34%
Common Stock	Andrew Limpert	750,000	26%
Common Stock	Officers and Directors as a Group1	2,750,000	94%

</TABLE>

(1) Mr. Don Deru, the natural father of Terry and Scott Deru, owns 50,000 shares, or about 1.8% of the currently outstanding shares. There are no shareholders prior to this offering other than as listed above and Mr. Don Deru.

There are currently no arrangements which would result in a change in our control. Prime has no warrants, options or other stock rights presently authorized.

DESCRIPTION OF SECURITIES

The following description is a summary and is qualified in its entirety by the provisions of our Articles of Incorporation and Bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

General

We are authorized to issue 50,000,000 shares of common stock with no

par value per share. As of April 5, 2002, there were 2,800,000 restricted shares issued and outstanding. The company has only one class of shares, being its common shares. All shares of common stock outstanding are validly issued, fully paid and non-assessable. All currently issued shares of Prime were issued pursuant to an Organizational Meeting on April 5, 2002.

Voting Rights
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Each share of common stock entitles the holder to one vote, either in person or by proxy, at meetings of the shareholders. The holders are not permitted to vote their shares cumulatively. Accordingly, the holders of common stock holding, in the aggregate, more than fifty percent of the total voting rights can elect all of our directors and, in such event, the holders of the remaining minority shares will not be able to elect any of such directors. The vote of the holders of a majority of the issued and outstanding shares of common stock entitled to vote thereon is sufficient to authorize, affirm, ratify or consent to any corporate act or action, except as otherwise provided by law.

Dividend Policy
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All shares of common stock will participate proportionally in dividends if our Board of Directors declares them out of the funds legally available. These dividends may be paid in cash, property or additional shares of common stock. We have not paid any dividends since our inception and presently anticipate that all earnings, if any, will be retained for development of our business. Any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors. There can be no assurance that any dividends on the common stock will be paid in the future.

Miscellaneous Rights and Provisions
- -----

Holders of common stock have no preemptive or other subscription rights, conversion rights, redemption or sinking fund provisions. In the event of our dissolution, whether voluntary or involuntary, each share of common stock is entitled to share proportionally in any assets available for distribution to holders of our equity after satisfaction of all liabilities and payment of the applicable liquidation preference and preference of any outstanding shares of preferred stock as may be created.

Shares Eligible For Future Sale
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The 150,000 maximum shares of common stock to be registered by this offering will be freely tradable without restrictions under the Securities Act of 1933, except for any shares held by our "affiliates", which may be limited by the resale provisions of Rule 144 under the Securities Act of 1933.

In general under Rule 144, as currently in effect, any of our affiliates or other restricted shareholders may be entitled to sell in the open market within any three-month period a number of shares of common stock that does not exceed the greater of (i) 1% of the then outstanding shares of our common stock, or (ii) the average weekly trading volume in the common stock during the four calendar weeks preceding such sale. Sales under Rule 144 are also affected by limitations on manner of sale, notice requirements, and availability of current public information about us.

Nonaffiliates who have held their restricted shares for one year may be able to sell under the foregoing conditions. Nonaffiliates who have held their restricted shares for two years may be entitled to sell their shares under Rule 144 without regard to any of the above limitations, provided they have not been affiliates for the three months preceding such sale.

.....
Further, Rule 144A as currently in effect, in general, permits unlimited resales of restricted securities of any issuer provided that the purchaser is an institution that owns and invests on a discretionary basis at least \$100 million in securities or is a registered broker-dealer that owns and invests \$10 million in securities. Rule 144A would allow our existing stockholders to sell their shares of common stock to such institutions and registered broker-dealers without regard to any volume or other restrictions. Unlike under Rule 144, restricted securities sold under Rule 144A to non-affiliates do not lose their status as restricted securities. It is not anticipated Rule 144A will have any application to this offering.

INTEREST OF EXPERTS AND COUNSEL
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Our counsel, Julian D. Jensen, PC, has passed upon the legal status of

the company and our capacity to engage in this Registration. The firm has no interest in Prime. Our auditors, Carver, Hovey & Co. of Layton, Utah have prepared and opined upon the attached and incorporated audited financial statements. This firm has no interest in Prime and there are no material conflicts with the auditors.

DISCLOSURE OF COMMISSION POSITION ON
INDEMNIFICATION FOR SECURITIES ACT VIOLATIONS

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by us of expenses incurred or paid by

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our directors, officers or controlling persons in the successful defense of any action, suit or proceedings, is asserted by such director, officer, or controlling person in connection with any securities being registered, we may, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issues.

ORGANIZATION OF COMPANY IN LAST FIVE YEARS

As previously noted, Prime Resource, LLC has existed since 1998 to March 29, 2002 as a Utah limited liability company and operated exclusively through its two wholly owned subsidiary limited liability companies, Belsen Getty, LLC and Fringe Benefits Analysts, LLC. Prime converted to a corporate form of business on March 29th of 2002 largely in anticipation of the present public offering. Also, in 1998 Belsen Getty and Fringe Benefit Analysts converted from a corporate form to their present LLC form. As otherwise discussed in this Prospectus, the management of Prime Resource, Inc. will remain the same as its predecessor, Prime Resource, LLC, though differently designated. The two operating subsidiaries will continue with their existing business activities and management as described in this Prospectus.

DESCRIPTION OF BUSINESS

General

Prime Resource, as a corporate entity, was filed in Utah on March 29, 2002; however, essentially the same business purpose were engaged in by its predecessor entity, Prime Resource, LLC, a Utah limited liability company, organized in 1998. From 1985 to 1998, Belsen Getty and Fringe Benefits Analysts collaborated as independent corporations. In 1998 Prime LLC was organized as a parent and coordinating entity and the two operating companies also became wholly owned Limited Liability Companies of Prime, LLC and changed their business structure from corporations to limited liability companies owned by Prime LLC.

In addition to the two principal owners of Prime LLC, a Mr. William Campbell owned a 23% interest until January 1, 2002 when Prime LLC purchased his interest for \$100,000. The prior Campbell interest was assigned to Andrew Limpert on January 10, 2002 in consideration for the acknowledgment of Limpert's advisory and organizational services through the completion of this offering which were valued at \$113,000. Mr. Don Deru, the father of Scott and Terry Deru, held a 4% interest in Prime LLC since inception and exchanged his interest in Prime LLC for a 1.8% sharehold interest in Prime.

As limited liability companies, historically the revenues of Belsen Getty, LLC and Fringe Benefits Analysts, LLC have flowed through to its member and sole owner, Prime Resource, LLC. Within Prime Resource the revenues, after payment of all operating costs and wages and allowance for working capital

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reserves, were divided between Mr. Scott Deru, Mr. Terry Deru and Mr. William Campbell, in accordance with their limited liability ownership percentage, through December 31, 2001.

It was determined upon incorporation of the Prime Resource, LLC that this form of compensation and revenue transfer will no longer be feasible and that the corporation will need to retain and report its income, if any, after salaries, overhead and other expenses as retained earnings. Further, Prime has now entered into an employment contract with its three principal officers, as

generally described earlier under the outline of compensation and subsequently described under the Executive Compensation Section. In their respective capacities, they will be paid a fixed salary. Prime would then retain net earnings for further business and expansion purposes.

Mr. Terry Deru, in addition to acting for Prime as its President and Chief Executive Officer, will also continue to act as the Manager and principal operator of Belsen Getty entity. Mr. Scott Deru will also devote a substantial majority of his time to the business affairs of Fringe Benefits Analysts and such other time as necessary as a corporate officer of Prime. It is anticipated that Mr. Limpert will then assume most of the day-to-day management responsibilities for Prime, as well as continuing with Belsen Getty as a consultant.

Historically, over the past three years, Belsen Getty has contributed approximately 27% of the present revenues to Prime, LLC and Fringe Benefits Analysts has contributed the remaining 83% of net revenue to Prime, LLC. Prime, LLC, like the registrant Prime, Inc., is not anticipated to generate any independent sources of revenue or income other than that derived from its two operating subsidiaries as described above. All salaries and benefits in Belsen Getty and Fringe Benefits Analysts are and will be paid directly by Prime, both historically and prospectively.

Belsen Getty
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Belsen Getty is a Utah financial management company offering the services of investment advisor, financial planning, pension retirement planning and general business consulting and planning for firms or individuals who may participate to the extent they deem appropriate in any of these financial products and services. Belsen Getty manages assets primarily under a fee based management system. Commission income is less than 5% of total revenues. Belsen Getty uses sophisticated modeling software to complete its investment advisory aspects of its services to clients who wish it to manage funds for various pension and retirement or other offered plans. In this capacity, Belsen Getty also acts as an investment advisory firm.

Belsen Getty also has expertise in providing consulting services for retirement planning, pension and general business financing and planning.

It is estimated that of the total revenues derived by Prime Resource in calendar year 2001 approximately 22 % of those revenues was contributed by the Belsen Getty entity, with the balance coming from Fringe Benefits Analysts.

Belsen Getty offers to individuals retirement accounts, trust accounts, as well as creating 401(k) plans and other pension plans for corporate clients. These services may range from simple cash management to complex custom growth portfolio planning for wealthy individuals or businesses.

Belsen Getty markets through several mediums. First, the firm has a sophisticated database for tracking services to clients, prospects and business associates. This tracking assures each client and prospect are contacted monthly by mail and at least quarterly by phone or in person. Second, prospects that go into this tracking system are located in several ways, such as referrals from existing clients, referrals from other business associates and referrals from Fringe Benefits Analysts, as well as direct mailing and educational seminars. To a limited extent, the firm currently engages in prospect mailings and may explore other media type advertising, depending upon the availability of proceeds from this offering.

In 2001 Belsen Getty received gross revenues of approximately \$449,000, but incurred a net loss of \$369,800 which was accrued to Prime Resource.

Belsen Getty is currently managed by Mr. Terry Deru and has seven full-time and one part-time employees.

Fringe Benefits Analysts
- -----

Fringe Benefits Analysts is primarily a diversified independent insurance broker which provides various lines of insurance, such as life, dental, disability, etc., as needed by its clients to fund various business, as well as employee related programs and plans. Fringe Benefits Analysts is also engaged to a more limited extent in rolling up and acquiring existing health care insurance agencies and/or their book of business.

Fringe Benefits Analysts currently has seven full-time employees, one part-time employee and over twenty sub-agents who act as independent contractors in various insurance lines. Part of the proceeds being raised in this offering will be used to retain and recruit additional agents. Funding for anticipated future acquisitions will come from the anticipated acquisition reserves to be held by Prime.

The total revenues in calendar year 2001 for Fringe Benefits Analysts were approximately \$1,557,200 with net earnings of approximately \$370,600.

Plan of Operation

o Acquisitions. In the event of the maximum offering, a substantial portion of net proceeds of the offering (approximately \$260,000 or 36%) would

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be available for acquisition by Fringe Benefits Analysts to acquire other insurance providers, or their policies and book of business.

At whatever level the offering is closed, the following programs intended to create revenue and income growth, will be funded and implemented:

o Enhancement of commission revenues. Management, primarily through the use of the FBA Advantage Program, will attempt to encourage current subagents to write all their insurance through Fringe Benefits Analysts. Proceeds of the offering will be used to contact existing agents with relationship to explaining and demonstrating this program.

o Growth Core Business. Revenues will be expended to advertise and promote core business activities, including soliciting more agents to employ the advantages of the FBA Advantage Program whereby management fees for various programs are waived if multiple programs are purchased through Fringe Benefits Analysts.

o Agent Recruiting. Management will use anticipated proceeds to recruit full-time agents and promote various advantages and economies which can be realized by agents being a full-time participant within a larger organization.

o Complementary Business Practices. Prime will attempt to advertise and promote the "complete package" approach of comprehensive business and employee plan planning coupled with affiliated competitive insurance funding by proposing a one stop approach to such services.

Number of Persons Employed By Prime

Prime currently has no full-time employees. Mr. Limpert acts as an advisor and Mr. Terry Deru as a part-time manager. As noted earlier, Mr. Scott Deru and Mr. Terry Deru will only devote so much of their time as they deem necessary and adequate to the discharge of general corporate affairs, but intend to devote most of their time to the day-to-day operations of the subsidiary income producing entities. It is intended that Mr. Andrew Limpert will primarily discharge the day-to-day affairs and reporting requirements required by Prime, such as maintaining current on filings required under the Securities and Exchange Act of 1934, tax and other governmental filings, and other management responsibilities related to the operation of its two subsidiary companies.

Belsen Getty currently has seven full-time employees and one part-time employee. Approximately four of these employees are engaged in general office management and supervisory roles while the remainder of the employees are primarily engaged in marketing, implementation and servicing of the various financial and business planning services and administration provided for individuals, corporations, and 401(k) and other pension plans by the company. Mr. Terry Deru acts as the General Manager for this limited liability company

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and also is the principal officer in charge of the supervision and operation of the investment advisory services provided by Belsen Getty.

Fringe Benefits Analysts currently has seven full-time employees and one part-time employee and twenty sub-agents who act as independent insurance contractors and agents. Of these individuals, approximately four are primarily devoted to day-to-day management of the operations of Fringe Benefits Analysts and the balance of the employees are primarily engaged in providing the actual placement, supervision and administration of insurance policies and claims. Mr. Scott Deru acts as the General Manager for the limited liability company and is primarily in charge of the approval and issuance of policies, coordination with

Belsen Getty and other general administrative services. Mr. Scott Deru acts as an assistant in these principal executive areas as an Assistant Manager. In the event of the successful completion of this offering, either as a minimum or maximum offering, Fringe Benefits Analysts would intent to expand the administrative staff by approximately one person and would intend to acquire an undetermined number of additional insurance sales agents.

All salaries and other expenditures in both Belsen Getty and Fringe Benefits Analysts entities are accrued and paid by Prime.

Environmental Compliance

Prime and its operating subsidiaries are not deemed to be engaged in business endeavors which have significant environmental impacts or implications. To the extent necessary, Prime and its subsidiaries will comply with any necessary and required environmental regulations, but are not presently aware of any environmental regulations which have directly impacted their business or require direct regulatory compliance.

Special Characteristics and Risk Factors

As briefly noted under the Risk Factors Section, Prime will continue in the event of the close of this offering to be substantially owned by its existing management group. As a result of this ownership, those purchasing shares in the offering should not have any reasonable expectation that they will be in a position to influence the election of directors, direction of the company or implement policy decisions through their share position and voting power.

Further, the nature of financial planning and the collateral insurance services provided has historically been a direct contact business built substantially upon personal reputation and contacts. As a result, there will remain a risk that if the present management of the company does not continue their association with the company, that the company may not be able to continue to properly engage in its present business activities. Further, there remains a significant risk that even with the anticipated additional capital from this offering, this type of business may not be able to be expanded significantly through the infusion of capital due to the highly personal nature of the contacts required and the services to be provided.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

Overview

Prime Resource, LLC, ("Prime" or "the Company") historically operated as a Utah limited Liability Company and is the hundred percent owner of Belsen Getty, LLC, (Belsen Getty), and Fringe Benefits Analysts, LLC, (FBA). Belsen Getty provided investment management, financial planning and pension and retirement planning for various individual and business clients. FBA primarily provided a business insurance provider of health, life, dental and disability insurance coverages. FBA was the principal insurance provider for the Prime originated plans. Also FBA has been active in effecting acquisitions of other insurance companies and/or their book of business. Belsen Getty and FBA concentrate their business activities within the state of Utah, although both have a limited number of clients throughout the Western United States. During the two year period ended December 31, 2001, Prime did not engage in any other direct business activities in addition to those conducted through its two wholly owned subsidiaries.

On April 5, 2002 the Company was substantially reorganized as a Utah corporation with each prior member exchanging membership interest in Prime to an equivalent sharehold interest in the corporation. All of the attached and referenced accounting predates this reorganization. The subsidiary operating entities, Belsen Getty and FBA remain as wholly owned limited liability companies.

Consistent with its historical and ongoing legal structure, the Company's operating segments have been and will continue to be aligned based on the nature of the products and services offered through the operating subsidiaries. These segments include:

- * Asset Management - Belsen Getty
- * Insurance Products - FBA
- * Other - Belsen Getty & FBA

Results of Operations

Year ended December 31, 2001 compared to the year ended December 31, 2000

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Revenues

The Company's revenues, by reportable segment were as follows:

Year Ended December 31st:

Segment	2001	2000
Asset Management	\$ 449,031	\$ 707,537
Insurance Products	\$ 1,557,246	\$ 1,498,016
Other	\$ 15,204	\$ 7,716
	\$ 2,021,481	\$ 2,213,269

Asset management revenues decreased \$258,500, or 36.5 percent, compared to the prior year. The Company's revenues in the Asset Management segment are earned based on an agreed-upon percentage of the fair market value of investments under management and are calculated on a monthly basis. The average fee percentage on assets under management remained relatively consistent between the two years. Total financial advisory fees dropped in 2001 due to a substantial decrease in the average fair value of assets under management in the year 2001 versus 2000, caused by a general downturn in the value of marketable securities throughout the stock market. In addition, a former member of the Company and manager in Belsen Getty was terminated near the end of December of 2000. Certain Belsen Getty clients serviced by the former manager followed him to his new firm resulting in a decrease of fee revenues in 2001 of approximately \$150,000.

Insurance product sales increased \$59,200 or 4.0 percent due primarily to insurance premium increases and the resultant commission increase.

Income in the "Other" segment relates to interest and dividends on Company-wide investments and is higher in 2001 due to larger amounts invested in marketable securities and cash equivalents in 2001, as compared to 2000.

Operating Expenses
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Total operating expenses increased \$100,400 or 5.1 percent in 2001, compared to the prior year. The net increase was primarily due to increases in commission paid and compensation and benefits totaling \$57,900 and \$50,600, respectively, offset by an approximate \$26,000 decrease in general and administrative expense. Compensation and benefits increased due to a one-time \$100,000 compensation settlement paid to a former member in the first quarter of 2002, but accrued as of December 31, 2001. Commissions expense increased in 2001 compared to the

prior year due to premium inflation and the resultant commission increases as well as the addition of new clients.

Three-month period ended March 31, 2002 compared to the three-month period ended March 31, 2001

Revenues

The Company's sales, by reportable segment were as follows:

Segment	Three-months Ended March 31st	
	2002	2001
Asset Management	\$ 89,987	\$ 156,197
Insurance Products	\$ 434,852	\$ 418,578
Other	\$ 394	\$ 1,731

Asset management revenues for the three-months ended March 31, 2002 decreased from the comparable prior three-month period due to a one-time commission earned in the first quarter of 2001 in connection with transferring management of a large pension account to an outside financial institution.

Insurance product sales for the three-months ended March 31, 2002 increased from the prior comparable period due to higher volumes in 2002.

Operating Expenses
- - - - -

Total operating expenses for the three-months ended March 31, 2002 increased by \$60,200 or 12.1 percent from the comparable prior three-month

period due to higher legal and accounting fees associated with the Company's reorganization and registration, partially offset by lower management salaries, resulting from the termination of a former member of the company.

Liquidity and Capital Resources

Historically, the Company's primary source of capital has been cash provided from operating activities. Net cash provided from operating activities totaled \$146,700 and \$239,000 for the years ended December 31, 2001 and 2002, respectively. Although the Company recognized a net loss in 2001, the net loss included noncash depreciation charges of \$42,744 and other noncash charges totaling \$4,100. Cash flows from operations in 2001 were further enhanced by changes in other operating assets and liabilities, including receivables

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collected related to prior year revenues of approximately \$47,000, and net expenditures of \$97,300 accrued in 2001, yet paid in a subsequent period. Cash flows from operations in 2001 were also adjusted downward for noncash interest income on notes receivable from related parties totaling \$8,100.

Cash flows from operations for the year ended December 31, 2000 started with net income of \$255,500 but was increased by noncash depreciation of \$39,600, and decreased by \$88,300, primarily due to paying liabilities in fiscal 2000 for expenditures incurred in 1999.

Cash used in financing activities totaled \$205,700 and \$63,200 for the years ended December 31, 2001 and 2000, respectively. The increase in 2001, compared to 2000, related to loans to members totaling \$140,000, and investments in marketable securities totaling \$51,100. Cash was used in both 2001 (\$18,900) and 2000 (\$46,800) for the purchase of equipment and vehicles.

Cash used in financing activities totaled \$134,200 and \$199,300 in fiscal years 2001 and 2000, respectively. Cash used in financing activities was comprised primarily of member distributions, but also included \$17,600 in payments on a note payable to a member during fiscal year 2000.

Three-month period ended March 31, 2002 compared to the three-month period ended March 31, 2001

The Company used (\$118,000) and generated \$34,881 in cash from operations during the three-month periods ended March 31, 2002 and 2001, respectively. Cash used in operations in the first quarter of 2002 was negatively impacted by the settlement of wages paid to a former member in the amount of \$100,000.

Furthermore, during the first quarter of 2002, the Company was paid \$140,000 in amounts due from members as of December 31, 2001 and advanced an additional \$60,000 from those same members. The proceeds were used to satisfy a \$200,000 obligation to a former member, which arose in connection with the former member's termination and distribution of the former member's equity in the Company.

The Offering

The Company does not believe it would need to complete this public offering to continue to meet the liquidity needs of the Company, based on the historical level of operations of the Company. However, management does not believe there is sufficient net revenues to fund meaningful growth of the Company. If successful with the offering of stock in connection with this registration statement, the Company intends to use the proceeds of the offering for the expansion of its business facilities and short-term marketing efforts as outlined in this offering. See Use of Proceeds.

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It is possible that the anticipated proceeds of this offering will not be sufficient to support any significant increase in revenues or income to the Company, in which event, future valuation of shares purchased by investors in this offering may not be enhanced. Each prospective investor should consider the possibility that revenues may not be significantly increased by the capital from this offering. See discussion of Risk Factors and Use of Proceeds.

Market Risks and Management Policies

Management is not aware of any particular market risk factors related to the Company's products and services, such as any specific environmental risks or other governmental regulation. Further, at the present time, the company does not have any foreign market or currency exposure. Fringe Benefits Analysts is subject to continuing regulations as an insurance carrier where it operates and certain principals of Belsen Getty are subject to regulation as investment

advisors and licensed financial planners.

The Company has historically had a policy of lending funds to owners and employees which may have a future adverse impact on capital or liquidity to the extent it may lower funds available for working capital, or a loss of capital in the event of default. To date no related party loan has defaulted and the company has earned what it believes to be reasonable market interest on all such loans. See "Related Party Transactions".

New Accounting Pronouncements

In June, 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 141 (FAS 141), Business Combinations, and Statement No. 142 (FAS 142), Goodwill and Other Intangible Assets.

FAS 141, effective June 30, 2001, required that all business combinations initiated after June 30, 2001 be accounted for under the purchase method of accounting; the use of the pooling-of-interests method of accounting is eliminated. FAS 141 also establishes how the purchase method is applied for business combinations completed after June 30, 2001. This guidance is similar to previous generally accepted accounting principles (GAAP); however, FAS 141 establishes additional disclosure requirements for transactions occurring after the effective date.

FAS 142 eliminates amortization of goodwill associated with business combinations completed after June 30, 2001. During the transition period from July 1, 2001 through December 31, 2001, goodwill associated with business combinations completed prior to July 1, 2001 continued to be amortized through the income statement. Effective January 1, 2002, goodwill amortization expense ceased and goodwill will be assessed for impairment at least annually at the reporting unit level by applying a fair-value-based test. FAS 142 also provides additional guidance on acquired intangibles that should be separately recognized and amortized, which could result in the recognition of additional intangible assets, as compared with previous GAAP.

The Company has no business combinations prior to the issuance of FAS 141 or FAS 142, which resulted in the recognition of goodwill, accordingly, neither of these statements will have an effect on the current financial statements of the Company.

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There are other new accounting standards (such as FAS 143 on Accounting For Asset Retirement Obligations; and FAS 144 on Account for Impairment or Disposal of Long Lived Assets) which do not have present applications, but may be important to the Company's future operations and accounting.

DESCRIPTION OF PROPERTY

Prime and its operating subsidiaries currently lease commercial space for their operations at 22 East First South, 4th Floor, Salt Lake City, Utah. Prime leases approximately 2,800 square feet with the remaining term of its existing lease being six months. The current gross monthly lease payment is \$3,976 per month, which lease contains standard and customary lease escalators or cost pass throughs with the anticipation that the lease costs should increase by a factor of approximately 0% per year for the remaining term of the lease. In these facilities there are approximately five separate offices, a general utility room, reception area and conference room. These offices provide minimally adequate facilities to the present staff of Prime and its two operating subsidiaries. However, as noted above, Prime would anticipate, in the event of the successful completion of this offering, employing a portion of proceeds to relocate to larger facilities. It is estimated that ideally Prime, in the event that the offering is completed, could use facilities of approximately 3,500-4,000 square feet, being an approximate 25-53% increase over the existing leasehold area. Prime would anticipate that it could acquire such office space in the current market for an increased monthly rental expenditure of approximately \$1,500 or 37.5%. Located at its present facilities are other miscellaneous personal property, primarily telephone communication and computer related equipment, having an estimated value of approximately \$22,000.

Total monthly direct costs of operating the present physical facilities, including rent and all utilities and other overhead expenses are approximately \$4,050 per month.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

o To date none of the management has had any independent determination of the reasonableness or amounts of compensation or benefits, such as shares issued to management or salaries, and it is not likely there will be any independent review of such matters in the future as the management, the Board and the principal owners are substantially the same persons.

o The Company has historically made and received loans and advances from owners and employees without independent Board review. As of December 31, 2001, there was approximately \$15,600 owed to owners and employees by Prime; and approximately \$258,800 owing by such owners and employees to Prime. Approximately \$145,000 of the amounts owing to Prime by owners and employees have been discharged in 2002.

o As noted previously, Mr. Scott Deru and Mr. Terry Deru will be required to make a reasonable allocation of their services between the present operating entity Fringe Benefits Analysts and those services which may be required directly by Prime as the parent company. There may exist some potential for conflict in the priority and allocation of time Resource between these entities as to these individuals.

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o Mr. Terry Deru will act as the Chief Executive Officer for Prime, but concurrently continue to act as a Manager for Belsen Getty. Again, there may exist some potential conflicts for the allocation of time Resource by this individual between the parent and subsidiary.

o Each of the principal officers of Prime have received shares and interest in Prime based primarily upon the contribution of their prior intangible business interest in Prime LLC and other intangible assets which are not capable of exact evaluation. As a result, each of the present principal owners of Prime may be deemed to hold shares and interest in the company which were not determined through any arm's length transaction or independent determination of value.

o The company is not aware of any further transactions which would require disclosure under this section by the company and any affiliated party.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is not traded on any exchange. We plan to seek a listing on the NASD sponsored Electronic Bulletin Board, OTCBB, once our registration statement has cleared comments of the Securities and Exchange Commission. We cannot guarantee that we will obtain a listing. There is no trading activity in our securities, and there can be no assurance that a regular trading market for our common stock will ever be developed.

Current Shareholders

As of April 5, 2002, there were four holders of record of our common stock as described in the management section.

Dividends

We have not declared any cash dividends on our common stock since our inception and do not anticipate paying such dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payment of dividends will depend on our earnings and financial position and such other factors, as the Board of Directors deems relevant.

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EXECUTIVE COMPENSATION

<TABLE>
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HOURLY COMPENSATION, LONG TERM COMPENSATION

Name and Principal Position Other3	Year	Salary(1)	Bonus2	Other Annual Compensation	Restricted Stock Awards(s)	Securities Underlying Options	LTIP
Mr. Terry Deru, President	2001	\$262,000	0	\$65,000	0	0	0

			\$70,000					
Mr. Scott Deru,,	Secretary	2001	\$240,000	0	\$65,000	0	0	0
			\$70,000					
Mr. Andrew Limpert,	Treasurer	2001	\$118,000	0	0	0	0	0
			0					

</TABLE>

To date, directors have not been paid any compensation for attendance at Board of Directors meetings. It is anticipated that as soon as revenues would justify such expenditure, Directors will be paid a per diem payment of \$500 for attending each Board of Directors meetings.

(1) Historically, the principals of Prime Resource LLC have taken draws equal to a salary compensation of \$240,000 per year in the case of Mr. Scott Deru, \$240,000 for Mr. Terry Deru. Mr. Terry Deru received \$262,000 in 2001, but will receive \$240,000 in 2002. Mr. Limpert was paid fees of \$118,000 per year, which will increase to \$210,000 this year. The officers have decided under the new corporate structure of Prime Resource to fix their salaries at these levels as evidenced by an employment contract. If Prime is successful in completing this offering, the company may consider executive stock options or other incentive plans.

(2) In addition to the foregoing salaries, Mr. Scott Deru and Mr. Terry Deru received a cash bonus distribution of \$65,000 each in 2001.

(3) In 2001 Mr. Terry Deru and Mr. Scott Deru each borrowed \$70,000 from Prime. This amount was repaid in 2002 and an additional approximate \$56,000 loaned to Prime by these individuals.

The company presently does not have any stock option or other warrant or stock option plan, but would deem it may adopt such a plan subsequent and in the event of the successful completion of this offering.

FINANCIAL STATEMENTS

You should read carefully all the information in this prospectus, including the financial statements and their explanatory notes as attached.

CHANGE IN ACCOUNTANTS AND ANY DISAGREEMENTS

Your management has not changed its independent auditors since inception. Further, Prime has no conflict or disagreement with its current auditors concerning any accounting policies.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 24. Indemnification of Officers & Directors. Prime indicates that it has normal and customary indemnification provisions under its By-laws and Articles of Incorporation, as well as those generally provided by Nevada law. It is believed these provisions would indemnify all officers and directors from any good faith mistake or omission in the performance of his or her duties including cost of defense. Such indemnity would not extend to intentionally wrongful acts including fraud, appropriation, self dealing or patent conflicts of interest. The Articles and By-Laws were being filed as Exhibit items.

Item 25. Other Expenses of Issuance & Distribution. Prime does not know of any accrued or to be accrued expenses of issuance and distribution other than as outlined in the foregoing prospectus. The present estimates of offering expenses are incorporated as costs for registration, including: fees, legal, accounting, printing and miscellaneous in the aggregate amount of \$35,000 as paid by the company.

Item 26. Recent Sales of Unregistered Securities. Prime believes that in the body of this prospectus it has described all shares issued from the date of inception of Prime. In summary of that disclosure, Prime represents the only shares originally issued were to its founders and principals, Mr. Terry Deru, Mr. Scott Deru and Mr. Andrew Limpert. Mr. Don Deru, the father of Terry and Scott Deru, also received a limited number of shares. Subsequently all shares

issued to them are the same shares set forth in the chart showing securities held by management and are deemed exempted transactions under section 4(2) of the Securities Act of 1933 as initial capital contributions. The following table summarized these transactions:

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Shareholder	Name/	Number of Shares	Acquisition Date	Price per Share	Consideration
<S> Mr. Terry Deru (Founder)		1 M	4/5/2002	\$.07*	Interest in Prime LLC, carry over value of LLC \$70,000
Mr. Scott Deru (Founder)		1 M	4/5/2002	\$.07*	Interest in Prime LLC, carry over value of LLC \$70,000
Mr. Andrew Limpert (Founder)		750 K	4/5/2002	\$.15*	Interest in Prime LLC and offering services valued at \$113,000
Mr. Don Deru		50 K	4/5/2002	\$.07*	Predecessor LLC interest valued at \$10,125

*Shares valued at approximate net worth per share at time of organization based on March 31, 2002 Financial Statements (Unaudited), except for Mr. Limpert whose share valuation contains premium for continuing organizational services.

Item 27. Index of Exhibits:

Financial Statements for the year ending December 31, 2001 and 2000 (audited), and interim period ending March 31, 2002 (unaudited).

Exhibit Item 3 - Articles of Incorporation and By-Laws

Exhibit Item 5 - Attorney Letter in re Legality

Exhibit Item 10 - Assignment of LLC Interest to Limpert

Employment Contracts of Principal Employees

Exhibit Item 23A - Consent of Experts - Carver, Hovey & Co. CPA's;

Julian D. Jensen, P.C. Attorney at Law

Item 28. Undertakings. The undersigned registrant hereby undertakes:

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933. This includes:

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- a. For determining liability under the Securities Act, the issuer will treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.
- b. The issuer will file a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (iv) To the extent this issuer requests acceleration of the effective date of the registration statement under Rule 461 under the Securities Act, it will include the following in the appropriate portion of the prospectus:

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

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SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements of filing on Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, in the City of Salt Lake, State of Utah on May 16, 2002.

(Registrant) Prime Resource, Inc.

/s/ Terry Deru

By: Terry Deru, Its President

In accordance with the requirements of the Securities Act of 1933, this registration statement was signed by the following persons in the capacities and on the dates stated:

BY: /s/ MR. TERRY DERU

(Title) MR. TERRY DERU
Director, CEO, President

(Date) May 16, 2002

BY: /s/ MR. SCOTT DERU

(Title) MR. SCOTT DERU
Director, Vice-President, Treasurer

(Date) May 16, 2002

BY: /s/ MR. ANDREW LIMPert

(Title) MR. ANDREW LIMPert
Director, CFO, Secretary, Vice-President

(Date) May 16, 2002

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PRIME RESOURCE, LLC AND SUBSIDIARIES

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT THEREON

Years Ended December 31, 2001 and 2000

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	Consolidated Balance Sheets	F - 2
	Consolidated Statements of Operations and Members' Equity	F - 3

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INDEPENDENT AUDITORS' REPORT

To The Members

Prime Resource, LLC and subsidiaries

We have audited the accompanying consolidated balance sheets of Prime Resource, LLC and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations and members' equity, consolidated operations and comprehensive income (loss), and consolidated cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted 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 misstatement. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Prime Resource, LLC and subsidiaries 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 accounting principles generally accepted in the United States of America.

/s/ Carver Hovey & Co.

 Carver Hovey & Co.
 Layton, Utah
 March 29, 2002

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<TABLE>
 <CAPTION>

PRIME RESOURCE, LLC AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2001	December 31, 2000	March 31, 2002 (unaudited)
<S>	----- <C>	----- <C>	----- <C>
Current Assets:			
Cash and cash equivalents	\$ 32,102	\$ 225,321	\$ 48,023
Accounts receivable	99,287	146,570	134,407
Available-for-sale securities	50,125	--	6,837
Current portion of notes receivable, related parties	3,763	20,000	3,763
	-----	-----	-----
	185,277	391,891	193,030
Property and equipment, net of accumulated depreciation of \$112,433, \$100,211 and \$68,058 at March 31, 2002, December 31, 2001 and 2000, respectively	131,283	167,216	125,829
Other assets	8,516	8,516	8,516
Advances and notes receivable from related parties, excluding current portion	255,052	92,992	110,253
	-----	-----	-----
	\$ 580,128	\$ 660,615	\$ 437,628
	=====	=====	=====
LIABILITIES AND MEMBERS' EQUITY			
Current Liabilities:			
Trade accounts payable	\$ 16,659	\$ 5,706	\$ 59,878
Accrued compensation, commissions and benefits	228,567	141,806	116,152

Member distribution payable	100,000	--	--
	-----	-----	-----
	345,226	147,512	176,030
Notes payable to related parties	15,579	14,905	69,401
	-----	-----	-----
	360,805	162,416	245,431
	-----	-----	-----
MEMBERS' EQUITY			
Members' equity	220,338	498,199	193,604
Accumulated other comprehensive loss	(1,015)	--	(1,407)
	-----	-----	-----
	219,323	498,199	192,197
	-----	-----	-----
	\$ 580,128	\$ 660,615	\$ 437,628
	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

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<TABLE>
<CAPTION>

PRIME RESOURCE, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY

Three months Ended March 31, 2001 (unaudited)	Three months Ended		
	Year Ended December 31, 2001	Year Ended December 31, 2000	March 31, 2002 (unaudited)
	<C>	<C>	<C>
REVENUES			
Commissions	\$ 1,557,246	\$ 1,498,016	\$ 434,852
418,578			
Investment advisory fees	449,031	707,537	89,988
156,197			
Interest and dividends	15,204	7,716	3,278
1,731			
	-----	-----	-----
	2,021,481	2,213,269	528,118
576,506			
EXPENSES			
Commissions	538,510	480,565	125,192
128,104			
Compensation and benefits	1,130,418	1,079,865	383,440
279,584			
General and administrative	230,205	256,405	120,913
48,068			
Occupancy and equipment	115,575	100,122	25,967
32,222			
Interest	674	662	175
169			
Depreciation	42,744	40,150	12,165
8,111			
	-----	-----	-----
	2,058,126	1,957,769	667,852
496,258			
	-----	-----	-----
NET INCOME (LOSS)	(36,645)	255,500	(139,734)
80,248			

MEMBERS' EQUITY, at beginning of period 498,199	498,199	424,465	220,338
Member contribution	--	--	113,000
Member distributions	(241,216)	(181,766)	--
-----	-----	-----	-----
MEMBERS' EQUITY, at end of period 578,447	\$ 220,338	\$ 498,199	\$ 193,604
=====	=====	=====	=====

See accompanying notes to financial statements

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<TABLE>
<CAPTION>

PRIME RESOURCE, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

months	Year Ended December 31, 2001	Year Ended December 31, 2000	Three months Ended March 31, 2002 (unaudited)	Three Ended March 31, 2001
(unaudited)	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUES				
Commissions	\$ 1,557,246	\$ 1,498,016	\$ 434,852	\$ 418,578
Investment advisory fees	449,031	707,537	89,988	156,197
Interest and dividends	15,204	7,716	3,278	1,731
	-----	-----	-----	-----
	2,021,481	2,213,269	528,118	576,506
EXPENSES				
Commissions	538,510	480,565	125,192	128,104
Compensation and benefits	1,130,418	1,079,865	383,440	279,584
General and administrative	230,205	256,405	120,913	48,068
Occupancy and equipment	115,575	100,122	25,967	32,222
Interest	674	662	175	169
Depreciation	42,744	40,150	12,165	8,111
	-----	-----	-----	-----
	2,058,126	1,957,769	667,852	496,258
NET INCOME (LOSS)	(36,645)	255,500	(139,734)	80,248
OTHER COMPREHENSIVE INCOME -				
Net unrealized loss on securities available for sale	1,015	--	392	--
	-----	-----	-----	-----
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (37,660)	\$ 255,500	\$ (140,126)	\$ 80,248
	=====	=====	=====	=====

See accompanying notes to financial statements

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<TABLE>
<CAPTION>

PRIME RESOURCE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months Three

months			Ended	
Ended	Year Ended	Year Ended	March 31,	
March 31,	December 31,	December 31,	2002	
2001	2001	2000	(unaudited)	
(unaudited)	-----	-----	-----	--
-----	<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	\$ (36,645)	\$ 255,500	\$ (139,734)	\$
80,248				
Adjustments to reconcile net income (loss) to net cash provided by operations:				
Depreciation	42,744	39,536	12,165	
8,563				
Noncash compensation	2,409	--	113,000	
--				
Loss on disposal of assets	980	--	--	
--				
Interest expense on borrowings from member	674	--	--	
--				
Interest income on loans to related parties	(8,113)	(759)	--	
(586)				
Changes in operating assets and liabilities:				
Trade and other accounts receivable	47,283	25,324	(35,120)	
27,698				
Accounts payable	10,559	(22,788)	43,162	
755				
Accrued liabilities	86,762	(57,836)	(112,415)	
(26,987)				
	-----	-----	-----	--
Net cash provided by (used in) operating activities	146,653	238,977	(118,942)	
89,691				
	-----	-----	-----	--
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of equipment	(18,865)	(46,741)	(6,654)	
(7,273)				
Loans to related parties	(155,650)	(36,427)	--	
(140,000)				
Principal payments from related party notes receivable	--	--	144,799	
--				
Collections on loans to related parties	20,000	20,000	--	
20,000				
Proceeds from securities available for sale	--	--	49,733	
--				
Investment in securities available for sale	(51,141)	--	(6,837)	
--				
	-----	-----	-----	--
Net cash provided by (used in) investing activities	(205,656)	(63,168)	181,041	
(127,273)				
	-----	-----	-----	--
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on note payable to a member	--	(17,567)	--	
--				
Notes payable to members	--	--	53,822	
--				
Member buy-out	--	--	(100,000)	
--				
Distributions to members	(134,215)	(181,765)	--	
--				
	-----	-----	-----	--
Net cash used in financing activities	(134,215)	(199,332)	(46,178)	
--				
	-----	-----	-----	--
NET INCREASE (DECREASE) IN CASH	(193,219)	(23,523)	15,921	
(37,582)				

CASH AT BEGINNING OF PERIOD	225,321	248,844	32,102	
225,321				
-----	-----	-----	-----	---
CASH AT END OF PERIOD	\$ 32,102	\$ 225,321	\$ 48,023	\$
187,739				
=====	=====	=====	=====	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for interest	\$ --	\$ 1,337	\$ --	\$
--	=====	=====	=====	
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY				
Accrual of distribution payable to a former member	\$ 100,000	\$ --	\$ --	\$
--				
Distribution of a portion of a note receivable from a related entity to members	7,000	--	--	
--				
Unrealized loss on securities available for sale	1,015	--	392	
--				

</TABLE>

See accompanying notes to financial statements

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Business Activity

Prime Resource, LLC, (The Company) is a Limited Liability Company and 100 percent owner of Belsen Getty, LLC, (Belson Getty), and Fringe Benefits Analysts, LLC, (FBA), with offices in Salt Lake City and Layton, Utah, respectively. Belsen Getty is a fee-only financial management firm, providing investment advice to high-wealth individuals and employee groups in connection with company retirement plans. FBA sells group and employee benefit products, primarily health insurance, to employers and individuals throughout Utah.

Reorganization

Effective December 31, 2001, the Company entered into a settlement agreement involving the transfer of the membership interest from a former member to current and remaining members of the Company. The agreement required the Company to acquire the former owner's membership share in the Company in exchange for \$100,000. The agreement further required the Company to pay compensation to the former member in 2001, also in the amount of \$100,000. Such compensation expense is reflected in salaries and wages in the accompanying statement of operations for the year ended December 31, 2001. A total obligation of \$200,000 for amounts payable to the former member in connection with the reorganization is reflected in the accompanying consolidated balance sheet as of December 31, 2001. The acquisition of the former member's share had no other effect on the recorded assets and liabilities of the Company.

Basis of Financial Presentation

The accompanying consolidated financial statements include the accounts of Prime Resource, LLC, and its wholly owned subsidiaries, Belsen Getty, LLC and Fringe Benefits Analysts, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures as of the date of the balance sheet and revenues and expenses for the period. Actual results could significantly differ from those

estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and money market accounts. For purposes of the statement of cash flows, the Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Available for Sale Securities

Available for sale securities are recorded at fair value. Unrealized holding gains or losses on available for sale securities are reported as a separate component of member's equity until realized. A decline in the market value of the securities below cost that is deemed other than temporary is charged to earnings resulting in the establishment of a new cost basis for the security. Reinvested dividends increase the basis of the related investments.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is calculated on the straight-line method over the estimated useful lives of depreciable assets as follows:

	Years

Automobiles	5
Furniture & equipment	7
Computer software & equipment	3-5

Income taxes

The Company is taxed similar to a partnership. Accordingly, the accompanying consolidated statements of operations do not reflect provisions for income taxes, inasmuch as such income tax liability is the responsibility of the individual members.

Revenue Recognition

Fees from the provision of investment advice are typically billed and earned based on a percentage of the fair values of the investment portfolios under management, as of the beginning of each calendar month.

Revenues, in the form of commissions, are recognized in the period for which the related insurance premiums apply. Commissions from insurance sales, are generated from both in-house and independent agent sales. Total commissions are split between the Company and its independent agents, as negotiated on a case-by-case basis.

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2001 and 2000

NOTE 2 - SECURITIES AVAILABLE FOR SALE

Securities available for sale are comprised of investments in mutual funds. The amortized cost of securities available for sale and the gross unrealized loss on such securities at December 31, 2001, totaled \$51,140 and \$1,015, respectively. Dividends realized and reinvested in 2001 totaled \$1,140. There were no investments in marketable securities, other than cash equivalents, during the year ended December 31, 2000.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation at December 31 consists of the following:

	2001	2000
Furniture and equipment	\$ 87,893	\$ 77,672
Computer equipment and software	39,290	30,702
Vehicles	104,368	127,353
	231,551	235,727
Accumulated Depreciation	(100,211)	(68,059)
	\$ 131,340	\$ 167,668

NOTE 4 - EMPLOYEE BENEFIT PLAN

The Company has a defined contribution 401(K) plan and profit sharing plan. All employees who meet certain minimum requirements are eligible to participate in the plan. Employees may make contributions to the plan limited to the lesser of 15 percent of compensation or \$7,000. Company contributions under both the 401(K) and profit sharing provisions of the plan are also discretionary. The Company's expense from contributions to the plan totaled \$23,425 and \$19,490, for 2001 and 2000, respectively.

NOTE 5 - SEGMENT INFORMATION

Information as to the operations of the Company's different business segments is set forth below. Segments are identified based on the nature of the products and services offered. The Company's reportable segments are asset management, insurance products and other. The asset management segment includes investment portfolio management services provided by Belson Getty. The insurance products segment includes employee health insurance brokerage services provided by FBA. Certain headquarters functions are included in the "other" segment. Income on Company-wide savings and investments is also included in "other".

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 5 - SEGMENT INFORMATION (CONTINUED)

The Company's segments use the same policies as those described in the "Summary of Significant Accounting Policies". The Company has no intersegment revenues or expenses and the intercompany accounts were eliminated.

<TABLE>
<CAPTION>

	Asset Management		Insurance Products	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 449,031	\$707,537	\$ 1,557,246	\$ 1,498,016
Expenses	816,310	836,449	1,186,614	1,092,935
Net Income (Loss)	\$ (367,279)	\$ (128,912)	\$ 370,632	\$ 405,081
	Other		Consolidated	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Revenues	\$ 12,707	\$ 7,716	\$ 2,018,984	\$ 2,213,269
Expenses	52,705	28,385	2,055,629	1,957,769
Net Income (Loss)	\$ (39,998)	\$ (20,669)	\$ (36,645)	\$ 255,500

</TABLE>

The Insurance Products segment had three significant customers, ranging from approximately 14 to 43 percent of total 2001 commissions revenues, and 17 to 45 percent total commission revenue in 2000.

Expenditures for long-lived assets were \$21,777 and \$46,740 for the years ended December 31, 2001 and 2000, respectively. All company assets are held in the United States of America. Assets held by each segment for the years ended December 31, 2001 and 2000 as follows:

	2001	2000
Asset Management	\$ 32,026	\$ 65,537
Insurance Products	42,553	11,908
Other	159,941	158,281
	-----	-----
	\$ 234,520	\$ 235,726
	=====	=====

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of certain financial instruments in the accompanying consolidated financial statements including: cash and cash equivalents, trade receivables, accounts payable, and accrued liabilities, approximate fair value due to the short-term nature of the instruments. The carrying value of notes receivable also approximate fair market value due to the short-term maturity of the notes or floating interest rates that approximate current market rates.

Securities available for sale at December 31, 2001 and 2000 are set forth in Note 2.

NOTE 7 - RELATED PARTY TRANSACTIONS

Notes receivable

The Company had notes receivable from employees and members totaling \$258,815 and \$112,992 as of December 31, 2001 and 2000, respectively. The accompanying consolidated statements of cash flows provide further information regarding investing activities with related parties.

Amounts due from employees and members were subject to the accrual of interest income at rates ranging from 4.5 to 4.9 percent. Interest income on amounts due from related parties totaled \$8,113 in 2001 and \$759 in 2000.

Note payable

The Company was indebted to a member, under a note payable, in the amounts of \$15,579 and \$14,905, as of December 31, 2001 and 2000, respectively. The note bears interest at 4.5 percent and is due on demand.

NOTE 8 - LEASE COMMITMENTS

The Company leases certain office space under agreements classified as operating leases. The space is leased from two entities that had certain common owners to those of the Company. Rent expense, under such leases, totaled \$110,935 and \$96,260 for the years ended December 31, 2001 and 2000, respectively.

In connection with the settlement agreement discussed in Note 1, effective December 31, 2001, the remaining members of the Company divested themselves of their ownership interest in Brownstone Associates, L.L.C., one of the two related entities the Company leased office space from during 2001 and 2000.

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PRIME RESOURCE, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 8 - LEASE COMMITMENTS (CONTINUED)

Future minimum payments required under all noncancellable lease agreements as of December 31, 2001 are as follows:

Year ended

December 31,	
2002	\$ 102,294
2003	72,765
2004	12,734

Total	\$ 187,793
	=====

NOTE 9 - SUBSEQUENT EVENT

In January of 2002, the Company and its members granted a 26 percent membership interest to an employee of the Company valued at \$113,000, as an inducement to remain with the Company and for services to be rendered in connection with a planned reorganization, registration and offering of company stock.

In March of 2002, the Company was paid approximately \$144,000 in amounts due from members as of December 31, 2001 and advanced an additional \$56,000 from those same members. The proceeds were used to satisfy a \$200,000 obligation to a former member, which arose in connection with such member's termination.

ARTICLES OF INCORPORATION

OF

Prime Resources, Inc.

The undersigned natural person, who is more than eighteen (18) years of age, hereby establishes a business corporation pursuant to the laws of the State of Utah and adopts the following Articles of Incorporation:

ARTICLE I

Corporate Name and Office

The name of the corporation is Prime Resources, Inc. The initial office address for the corporation shall be 22 East 100 South, Fourth Floor, Salt Lake City, Utah 84111.

ARTICLE II

Duration

The corporation shall have perpetual existence.

ARTICLE III

Purposes

The initial specific purposes of the corporation shall be to provide insurance products and securities, business and individual financial consulting and related planning services, such as retirement and health plans through one or more subsidiaries. The corporation may conduct the foregoing specific enterprises, and any other business activities, in any jurisdiction or location where it is authorized to conduct any designated business activity by its Board of Directors to include, though not limited to:

3.1 Enter into any lawful arrangement for sharing profits, union of interest, reciprocal association or cooperative associations with any corporation, association, limited liability company, partnership, individual, or other legal entity for carrying on any business; or to enter into any general or limited partnership or joint venture for the carrying on of any business.

3.2 To enter into any lawful merger, consolidation, asset acquisition or sale, or related transaction. To borrow or lend money and to issue securities, or engage in other security transactions for its business purposes.

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ARTICLE IV

Powers

In furtherance of the foregoing purposes the corporation shall have, and may exercise, all of the rights, powers and privileges now or hereafter conferred upon a corporation by any state where it is authorized to conduct business. In addition, it may do everything necessary, suitable, or proper for the accomplishment of any of its corporate purposes.

ARTICLE V

Authorized Shares and Voting

The corporation shall have one class of stock being Fifty Million (50,000,000) shares of common, voting stock having no designated par value. All shares of stock shall be issued by the corporation for cash, tangible or intangible property, services actually performed, notes or other interests having actual value, at a rate of consideration as may be affixed, from time to time, by the Board of Directors. Fully paid stock of this corporation shall not be liable to any call and is nonassessable. There are no pre-emptive rights provision adopted by these Articles; though the By-Laws may contain provisions for adopting pre-emptive rights by the Board of Directors or the shareholders without amendment to these Articles, so far as permissible under Utah law. Each common shareholder of record shall have one vote for each share of stock standing in his, her or its name on the books of the corporation; provided that the Board of Directors may subsequently adopt standard provisions for cumulative voting without amendment to these Articles, so far as permissible under Utah law. At all meetings of the shareholders, the majority of the common shares entitled to vote at such meeting, represented in person or by proxy, shall constitute a

DONE this 26thday of March, 2002.

INCORPORATOR & REGISTERED AGENT:

Mr. Terry Deru
Incorporator & Registered Agent

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I hereby certify that on the day of March, 2002, personally appeared before me, a Notary Public, Mr. Terry Deru who being by me first duly sworn, declared that he is the persons who signed the foregoing document as the Incorporator and Registered Agent and that the statements therein contained are true.

NOTARY PUBLIC

BYLAWS
OF
PRIME RESOURCE, INC.

ARTICLE I

Offices

Section 1. Principal Executive Office. The principal executive office of the corporation shall be located at 22 East First South/Fourth Floor, Salt Lake City, Utah 84111. The Board of Directors is hereby granted full power and authority to change the principal executive office from one location to another. Any such change shall be noted in the corporate minutes by the secretary, or this Section may be amended to state the new location.

Section 2. Other Offices. Other business offices may at any time be established by the Board of Directors at such other places both within and without the State of Utah as the Board of Directors may, from time to time, determine or the business of the corporation may require.

ARTICLE II

Meetings of Stockholders

Section 1. Place of Meetings. All annual or other meetings of stockholders shall be held at the principal executive office of the corporation, or at any other place within or without the State of Utah which may be designated by the Board of Directors and stated in the notice of the meeting.

Section 2. Annual Meetings. Annual meetings shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At such meetings, Directors shall be elected, reports of the affairs of the corporation shall be considered and any other business may be transacted which is within the powers of the stockholders.

Section 3. Special Meetings. Special meetings of the stockholders, for the purpose of taking any action permitted by the stockholders under the Utah Revised Statutes and the Articles of Incorporation, may be called at any time by

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the chairman of the board or the president, by the Board of Directors or by one or more stockholders holding not less than a ten per cent (10%) of the shares of capital stock of the corporation issued and outstanding and entitled to vote at the meeting; or as otherwise required or allowed by Utah Law. Upon request in writing that a special meeting of stockholders be called for any proper purpose, directed to the chairman of the board, the president, any vice president or the secretary, the officer forthwith shall cause notice, subject to any requirement to file a proxy statement, to be given to stockholders entitled to vote at the meeting. The meeting will be held at a time requested by the person or person calling the meeting, not less than 20 nor more than 60 days after receipt of the request. If the notice is not given within 30 days after receipt of the request, or submitted to the SEC by such date, if a proxy solicitation will be required, the person or persons entitled to call the meeting may give the notice and file any proxy material required. If a special meeting is called by any person or persons other than the Board of Directors, the written request to an appropriate officer of the corporation shall specify the time of such meeting and the nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or facsimile transmission.

Section 4. Notice of Meetings of Stockholders and Delivery of Reports to Stockholders. Written notice of any meeting of stockholders shall be given to each stockholder entitled to vote and a copy of each report to the stockholders shall be given to each stockholder, in each case either personally or by mail or other means of written communication, charges prepaid, addressed to such stockholder at his physical address. Any notice, reports or other documents to shareholders may be delivered in electronic format approved by the Board if earlier consented to in writing by the shareholder. If any notice or report addressed to the stockholder at the address of such stockholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the stockholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if such notice or report shall be available for the stockholder upon written demand of the stockholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice or report to all other stockholders. If a stockholder gives no address, any notice or report shall be deemed to have been given to such stockholder if sent by mail or other means of written communication addressed to any electronic address for the shareholder and the place where the principal executive office

of the corporation is situated, or if published at least once in a newspaper of general circulation in the county in which the principal executive office is located.

All such notices of meetings shall be given to each stockholder entitled thereto not less than 10 days nor more than 60 days before each meeting, or as otherwise provided by applicable law, and all reports shall be given to each stockholder entitled thereto at the times provided in Section 3 of Article VII of the Bylaws, or as otherwise provided by applicable law. Any such notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written or electronic communication. An affidavit of mailing or other verifiable means of communication of any such notice or report in accordance with the provisions of

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this Section, executed by a responsible employee or any agent of the corporation, shall be prima facie evidence of the giving of the notice or report. Any notice given shall be sent only after any required approval or filing of any required proxy notice.

Each such notice shall specify:

- (a) the place, the date and the hour of the meeting;
- (b) in the case of special meetings, the nature of the business to be transacted (and no other business may be transacted at such meeting);
- (c) in the case of annual meetings, those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the stockholders;
- (d) if directors are to be elected, the names of nominees intended at the time of the notice to be presented by the Board of Directors or management for election; and
- (e) such other matters, if any, as may be expressly required by applicable law.

Section 5. Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the voting shares at any meeting shall constitute a quorum for the transaction of business, except as otherwise provided by applicable law or by the Articles of Incorporation. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum, or by any greater number of shares required to take such action by applicable law or the Articles of Incorporation. Whenever under the Utah Revised Statutes any shares are disqualified from voting on any matter, they shall not be considered outstanding for purposes of determining the quorum required at a meeting held to act upon, or the required vote to approve action upon, that matter.

Section 6. Adjourned Meeting and Notice Thereof. Any stockholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at such meeting, except as provided in the preceding Section 5. When any stockholders' meeting, annual or special, is adjourned for more than 30 days, or if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting to each stockholder of record entitled to vote at the meeting. Except as provided above, it shall not be necessary to give notice of the time and place of the adjourned meeting or of the business to be transacted thereat if the time and place thereof are announced at the meeting at which such adjournment is taken. At the adjourned meeting, provided the foregoing notice requirements, if applicable, and the

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quorum requirements of the preceding Section 5 are satisfied, the stockholders may transact any business which might have been transacted at the original meeting.

Section 7. Voting. Pursuant to Section 1 of Article VI of these Bylaws, the Board of Directors may fix a record date for the determination of the stockholders entitled to vote at any meeting of stockholders.

Unless the Articles of Incorporation provide for more or less than one vote per share, each outstanding common share, regardless of class, shall be entitled to one vote on each matter on which such share is entitled to be voted.

Any holder of shares entitled to vote on any matter may vote part of his shares in favor of the proposal and refrain from voting the remaining shares or (except in voting upon election of Directors) vote them against the proposal, but, if the stockholder fails to specify the number of shares such stockholder is voting affirmatively, it will be conclusively presumed that the stockholder's approving vote is with respect to all shares such stockholder is entitled to vote. Voting by the stockholders may be a voice vote or by ballot; provided, however, that all elections for Directors must be by ballot upon demand made by a stockholder at the meeting and before the voting begins.

Except as otherwise provided in the last two sentences of Section 5 of this Article II:

(a) the affirmative vote of a majority of the shares actually voted for or against a matter at a duly held meeting at which a quorum is present (without giving effect to abstentions and broker non-votes) shall be the act of the stockholders, unless the vote of a greater number or voting by classes is required for such act by applicable law, the Articles of Incorporation or the Bylaws; and

(b) in the election of Directors, the candidates receiving the highest number of affirmative votes of shares entitled to be voted, up to the number of Directors to be elected by such shares, shall be elected. Votes against a candidate for Director and votes withheld shall have no legal effect.

If the Articles of Incorporation provide for more or less than one vote for any shares on any matter, the references in this Section and in Section 5 of this Article II to a majority or other proportion of shares means, as to such matter, a majority or other proportion of the votes entitled to be cast by such shares.

Section 8. Validation of Defectively Called or Noticed Meetings. The transactions of any meeting of stockholders, annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present pursuant to Section 5 of this Article II, either in person or by proxy, and if, either before or after the meeting, each of the following persons signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof:

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(a) any person entitled to vote at the meeting not present at the meeting in person or by proxy;

(b) any person who, though present, has, at the beginning of the meeting, properly objected to the transaction of any business because the meeting was not lawfully called or convened; or

(c) any person who, though present, during the meeting has properly objected to the consideration of particular matters of business required by the Utah Revised Statutes or the Bylaws or otherwise to be included in the notice of the meeting, but not so included.

Except as otherwise provided in the Articles of Incorporation, neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Action Without Meeting.

(a) Unless otherwise provided in the Articles of Incorporation and subject to prevailing proxy statutes and regulations:

(i) Directors may be elected without a meeting only by a written consent signed by all the stockholders who would be entitled to vote for the election of such Directors; provided, that with appropriate notice as hereinafter set forth, a Director may be elected at any time to fill a vacancy not filled by the Directors by a written consent signed by the holders of a majority of the outstanding shares entitled to vote for the election of the Directorship or Directorships which are vacant; and

(ii) any other action which, under any provision of the Utah Revised Statutes, may be taken at a meeting of the stockholders, may be taken without a meeting, upon notice as hereinafter set forth, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Unless the consents of all stockholders entitled to vote

have been solicited in writing, prompt written notice shall be given of the taking of any corporate action approved by stockholders without a meeting by less than unanimous written consent to those stockholders entitled to vote who have not consented in writing. Such notices shall be given in the manner and shall be deemed to have been given as provided in Section 4 of Article II of the Bylaws.

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(c) All such written consents shall be filed with the secretary of the corporation.

(d) Pursuant to Section 1 of Article VI of the Bylaws, the Board of Directors may fix a record date for the determination of stockholders entitled to give such written consent.

(e) Any stockholder giving a written consent, or the stockholder's proxyholders, or a transferee of the shares of a personal representative of the stockholder or their respective proxyholders, may revoke the consent by a writing received by the corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the secretary of the corporation, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the corporation.

Section 10. Proxies. No meeting of shareholders will be conducted without compliance with any applicable state or federal proxy statutes or regulations.

(a) At any meeting of stockholders, any stockholder may designate another person or persons to act as a proxy or proxies. If any stockholder designates two or more persons to act as proxies, a majority of those persons present at the meeting or, if only one is present, then that one, has and may exercise all of the powers conferred by the stockholder upon all of the persons so designated unless the stockholder provides otherwise.

(b) Without limiting the manner in which a stockholder may authorize another person or persons to act for him as proxy pursuant to subsection (a), the following constitute valid means by which a stockholder may grant such authority:

(i) a stockholder may execute a writing authorizing another person or persons to act for him as proxy. Execution may be accomplished by the signing of the writing by the stockholder or his authorized officer, Director, employee or agent or by causing the signature of the stockholder to be affixed to the writing by any reasonable means, including, but not limited to, a facsimile signature; or

(ii) a stockholder may authorize another person or persons to act for him as proxy by transmitting or authorizing the transmission of a telegram, cablegram or other means of electronic transmission to the person who will be the holder of the proxy or to a firm which solicits proxies or like agent who is authorized by the person who will be the holder of the proxy to receive the transmission. Any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder. If it is determined that the telegram, cablegram or other electronic transmission is valid, the persons appointed by the corporation to count the votes of

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stockholders and determine the validity of proxies and ballots or other persons making those determinations must specify the information upon which they relied.

(c) Any copy, communication by telecopier or other reliable reproduction of the writing or transmission created pursuant to subsection (b) may be substituted for the original writing or transmission for any purpose for which the original writing or transmission could be used, if the copy, communication by telecopier or other reproduction is a complete reproduction of the entire original writing or transmission.

(d) No such proxy is valid after the expiration of six months from the date of its creation, unless it is coupled with an interest, or unless the stockholder specifies in it the length of time for which it is to continue in force, which may not exceed seven years from the date of its creation, or as otherwise provided by applicable law. Subject to these restrictions, any proxy properly created is not revoked and continues in full force and effect until another instrument or transmission revoking it or a properly created proxy bearing a later date is filed with or transmitted to the secretary of the corporation or another person or persons appointed by the corporation to count

the votes of stockholders and determine the validity of proxies and ballots.

Section 11. Inspectors of Election. In advance of any meeting of stockholders, the Board of Directors may appoint any persons other than nominees for office as inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the chairman of any

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such meeting may, and on the request of any stockholder or his proxy shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more stockholders or their respective proxies, the majority of shares entitled to vote represented in person or by proxy shall determine whether one or three inspectors are to be appointed. In case any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may, and on the request of any stockholder or a proxy of any stockholder entitled to vote shall, be filled by appointment by the Board of Directors in advance of the meeting, or at the meeting by the chairman of the meeting.

The duties of such inspectors shall include: determining the number of shares outstanding and the voting power of each; the shares represented at the meeting; the existence of a quorum; the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and such acts as may be proper to conduct the election or vote with fairness to all stockholders. In the determination of the validity and effect of proxies, the dates contained on the forms of proxy shall presumptively determine the order of execution of the proxies, regardless of the postmark dates on the envelopes in which they are mailed.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

Section 12. Presiding Officer; Order of Business; Conduct of Meeting.

(a) Meetings of the stockholders shall be presided over by such person as shall be designated by the Board of Directors, if no designation is made, then by the chairman of the Board of Directors, or if there is no chairman of the Board of Directors, then the president. The secretary of the corporation, or in his absence, an assistant secretary, shall act as secretary of the meeting.

(b) Subject to the following, meetings of stockholders shall generally follow accepted rules of parliamentary procedure.

(i) The chairman of the meeting shall have absolute authority over matters of procedure and there shall be no appeal from the ruling of the chairman. If the chairman, in his absolute discretion, deems it advisable to dispense with the rules of parliamentary procedure as to any one meeting of stockholders or a part thereof, the chairman shall so state and shall clearly state the rules under which the meeting or appropriate part thereof shall be conducted.

(ii) If disorder shall arise which prevents continuation of the legitimate business of the meeting, the chairman may quit the chair and announce the adjournment of the meeting, and upon his so doing, the meeting is immediately adjourned.

(iii) The chairman may ask or require that anyone not a bona fide stockholder or proxyholder leave the meeting.

(iv) A resolution or motion shall be only considered for a vote if proposed by a stockholder or duly authorized proxyholder, and seconded by an individual, who is a stockholder or duly authorized proxyholder, other than the individual who proposed the resolution or motion.

ARTICLE III

Directors

Section 1. Powers. Subject to the limitations of the Utah Revised Statutes and any limitations in the Articles of Incorporation relating to action required to be authorized or approved by the stockholders, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby

expressly declared that the Directors shall have the following powers:

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First - To select and remove all the officers, agents and employees of the corporation; prescribe such powers and duties for them as may not be inconsistent with applicable law, the Articles of Incorporation or the Bylaws; fix their compensation and term of service and require from them security for faithful service.

Second - To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefore, not inconsistent with applicable law, the Articles of Incorporation or the Bylaws, as they may deem appropriate.

Third - To change the principal executive office of the corporation from one location to another as provided in Section 1 of Article I of the Bylaws; to fix and locate from time to time one or more subsidiary offices of the corporation within or without the State of Utah, as provided in Section 2 of Article I of the Bylaws; to designate any place within or without the State of Utah for the holding of any stockholders' meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem appropriate, provided such seal and such certificates shall at all times comply with the provisions of applicable law.

Fourth - To authorize the issue of shares of stock of the corporation from time to time, upon such terms as may be lawful and to retain counsel and other experts to comply with all federal and state securities laws and regulation incident to the issuance of stock of the company.

Fifth - To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidences of debt and security therefore.

Sixth - To review, negotiate, and propose for ratification by the shareholders, all proposals for merger, acquisition, reorganization, sale of most or all assets or other acts requiring shareholder vote. Preliminary negotiations or such transactions may be delegated to one or more officers or agents of the company.

Seventh - To retain, through its officers, various experts, such as attorneys and accountants, to render securities and tax opinions and like legal or accounting advice to the Board.

Section 2. Number and Qualification of Directors. The number of Directors of the corporation shall be any number not less than three nor more than seven until changed by a By-law amending this Section or the Articles. The exact number of Directors shall be fixed from time to time, within the limits specified in this Section, by a resolution adopted by the Board of Directors or by shareholder vote.

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Subject to the foregoing provisions for changing the number of Directors, the number of Directors of this corporation has been fixed at three at the time of adopting the Amended By-laws.

Section 3. Election and Term of Office. Except as noted below, Directors shall be elected to hold office until the succeeding annual meeting of stockholders, and until their respective successors have been elected and qualified. Directors shall be elected at each annual meeting of stockholders, but if any such annual meeting is not held or Directors are not elected thereat, Directors may be elected at any special meeting of stockholders held for that purpose. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which such Director was elected, and until a successor has been elected and qualified, subject to the Utah Revised Statutes and the provisions of the Bylaws with respect to vacancies on the Board of Directors. Provided further, if there be an initial sole director he may appoint up to two other directors without election who shall hold office until the first regular special election of directors.

Section 4. Vacancies.

(a) A vacancy on the Board of Directors shall be deemed to exist in case of the death, resignation, incapacity or removal of any Director, if the authorized number of Directors is increased or if the stockholders fail, at any annual or special meeting of stockholders at which any Director or Directors are to be elected, to elect the full authorized number of Directors to be voted for at that meeting.

(b) Except as otherwise provided in the Articles of Incorporation, any or all of the Directors may be removed with or without cause if such removal is approved by the affirmative vote of at least two-thirds of the outstanding shares entitled to vote on the election of Directors, provided that when by the provisions of the Articles of Incorporation the holders of the shares of any class or series, voting as a class or series, are entitled to elect one or more Directors, any Directors so elected may be removed only by the applicable vote of the holders of the shares of that class or series.

No reduction in the authorized number of classes of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

(c) Any Director may resign effective upon giving written notice to the chairman of the board, the president, the secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors shall have power to elect a successor to take office when the resignation is to become effective.

(d) Vacancies in the Board of Directors may be filled (i) by the affirmative vote of a majority of the Directors then in office present at a duly held meeting at which a quorum is present or the unanimous written consent of the Directors then in office or (ii) if the number of Directors then in office is less than a quorum, by the unanimous written consent of the Directors

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then in office, or the affirmative vote of a majority of the Directors then in office at a duly held meeting of such Directors or a sole remaining Director; and each Director so elected shall hold office until his successor is elected and qualified. The stockholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. Any such election by written consent shall require the consent of holders of a majority of the outstanding shares entitled to vote for the election of such Directors.

Section 5. Annual Meeting. Immediately following each annual meeting of stockholders, the Board of Directors shall hold a regular meeting at the place of said annual meeting, or at such other place as shall be fixed by the Board of Directors, for the purpose of organization, election of officers and the transaction of other business. Call and notice of such meetings are hereby dispensed with.

Section 6. Other Regular Meetings. Other regular meetings of the Board of Directors shall be held during each year, at such times and places as the Board of Directors may from time to time provide by resolution, either within or without the State of Utah, without other notice than such resolution.

Section 7. Special Meetings. Special meetings of the Board of Directors for the purpose of taking any action permitted by the Directors under the Utah Revised Statutes and the Articles of Incorporation may be called at any time by the chairman of the board, the president, the secretary or any two Directors. Notice of the date, hour and place of special meetings shall be given to each Director (a) personally or by telephone, telegraph or facsimile transmission, in each case at least 48 hours prior to the holding of the meeting or (b) by first class mail, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation or, if it is not so shown on such records and is not readily ascertainable, at the place at which the meetings of the Directors are regularly held, at least three days prior to the holding of the meeting. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or by telephone, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient. Any notice shall state the date, place and hour of the meeting and may, but shall not be required to, state the general nature of the business to be transacted.

Section 8. Waiver of Defectively Called or Noticed Meetings. Notice of a meeting need not be given to a Director who signs a waiver of notice, or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice to him. Any such waiver or consent shall state the date, place and hour of the meeting, but need not specify the purpose of the meeting. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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Section 9. Place of Meeting. Regular and special meetings of the Board of Directors shall be held at any place within or without the State of Utah which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, regular and special meetings shall be held at the principal executive office of the corporation.

Section 10. Action at a Meeting; Quorum and Required Vote. Presence in person of a majority of the authorized number of Directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as hereinafter provided. Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting as permitted by the preceding sentence constitutes presence in person at such meeting. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more Directors from voting, is required by the Utah Revised Statutes, the Articles of Incorporation or the Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of a Director, provided that any action taken is approved by at least a majority of the required quorum for such meeting.

Section 11. Adjournment. A majority of the Directors present at any meeting, whether or not a quorum is present, may adjourn any meeting of the Board of Directors to meet again at a stated date, hour and place. If any meeting is adjourned for more than 48 hours, notice of any adjournment to another date, hour or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment. Otherwise, notice of the date, hour and place of holding an adjourned meeting need not be given to absent Directors if the date, hour and place are fixed at the meeting adjourned.

Section 12 Action Without Meeting. Any action by the Board of Directors may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors and shall have the same force and effect as a unanimous vote of the Directors.

Section 13. Committees of the Board. By resolution adopted by the Board of Directors, the Board of Directors may designate an executive committee, an audit committee and such other committees as it shall determine, each consisting of at least one Director and which may include one or more other persons who need not be Directors, to serve at the pleasure of the Board of Directors, and prescribe the manner in which proceedings of such committees shall be conducted. The appointment of members or alternate members of a committee shall be made by a majority vote of the Board of Directors. For purposes of the Bylaws, the term "audit committee" shall mean any committee of the Board of Directors to which is

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delegated the function of periodically reviewing the financial condition, and the results of audit examinations, of the corporation with the corporation's independent public accountants. The audit committee, if appointed, shall not include any officer or employee of the corporation or its subsidiaries unless the Board of Directors shall specifically designate an officer or employee to serve on such committee. Unless the Board of Directors shall otherwise prescribe the manner of proceedings of any such committee, meetings of such committee may be scheduled in advance, in which case call and notice of any such meetings are hereby dispensed with, and may be called at any time by any member thereof; otherwise, the provisions of the Bylaws with respect to notice and conduct of meetings of the Board of Directors shall govern. Any such committee, to the extent provided in a resolution of the Board of Directors, may have all of the authority of the Board of Directors, except with respect to:

(a) the approval of any action for which the Utah Revised Statutes, the Articles of Incorporation or the Bylaws also requires approval of the stockholders;

(b) the filling of vacancies on the Board of Directors or on any committee;

(c) the fixing of compensation of the Directors for serving on the Board of Directors or on any committee;

(d) the adoption, amendment or repeal of Bylaws;

(e) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(f) any distribution to the stockholders, except at a rate or in a periodic amount or within a range determined by the Board of Directors; and

(g) the appointment of other committees of the Board of Directors or the members thereof.

Section 14. Compensation. Directors, and members of any committee of the Board of Directors, shall be entitled to such compensation for their services as Directors and members of any such committee as shall be fixed from time to time by resolution of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in attending such meetings. Any Director receiving compensation under these provisions shall not be barred from serving the corporation in any other capacity and receiving compensation for such other services.

Section 15. Transfer Agents and Registrars. The Board of Directors may appoint one or more transfer agents and one or more registrars, either domestic or foreign, at such times and places as the requirements of the corporation may necessitate.

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ARTICLE IV

Officers

Section 1. Officers. The required officers of the corporation shall be a president, a secretary and a treasurer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, a chief financial officer, a chief executive officer, a chief operating officer, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of Article IV. One person may hold any two or more offices.

Section 2. Election. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV, shall be chosen annually by the Board of Directors; provided, however, that the Board may prescribe a longer term with or without an employment contract. Each officer of the corporation shall hold his office at the pleasure of the Board of Directors, or until he shall resign or shall become disqualified to serve, or until his successor shall be elected and qualified, subject, in each case, to the rights, if any, of the corporation and any such officer under any contract of employment between the corporation and the officer.

Section 3. Subordinate Officers, Etc. The Board of Directors may appoint, and may empower the chairman of the board, the president or any vice president to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as provided in the Bylaws or as the Board of Directors may from time to time determine.

Section 4. Removal and Resignation.

(a) Any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting thereof, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors, subject, in each case, to the rights, if any, of an officer under any contract of employment with the corporation.

(b) Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary of the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office as a result of any cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 6. Chairman of the Board. The chairman of the board, if there shall be such an officer, shall be elected from among the Directors and shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws.

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Section 7. President and CEO. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the stockholders and, in

the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws. The duties and office of the CEO, if separated from the President, shall include any act which could be discharged by the President as specifically set-out by the Board in writing.

Section 8. Vice President(s). In the absence or disability of the president, the vice presidents in order of their rank as fixed by the Board of Directors or, if not ranked, the vice president designated by the Board of Directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as are incident to the office of corporate vice president and as from time to time may be prescribed for them respectively by the Board of Directors or the Bylaws.

Section 9. Secretary. The secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place or places as the Board of Directors may order, a book of minutes of actions taken at all meetings of, and by all written consents of, Directors and stockholders, together with, in the case of meetings, the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at meetings of stockholders and the proceedings thereof. The secretary shall keep, or cause to be kept, at the principal executive office or at the office of the corporation's transfer agent or registrar, a stock ledger, or a duplicate stock ledger, showing the names of the stockholders, alphabetically arranged, and their address, the number and classes of shares held by each, the number and date of certificates issued for such shares and the number and date of cancellation of every certificate surrendered for cancellation. If the stock ledger or duplicate stock ledger is kept at the office of the corporation's transfer agent or registrar, a statement containing the name and address of the custodian of the stock ledger or duplicate stock ledger shall be kept at the corporation's principal executive office. The secretary shall give, or cause to be given, notice of all the meetings of the stockholders and of the Board of Directors required by the Bylaws or by law to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as are incident to the office of corporate secretary and as may be prescribed by the Board of Directors or the Bylaws.

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Section 10. Treasurer and CFO. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. The books of account shall at all reasonable times be open to inspection by any Director. The treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and the Board of Directors, whenever they request it, an account of all of his transactions as treasurer and of such other duties as are incident to the office of corporate treasurer and as may be prescribed by the Board of Directors or the Bylaws. As CFO the office shall require all general strategic financial planning and review for the Board and supervision of auditing functions. The Board may separate the office of CFO from the treasurer and specify any duties in addition to those listed above.

Section 11. Compensation. The salaries and other compensation for the principal officers of the corporation shall be fixed, from time to time, by the Board of Directors. No officer shall be disqualified from receiving a salary or such other compensation by reason of his also being a Director of the corporation.

Section 12. Multiple Offices. Any one person may hold up to two offices described by this section, except the president may not hold any other office. It is initially intended the Secretary/Treasurer will be a combined office. Officers need not, but may be shareholders and/or Directors in the company.

Section 13. Other Officers. The duties of any other principal officer shall be described in the Board resolution appointing such officer or by amendment or supplement to these By-laws.

ARTICLE V

Indemnification of Corporate Agents;

Purchase of Liability Insurance

Section 1. Indemnification of Agents of the Corporation; Purchase of Liability Insurance.

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the act that he is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with the action, suit or proceeding, if he acted

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in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent does not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

(b) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including amounts paid in settlement and attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of the action or suit, if he acted in good faith and in a manner which he reasonably incurred by him in connection with the defense or settlement of the action or suit, if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. However, indemnification shall not be made for any claim, issue or matter as to which a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fair and reasonably entitled to indemnify for such expenses as the court deems proper.

(c) To the extent that a Director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection (a) or (b), or in defense of any claim, issue or matter therein, he shall be indemnified by the corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

(d) Any indemnification under subsection (a) or (b), unless ordered by a court or advanced pursuant to subsection (e), shall be made by the corporation only as authorized in the specified case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances. The determination shall be made: (i) by the stockholders; (ii) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding; (iii) if a majority vote of a quorum consisting of Directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or (iv) if a quorum consisting of Directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

(e) The expenses of officers and Directors incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation as they are incurred and in advance of the final disposition of the

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action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions of this subsection (e) do not affect any rights to advancement of expenses to which corporate personnel other than Directors or officers may be entitled under any contract or otherwise by law.

(f) The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this Article V (i) does not exclude any

other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, the Bylaws or any agreement, vote of stockholders or disinterested Directors or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court pursuant to subsection (b) or for the advancement of expenses made pursuant to subsection (e), shall not be made to or on behalf of any Director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or knowing violation of the law and were material to the cause of action (ii) continues for a person who has ceased to be a Director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

(g) The corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for any liability asserted against him and liability and expenses incurred by him in his capacity as a Director, officer, employee or agent, or arising out of his status as such, whether or not the corporation has the authority to indemnify him against such liability and expenses. The other financial arrangements made by the corporation may include any now or hereafter permitted by applicable law.

(h) In the event that the Utah Revised Statutes shall hereafter permit or authorize indemnification by the corporation of the Directors, officers, employees or agents of the corporation for any reason or purpose or in any manner not otherwise provided for in this Article V, then such Directors, officers, employees and agents shall be entitled to such indemnification by making written demand therefore upon the corporation, it being the intention of this Article V at all times to provide the most comprehensive indemnification coverage to the corporation's Directors, officers, employees and agents as may now or hereafter be permitted by the Utah Revised Statutes.

(i) The foregoing indemnification provisions shall inure to the benefit of all present and future Directors, officers, employees and agents of the corporation and all persons now or hereafter serving at the request of the corporation as Directors, officers, employees or agents of another

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corporation, partnership, joint venture, trust or other enterprise and their heirs, executors and administrators, and shall be applicable to all acts or omissions to act of any such persons, whether such acts or omissions to act are alleged to have or actually occurred prior to or subsequent to the adoption of this Article V.

Section 2. Vested Rights. Neither the amendment nor repeal of this Article V, nor the adoption of any provision of the Articles of Incorporation or the Bylaws or of any statute inconsistent with this Article V, shall adversely affect any right or protection of a Director, officer, employee or agent of the corporation existing at the time of such amendment, repeal or adoption of such inconsistent provision.

ARTICLE VI

Shares and Share Certificates

Section 1. Record Date.

(a) The Board of Directors may fix a time in the future as a record date for the determination of the stockholders entitled to notice of and to vote at any meeting of stockholders or entitled to give consent to corporate action in writing without a meeting, to receive any report, to receive any dividend or distribution or any allotment of rights or to exercise any rights in respect of any other lawful action. The record date so fixed shall be not more than 60 days nor less than 10 days prior to the date of any meeting, nor more than 60 days prior to any other event for the purposes of which it is fixed.

(b) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than 30 days from the date set for the original meeting.

(c) When a record date is fixed, only stockholders of record on the close of business on that date are entitled to notice of and to vote at any such meeting, to give consent without a meeting, to receive any report, to receive a dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in

the Articles of Incorporation, by agreement, by the Utah Revised Statutes or in Section 4 of this Article VI.

Section 2. Certificate for Shares. Every holder of shares in the corporation shall be entitled to have a certificate signed in the name of the corporation by the chairman of the board or the president or a vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary, certifying the number of shares and the class or series of shares owned by the stockholder. Any of the signatures on the certificate may be by facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased

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to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issuance.

Any certificate for shares shall contain such legend or other statement as may be required by the Utah Revised Statutes, applicable federal or state securities laws, other applicable law or regulation or any agreement between the corporation and the issuee thereof.

Certificates for shares may be issued prior to full payment under such restrictions and for such purposes as the Board of Directors or the Bylaws may provide; provided, however, that any such certificate so issued prior to full payment shall state on the face thereof the amount theretofore paid, the amount remaining unpaid and the terms of payment thereof.

No new certificate for shares shall be issued in lieu of an old certificate unless the latter is surrendered and cancelled at the same time; provided, however, that a new certificate shall be issued without the surrender and cancellation of the old certificate if: (i) the old certificate is lost, apparently destroyed or wrongfully taken; (ii) the request for the issuance of the new certificate is made within a reasonable time after the owner of the old certificate has notice of its loss, destruction or the; (iii) the request for the issuance of a new certificate is made prior to the receipt of notice by the corporation that the old certificate has been acquired by a bona fide purchaser; (iv) if required by the corporation, the owner of the old certificate furnishes sufficient indemnity to or provides other adequate security to the corporation; and (v) the owner of the old certificate satisfies any other reasonable requirements imposed by the corporation. In the event of the issuance of a new certificate, the rights and liabilities of the corporation, and of the holders of the old and new certificates, shall be governed by the provisions of the Utah Uniform Commercial Code.

When the Articles of Incorporation are amended in any way affecting the statements contained in the certificates for outstanding shares, or it becomes desirable for any reason, in the discretion of the Board of Directors, to cancel any outstanding certificate for shares and issue a new certificate therefore conforming to the rights of the holder, the Board of Directors may order any holders of outstanding certificates for share to surrender and exchange them for new certificates within a reasonable time to be fixed by the Board of Directors. The order may provide that a holder of any certificates so ordered to be surrendered is not entitled to vote or to receive dividends or exercise any of the other rights of stockholders until the holder has complied with the order, but such order operates to suspend such rights only after notice and until compliance. The duty of surrender of any outstanding certificates may also be enforced by civil action.

Section 3. Transfer of Shares. Upon surrender to the secretary or transfer agent or registrar of the corporation of a certificate for shares fully endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books, unless under applicable federal or state securities laws or otherwise such transfer would be adverse to the best

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interests of the corporation or unless the corporation has notice of an adverse claim, which may be an adverse claim of the corporation, to the certificate.

Section 4. Stockholders of Record. Voting by stockholders shall in all cases be subject to the following provisions:

(a) Subject to subsection (h) of this Section 4, shares held by an administrator, executor, guardian, conservator or custodian may be voted by such holder either in person or by proxy, without a transfer of such shares into the holder's name, and shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy, but no trustee shall be entitled to vote shares held by such trustee without a transfer of such shares into the trustee's name.

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

(c) Except where otherwise agreed in writing between the parties, a stockholder 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.

(d) Shares standing in the name of a minor may be voted and the corporation may treat all rights incident thereto as exercisable by the minor, in person or by proxy, whether or not the corporation has notice, actual or constructive, of the nonage, unless a guardian of the minor's property has been appointed or there is a grantor under the Uniform Transfer to Minors Act and written notice of such appointment is given to the corporation.

(e) If authorized to vote the shares by the power of attorney by which the attorney-in-fact was appointed, shares held by or under control of an attorney-in-fact may be voted and the corporation may treat all rights incident thereto as exercisable by the attorney-in-fact, in person or by proxy, without transfer of the shares into the name of the attorney-in-fact.

(f) Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxyholder as the Articles of Incorporation or the Bylaws of such other corporation may prescribe or, in the absence of such provision, as the Board of Directors of such other corporation may determine or, in the absence of such determination, by the chairman of the board, president or any vice president of such other corporation, or by any other person authorized to do so by the Board of Directors, president or any vice president of such other corporation. Shares which are purported to be voted or any proxy purported to be executed in the name of a corporation (whether or not any title of the person signing is indicated) shall be presumed to be voted or the proxy executed in accordance with the provisions of this subsection, unless the contrary is shown.

(g) Subject to subsection (h) below, shares of the corporation owned by the corporation or any subsidiary shall not be entitled to vote on any matter and shall not be counted in determining the total number of outstanding shares. Solely for purposes of this subsection and subsection (h) below, a "subsidiary" of the corporation shall mean a corporation, shares of which possessing a majority of the power to vote for the election of Directors at the time determination of such voting power is made, are owned directly, or indirectly through one or more subsidiaries, by the corporation.

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(h) Shares held by the corporation in a fiduciary capacity, and shares of the corporation held in a fiduciary capacity by any subsidiary, shall not be entitled to vote on any matter, except to the extent that the settlor or beneficial owner possesses and exercises a right to vote or give the corporation binding instructions as to how to vote such shares.

(i) If shares stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, voting trustees, persons entitled to vote under a stockholder voting agreement or otherwise, or if two or more persons (including proxyholders) have the same fiduciary relationship respecting the same shares, unless the secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

- (a) If only one votes, such act binds all;
- (b) If more than one vote, the act of the majority so voting binds all; and
- (c) If more than one vote, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionately.

If the instrument so filed or the registration of the shares shows that any such tenancy is held in unequal interests, a majority or even split for the purposes of this Section shall mean a majority or even split in interest.

ARTICLE VII

Records and Reports

Section 1. Maintenance of Books and Records. The corporation shall keep adequate and correct books and records of account and shall keep minutes of the

proceedings of its stockholders, Board of Directors and committees of the Board of Directors and shall keep at its principal executive office, or at the office of its transfer agent or registrar, a record of its stockholders, giving the names and addresses of all stockholders and the number and class of shares held

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by each stockholder. Such minutes shall be kept in written form. Such other books and records may be kept either in written form or in any other form capable of being converted into written form within a reasonable time. The corporation shall keep at its principal executive office, or if its principal executive office is not in Utah, then at its principal office, if any, in Utah, a copy of the Articles of Incorporation, as amended to date, certified by the Secretary of State, and the original or a copy of the Bylaws, as amended to date, certified by an officer of the corporation.

Section 2. Inspection of Corporate Records. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and its subsidiaries. Such inspection by a Director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 3. Annual Reports.

(a) At such times as the corporation is subject to the Securities Exchange Act of 1934, as amended, the Board of Directors shall cause an annual report to be sent to the stockholders not later than 120 days after the close of the fiscal year; provided that such report shall be sent to the stockholders at least 10 days prior to the annual meeting of stockholders. Such report shall contain all matters required by the Securities Exchange Act of 1934, as amended and other applicable laws.

(b) Any report required by this Section shall be given in the manner and shall be deemed to have been given by the corporation as provided in Section 4 of Article II of the Bylaws.

Section 4. Annual Statement of Information. The corporation shall file annually with the Secretary of State of the State of Utah, on the prescribed form, a statement in compliance with Section 78.150 of the Utah Revised Statutes.

ARTICLE VIII

Miscellaneous

Section 1. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2. Contracts, Etc., How Executed. The Board of Directors, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or

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authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, share certificate, conveyance or other document or instrument in writing and any assignment or endorsements thereof executed or entered into between the corporation and any other person, when signed by the chairman of the board, the president, any vice president, the chief financial officer, the treasurer or any assistant treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same.

Section 3. Representation of Shares of Other Corporations. Any officer of the corporation is authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted to such officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by such officers.

Section 4. Seal. The corporation shall adopt and may, but shall not be required to, use a corporate seal consisting of a circle setting forth on its circumference the name of the corporation and showing the state and date of incorporation.

Section 5. Fiscal Year. Unless changed by resolution of the Board of Directors, the fiscal year of the corporation shall end on the last day of December.

Section 6. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors, which authority may be general or confined to specific instances.

Section 7. Deposits. The Board of Directors shall select banks, trust companies or other depositories in which all funds of the corporation not otherwise employed shall, from time to time, be deposited to the credit of the corporation.

Section 8. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Utah Revised Statutes shall govern the construction of the Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural number and the plural number includes the singular and the term "person" includes a corporation or other entity as well as a natural person.

Section 9. Preclusion of Acquisition of Controlling Interest--Statute. The Incorporators and initial Directors, being fully advised of the Utah Statutory Provisions related to treatment of the acquisition of controlling sharehold interest pursuant to subsequent share transactions, wish to invoke the provisions of Utah Revised Statutes Utah Code Annot ss.61-6-6, or any subsequent provision or section, to hereby elect out of any application of the Acquisition of Controlling Sharehold Interest Provisions under Utah Code Annot ss.61-1-1 et. seq., or other or subsequent related statutory provisions.

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ARTICLE IX

Amendments

Section 1. Power of Stockholders. New Bylaws may be adopted or the Bylaws may be amended or repealed by the affirmative vote or written consent of a majority of the outstanding shares entitled to vote, except as otherwise expressly provided by applicable law, the Articles of Incorporation or elsewhere in the Bylaws.

Section 2. Power of Directors. Subject to the right of the stockholders as provided in Section 1 of this Article IX to adopt, amend or repeal Bylaws, Bylaws may be adopted, amended or repealed by the Board of Directors.

The undersigned Directors affirms adoption of these By-Laws by majority vote of the Board of Directors on May ____, 2002.

/s/ Mr. Terry Deru

Mr. Terry Deru
Director and Chairman of the Board
Date: May ____, 2002

/s/ Mr. Andrew Limpert

Director/Secretary
Date: May ____, 2002

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Law Offices
JENSEN, DUFFIN & DIBB, LLP
311 SOUTH STATE STREET
SUITE 380
SALT LAKE CITY, UTAH 84111

THOMAS A. DUFFIN, P.C.
JULIAN D. JENSEN, P.C.
BRUCE L. DIBB, P.C.
DANIEL O. DUFFIN, P.C.

TELEPHONE
(801)
531-6600
TELECOPIER
(801)
521-3731

May 14, 2002

Board of Directors
Prime Resource, Inc.

22 East First South/Fourth Floor
Salt Lake City, UT 84111

RE: Opinion on Legality
SB-2 Registration Filing

Dear Prime Resource Board of Directors:

Our office has been asked by Mr. Terry Deru, your President, to prepare for the Board of Directors an opinion on the legality of the proposed Registration to be filed with the Securities and Exchange Commission on Form SB-2. In response to that request, it is the opinion of our office that Prime Resource, Inc. is a Utah corporation in good standing and is fully capable of completing and filing a Registration Statement on Form SB-2 with the Securities Exchange Commission and otherwise registering such offering in various jurisdictions where the offering may be sold. It is also the opinion of the undersigned that the securities covered by the Registration Statement will, when sold, be legally issued, fully paid and non-assessable.

It is also the opinion of our office that the proposed SB-2 Registration Statement constitutes an apparent adequate and complete filing under the Securities and Exchange Act of 1933, though such opinion does not intimate or mean that the Securities and Exchange Commission may not require various amendments before such Registration may become effective. It is further understood and agreed between the undersigned and the Company that this letter will be required to be filed as a Exhibit to the Registration Statement. If you have any questions regarding this opinion, please contact the undersigned at your earliest convenience.

Sincerely,

/s/ Julian D. Jensen

Julian D. Jensen
Attorney at Law

JDJ/jp
PRIME RESOURCE/L.BrdDirect

ASSIGNMENT OF LLC INTEREST

Assignment of membership interest in Prime Resource LLC from Prime Resource LLC, a Utah limited Liability Co., ("Prime"), to Andrew Limpert (Limpert) on this 10th day of January, 2002 in Salt Lake County, Utah.

RECITALS

WHEREAS, Prime acquired, as of January 1, 2002, a 23% membership interest in Prime from Mr. William S. Campbell("Campbell");

WHEREAS, Prime has agreed to compensate Limpert with this LLC interest for financial consulting and organizational services through the completion of a proposed SB-2 offering of its shares, subsequent to conversion from an LLC to a corporation, to be filed later in 2002;

WHEREAS, the parties agree the Campbell membership interest should be valued at \$100,000 for assignment in partial satisfaction of the Limpert services and the 26% corporate interest would be valued at \$113,000;

NOW THEREFORE, the parties initially agree and covenant as follows:

Limpert is herewith assigned the 23% membership interest previously owned by Campbell in Prime. Prime and Limpert understand that Limpert has and will continue to provide financial consulting and organizational services to Prime through completion of a reorganization as a Utah corporation and the filing of an SB-2 Registration Statement. Limpert accepts such interest without warranty, express or implied, except warranty of good title by Prime.

Prime agrees to value the Limpert services at \$113,000 and to issue not less than 26% of the to be issued and outstanding shares in a reorganized Prime Corporation as subsequently organized in complete payment and discharge of its obligation for payment of services to Limpert.

DATED this 10th day January, 2002.

PRIME by its principal majority owners:

- -----	- -----
Terry Deru, Manager, Member	Andrew Limpert
- -----	
Scott Deru, Member	

PRIME RESOURCES/Assign.Interest

Employment Agreement

This Employment Agreement (the "Agreement") is made by Prime Resource, Inc., ("the Company"), and Andrew Limpert, ("the Employee" or "Limpert").

Limpert and Prime Resource, Inc., will be referred to individually as a Party and collectively as the Parties. The Parties agree as follows:

1. Employment. Company shall employ Employee as Secretary/Treasurer and Chief Financial Officer (CFO). Employee accepts and agrees to such employment, subject to the general supervision, advice and direction of the Board of Directors. Employee shall: (i) strategically plan and then manage all general financial and record keeping affairs of the Company and its subsidiaries consistent with directives from the Board of Directors including private and public offerings and loans; (ii) supervise any internal auditing and financial preparation functions; (iii) perform such duties as are customarily performed by an employee in a similar position and by the Bylaws; and (iv) perform all services and duties as may be assigned to the Employee from time to time by the Board of Directors.

2. Best Efforts of Employee. Employee agrees to perform faithfully, industriously, and to the best of Employee's ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Agreement, to the satisfaction of Company. Employee shall perform such duties at such place(s) as the needs, business, or opportunities of the Company or its subsidiaries may require on a full-time basis.

3. Duties of Limpert. Employee acknowledges that as an existing principal officer of Prime, he has a fiduciary duty to the Company. Employee agrees to disclose all potential business opportunities to the Company, not to compete against the Company during his employment, and not to become involved in any activities that create a conflict of interest (or potential conflict of interest) between the Company and the Employee during his employment. The Employee also agrees to promptly keep the Board of Directors aware of all investments and business activities that the Employee is directly or indirectly involved in, and all business activities or investments in which the Employee has a direct or indirect financial interest that may have the likelihood of impacting the company during his employment. The Employee agrees not to do business in competition with the Company during his employment. The Employee agrees not to do business with any third parties who are doing business with the Company during his employment, without the prior express written consent of the Company's Board of Directors. The Employee also agrees not to participate personally in any business deals or ventures in which the Company is participating, is considering participating, or could participate during his employment.

4. Compensation of Employee. As compensation for the services provided by the Employee under this Agreement, Company will pay Employee an annual base salary of \$120,000/year to July 5, 2002, then \$180,000/annually to September 31, 2002, and \$210,000 annually thereafter. Annual salaries shall be pro rated and paid on a monthly basis, and payable in accordance with the Company's usual payroll procedures.

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(4.1) Employee shall be included to the extent eligible thereunder in any and all plans pursuant to which the Company, or any predecessor, may provide insurance, health care, or retirement benefits for the Company's employees, including but not limited to insurance, 401(k) plan, flextime, sick days, holidays, and vacation -- initially eighteen (18) days per year as more particularly described in the Prime LLC Employment Manual. Employee's participation in any such plan or program shall be subject to the provisions, rules and regulations designated by the Company in its full and complete discretion and as the Company may change from time to time, so long as the employee is not discriminated against in any way contrary to other general officers of the Company. Employee acknowledges no such plans or benefits have currently been adopted by the Board, except employee shall be guaranteed 18 paid leave days and participation in any existing plan or benefit transferred from Prime LLC.

(4.2) In accordance with the Company's policies, established from time to time, the Company will pay or reimburse Employee for all reasonable and necessary out-of-pocket expenses incurred by him in the performance of his duties under this Agreement, subject to the presentment of appropriate vouchers. These expenses shall include but are not limited to reimbursement for Employee's mobile phone, for business travel, for business meals, and ground transportation when on Company business.

(4.3) Employee acknowledges that Prime does not presently have any stock option or other stock rights programs or plans for officers or directors, nor is there presently any bonus incentives or plans. While employee recognizes such plans may be adopted in the future, employee explicitly agrees that the adoption of such plans is not a promised consideration under this Agreement and

the creation or withholding of such plans by the Board of Directors is not a consideration for this Agreement or basis for employee withdrawal. Company and employee further agree and covenant that employee will be treated equally with all other general officers of the Company in the creation or adoption of any future benefits described by this paragraph or reasonably related thereto.

5. Recommendations for Improving Operations. Employee shall provide Company with all information, suggestions, and recommendations regarding Company's business, of which Employee has knowledge that will be of benefit to Company.

6. Confidentiality. Employee recognizes that Company has and will have information regarding the products or services to be marketed and sold, the clients and potential clients to which products or services are to be marketed and sold, and the technique for marketing and selling generally (collectively "Confidential Information" which, in its totality, is not known to the public) which are valuable, special and unique assets of Company. The Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, use any Confidential Information for the Employee's own benefit or use any of the Company's Confidential Information in any way that is directly or indirectly in competition with the Company. Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Confidential Information to any third party without the prior written consent of the Company. Employee will protect the Company's Confidential Information and treat it as strictly confidential. A violation by Employee of this paragraph shall be a material violation of this Agreement and will justify termination and/or legal and/or equitable relief.

7. Unauthorized Disclosure of Information. If it appears that the Employee has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, the Company shall be entitled to an injunction to restrain the Employee and or the Employee's agents from disclosing, in whole or in part, such Confidential Information, or from providing any goods or services to any Party to whom such Confidential Information has been disclosed or may be disclosed or from using such Confidential Information to sell goods or services. The Company shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

8. Confidentiality After Termination. All provisions of this Agreement regarding Confidential Information shall remain in full force and effect after the termination of this Agreement for a period of 24 months.

9. Services to Third Parties. The Employee shall not provide any consulting services to or enter the employment of any third Party during the course of his employment, unless the Employee has obtained the Company's prior written consent.

10. Return of Records, Property and Confidential Information. Upon termination of this Agreement, the Employee shall deliver all records, customer or supplier lists, notes, data, memoranda, models, computers, files, computer files, recorded data, and equipment of any nature that are in the Employee's control or possession that are the Company's property or relate to the Company's business or that are copies of Company documents or that contain the Company's Confidential Information.

11. Termination. Employee's employment under this Agreement shall be for a three year term, unless terminated for cause.

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A. Termination Without Cause. This Agreement may be terminated by the Company at any time without cause and without notice. In the event Employee is terminated by the Company without cause prior to the three year term, the Company shall pay to Employee, as a severance allowance, his then current monthly Base Salary, stock options and health benefits for the three months (3 months) period following the date of termination and including the month in which notice of termination occurs.

B. Termination For Cause. The Company may also terminate this Agreement without notice if the Agreement is terminated for cause. For purposes of this Agreement, termination for cause shall mean termination for fraud, embezzlement, misfeasance, theft, or a material criminal act or any material breach of this Agreement. In the event that Employee's employment is terminated for cause, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any employee rights or compensation which would vest in the month of termination, but off-set by any amounts appropriated or wrongfully taken by Employee.

C. Effective Date. Employee's employment shall be terminated on the earlier of: 30 days following the written submission of Employee's resignation; or date such resignation is accepted by the Company.

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D. Resignation. In the event that Employee's employment is terminated pursuant to Employee's resignation, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any other compensation or right which would vest in the month the resignation becomes effective.

12. Termination for Disability or Death. Company shall have the option to terminate this Agreement, if Employee is no longer able to perform the essential functions of the position with reasonable accommodation. In the event of termination for disability or death, employee shall receive the termination rights and benefits described by paragraph 12A for termination within three years without cause.

13. Disclosure. The Employee is required to disclose any outside activities or interests, including ownership or participation in the development of intellectual property or trade secrets, that may conflict or compete with the interests of the Company. Immediate disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to the sale or marketing of any product similar to any product offered by Prime Resource, Inc. or any of its subsidiaries anywhere in the world; or the sale or marketing (anywhere in the world) of any product that is similar to or that competes with any of the products sold by or to be sold by the Company.

14. Assignment. The Employee's obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation, or entity without the prior written consent of the Company.

15. Intellectual Property. The following provisions shall apply with respect to the Company's copyrightable works, trade secrets (including, but not limited to client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), inventions, applications for patents, and patents (collective, "Intellectual Property").

16. Development of Intellectual Property. Any Intellectual Property and or trade secrets (including, but not limited to, client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), created, developed, modified, or updated, by the Employee during the term of the Agreement is the property of the Company. Any improvements to Intellectual Property items of the Company including further inventions or improvements, and any new items of Intellectual Property discovered or developed by the Employee (or the Employee's employees, if any) during the term of this Agreement shall be the property of the Company. The Employee shall sign all documents necessary to protect the rights of the Company in such Intellectual Property, including the filing and/or prosecution of any applications for copyrights or patents. Upon request, the Employee shall sign all documents necessary to assign the rights to such Intellectual Property to the Company.

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17. Compliance with Company's Rules. Employee agrees to comply with all of the rules, regulations, and guidelines of Company as they are amended from time to time.

18. Solicitation of Customers and Solicitation of Employees:

(18.1) Employee agrees that during his employment by the Company hereunder and for the period of two years after his termination date, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit, divert or appropriate, or attempt to solicit, divert or appropriate, to any competing business (i) any person or entity whose account with the Company was sold or serviced by or under the supervision of Employee during the two years preceding the termination of such employment; (ii) any person or entity whose account with the Company has been directly solicited at least twice by the Company within the one year period prior to the date of termination of employment; or (iii) any account existing at any financial institution.

(18.2) Employee agrees that during his employment by the Company hereunder and for a two year period following the termination of such employment for any reason, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others solicit, divert or hire away, or attempt to solicit, divert or hire away any person then employed by the Company or then serving as a sales representative of the Company.

19. Return of Property. Immediately upon termination of this Agreement, the Employee shall deliver all property (including keys, records, notes, data, memoranda, models, and equipment) that is in the Employee's possession or under the Employee's control, which is Company's property or related to Company's business. Such obligation shall be governed by any separate confidentiality or proprietary rights agreement signed by the Employee.

20. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered in person or deposited in the United State mail, postage paid, addressed as follows:

If for the Employee:

If for the Company:

Andrew Limpert
8395 South Parkhurst Circle
Sandy, UT 84094

CEO Prime Resource, Inc.:
22 East 100 South/Fourth Floor
Salt Lake City, UT 84111

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above to the other party and attaching proof of service of such change to this Agreement.

21. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

22. Amendment. This Agreement may only be modified or amended, if the amendment is made in writing and is signed by both parties.

23. Severability. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

24. Waiver of Contractual Right. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

25. Interpretation. This Agreement shall not be construed against the drafting Party. Both Parties acknowledge adequate opportunity to seek legal counsel regarding this Agreement.

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26. Applicable Law, Exclusive Jurisdiction, and Venue. This Agreement shall be governed by the laws of the State of Utah. The Courts in Salt Lake County, Utah have exclusive jurisdiction and the Courts in Salt Lake County, Utah are the exclusive venue for disputes relating to the interpretation or enforcement of this Agreement. In the event of a dispute relating to interpretation or enforcement of this Agreement, the prevailing party shall be awarded all reasonable attorneys' fees and costs incurred.

27. Effective Date. Regardless of the date(s) on which this Agreement is signed, the Effective Date of this Agreement is April 5, 2001.

Prime Resource, Inc.

By: /S/ Mr. Terry Deru

Mr. Terry Deru
Chairman of the Board of Directors

April 5, 2002

/S/ Andrew Limpert

Andrew Limpert
Employee

April 5, 2002

Employment Agreement

This Employment Agreement (the "Agreement") is made by Prime Resource, Inc., ("the Company"), and Scott Deru, ("the Employee" or "Deru").

Deru and Prime Resource, Inc., will be referred to individually as a Party and collectively as the Parties. The Parties agree as follows:

1. Employment. Company shall employ Employee as Vice-President of Operations. Employee accepts and agrees to such employment, subject to the general supervision, advice and direction of the Board of Directors. Employee shall: (i) manage all day-to-day affairs of the Company and its subsidiaries consistent with directives of the President and the Board of Directors, including acting as the President and CEO in the event of his disability or death until subsequently directed by the Board; (ii) perform such duties as are customarily performed by an employee in a similar position and by the Bylaws; and (iii) perform all services and duties as may be assigned to the Employee from time to time by the Board of Directors.

2. Best Efforts of Employee. Employee agrees to perform faithfully, industriously, and to the best of Employee's ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Agreement, to the satisfaction of Company. Employee shall perform such duties at such place(s) as the needs, business, or opportunities of the Company or its subsidiaries may require on a full-time basis.

3. Duties of Deru. Employee acknowledges that as an existing principal officer of Prime, he has a fiduciary duty to the Company. Employee agrees to disclose all potential business opportunities to the Company, not to compete against the Company during his employment, and not to become involved in any activities that create a conflict of interest (or potential conflict of interest) between the Company and the Employee during his employment. The Employee also agrees to promptly keep the Board of Directors aware of all investments and business activities that the Employee is directly or indirectly involved in, and all business activities or investments in which the Employee has a direct or indirect financial interest that may have the likelihood of impacting the company during his employment. The Employee agrees not to do business in competition with the Company during his employment. The Employee agrees not to do business with any third parties who are doing business with the Company during his employment, without the prior express written consent of the Company's Board of Directors. The Employee also agrees not to participate personally in any business deals or ventures in which the Company is participating, is considering participating, or could participate during his employment.

4. Compensation of Employee. As compensation for the services provided by the Employee under this Agreement, Company will pay Employee an annual base salary of \$240,000/year. Annual salaries shall be pro rated and paid on a monthly basis, and payable in accordance with the Company's usual payroll procedures.

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(4.1) Employee shall be included to the extent eligible thereunder in any and all plans pursuant to which the Company, or any predecessor, may provide insurance, health care, or retirement benefits for the Company's employees, including but not limited to insurance, 401(k) plan, flextime, sick days, holidays, and vacation -- initially eighteen (18) days per year as more particularly described in the Prime LLC Employment Manual. Employee's participation in any such plan or program shall be subject to the provisions, rules and regulations designated by the Company in its full and complete discretion and as the Company may change from time to time, so long as the employee is not discriminated against in any way contrary to other general officers of the Company. Employee acknowledges no such plans or benefits have currently been adopted by the Board, except employee shall be guaranteed 18 paid leave days and participation in any existing plan or benefit transferred from Prime LLC.

(4.2) In accordance with the Company's policies, established from time to time, the Company will pay or reimburse Employee for all reasonable and necessary out-of-pocket expenses incurred by him in the performance of his duties under this Agreement, subject to the presentment of appropriate vouchers. These expenses shall include but are not limited to reimbursement for Employee's mobile phone, for business travel, for business meals, and ground transportation when on Company business.

(4.3) Employee acknowledges that Prime does not presently have any stock option or other stock rights programs or plans for officers or directors, nor is there presently any bonus incentives or plans. While employee recognizes such plans may be adopted in the future, employee explicitly agrees that the adoption of such plans is not a promised consideration under this Agreement and the creation or withholding of such plans by the Board of Directors is not a consideration for this Agreement or basis for employee withdrawal. Company and employee further agree and covenant that employee will be treated equally with all other general officers of the Company in the creation or adoption of any

future benefits described by this paragraph or reasonably related thereto.

5. Recommendations for Improving Operations. Employee shall provide Company with all information, suggestions, and recommendations regarding Company's business, of which Employee has knowledge that will be of benefit to Company.

6. Confidentiality. Employee recognizes that Company has and will have information regarding the products or services to be marketed and sold, the clients and potential clients to which products or services are to be marketed and sold, and the technique for marketing and selling generally (collectively "Confidential Information" which, in its totality, is not known to the public) which are valuable, special and unique assets of Company. The Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, use any Confidential Information for the Employee's own benefit or use any of the Company's Confidential Information in any way that is directly or indirectly in competition with the Company. Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Confidential Information to any third party without the prior written consent of the Company. Employee will protect the Company's Confidential Information and treat it as strictly confidential. A violation by Employee of this paragraph shall be a material violation of this Agreement and will justify termination and/or legal and/or equitable relief.

7. Unauthorized Disclosure of Information. If it appears that the Employee has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, the Company shall be entitled to an injunction to restrain the Employee and or the Employee's agents from disclosing, in whole or in part, such Confidential Information, or from providing any goods or services to any Party to whom such Confidential Information has been disclosed or may be disclosed or from using such Confidential Information to sell goods or services. The Company shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

8. Confidentiality After Termination. All provisions of this Agreement regarding Confidential Information shall remain in full force and effect after the termination of this Agreement for a period of 24 months.

9. Services to Third Parties. The Employee shall not provide any consulting services to or enter the employment of any third Party during the course of his employment, unless the Employee has obtained the Company's prior written consent.

10. Return of Records, Property and Confidential Information. Upon termination of this Agreement, the Employee shall deliver all records, customer or supplier lists, notes, data, memoranda, models, computers, files, computer files, recorded data, and equipment of any nature that are in the Employee's control or possession that are the Company's property or relate to the Company's business or that are copies of Company documents or that contain the Company's Confidential Information.

11. Termination. Employee's employment under this Agreement shall be for a three year term, unless terminated for cause.

A. Termination Without Cause. This Agreement may be terminated by the Company at any time without cause and without notice. In the event Employee is

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terminated by the Company without cause prior to the three year term, the Company shall pay to Employee, as a severance allowance, his then current monthly Base Salary, stock options and health benefits for the three months (3 months) period following the date of termination and including the month in which notice of termination occurs.

B. Termination For Cause. The Company may also terminate this Agreement without notice if the Agreement is terminated for cause. For purposes of this Agreement, termination for cause shall mean termination for fraud, embezzlement, misfeasance, theft, or a material criminal act or any material breach of this Agreement. In the event that Employee's employment is terminated for cause, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any employee rights or compensation which would vest in the month of termination, but off-set by any amounts appropriated or wrongfully taken by Employee.

C. Effective Date. Employee's employment shall be terminated on the earlier of: 30 days following the written submission of Employee's resignation; or date such resignation is accepted by the Company.

D. Resignation. In the event that Employee's employment is terminated pursuant to Employee's resignation, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any other compensation or right which would vest in the month the resignation becomes effective.

12. Termination for Disability or Death. Company shall have the option to terminate this Agreement, if Employee is no longer able to perform the essential functions of the position with reasonable accommodation. In the event of termination for disability or death, employee shall receive the termination rights and benefits described by paragraph 12A for termination within three years without cause.

13. Disclosure. The Employee is required to disclose any outside activities or interests, including ownership or participation in the development of intellectual property or trade secrets, that may conflict or compete with the interests of the Company. Immediate disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to the sale or marketing of any product similar to any product offered by Prime Resource, Inc. or any of its subsidiaries anywhere in the world; or the sale or marketing (anywhere in the world) of any product that is similar to or that competes with any of the products sold by or to be sold by the Company.

14. Assignment. The Employee's obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation, or entity without the prior written consent of the Company.

15. Intellectual Property. The following provisions shall apply with respect to the Company's copyrightable works, trade secrets (including, but not limited to client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), inventions, applications for patents, and patents (collective, "Intellectual Property").

16. Development of Intellectual Property. Any Intellectual Property and or trade secrets (including, but not limited to, client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), created, developed, modified, or updated, by the Employee during the term of the Agreement is the property of the Company. Any improvements to Intellectual Property items of the Company including further inventions or improvements, and any new items of Intellectual Property discovered or developed by the Employee (or the Employee's employees, if any) during the term of this Agreement shall be the property of the Company. The Employee shall sign all documents necessary to protect the rights of the Company in such Intellectual Property, including the filing and/or prosecution of any applications for copyrights or patents. Upon request, the Employee shall sign all documents necessary to assign the rights to such Intellectual Property to the Company.

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17. Compliance with Company's Rules. Employee agrees to comply with all of the rules, regulations, and guidelines of Company as they are amended from time to time.

18. Solicitation of Customers and Solicitation of Employees:

(18.1) Employee agrees that during his employment by the Company hereunder and for the period of two years after his termination date, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit, divert or appropriate, or attempt to solicit, divert or appropriate, to any competing business (i) any person or entity whose account with the Company was sold or serviced by or under the supervision of Employee during the two years preceding the termination of such employment; (ii) any person or entity whose account with the Company has been directly solicited at least twice by the Company within the one year period prior to the date of termination of employment; or (iii) any account existing at any financial institution.

(18.2) Employee agrees that during his employment by the Company hereunder and for a two year period following the termination of such employment for any reason, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others solicit, divert or hire away, or attempt to solicit, divert or hire away any person then employed by the Company or then serving as a sales representative of the Company.

19. Return of Property. Immediately upon termination of this Agreement, the Employee shall deliver all property (including keys, records, notes, data, memoranda, models, and equipment) that is in the Employee's possession or under the Employee's control, which is Company's property or related to Company's business. Such obligation shall be governed by any separate confidentiality or proprietary rights agreement signed by the Employee.

20. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered in person or deposited in the United State mail, postage paid, addressed as follows:

If for the Employee:

If for the Company:

Scott Deru

CEO Prime Resource, Inc.:
22 East 100 South/Fourth Floor

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above to the other party and attaching proof of service of such change to this Agreement.

21. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

22. Amendment. This Agreement may only be modified or amended, if the amendment is made in writing and is signed by both parties.

23. Severability. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

24. Waiver of Contractual Right. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

25. Interpretation. This Agreement shall not be construed against the drafting Party. Both Parties acknowledge adequate opportunity to seek legal counsel regarding this Agreement.

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26. Applicable Law, Exclusive Jurisdiction, and Venue. This Agreement shall be governed by the laws of the State of Utah. The Courts in Salt Lake County, Utah have exclusive jurisdiction and the Courts in Salt Lake County, Utah are the exclusive venue for disputes relating to the interpretation or enforcement of this Agreement. In the event of a dispute relating to interpretation or enforcement of this Agreement, the prevailing party shall be awarded all reasonable attorneys' fees and costs incurred.

27. Effective Date. Regardless of the date(s) on which this Agreement is signed, the Effective Date of this Agreement is April 5, 2001.

Prime Resource, Inc.

By: /S/ Mr. Terry Deru April 5, 2002

Mr. Terry Deru
Chairman of the Board of Directors

/S/ Scott Deru April 5, 2002

Scott Deru
Employee

PRIME RESOURCES/SDeru.EmployAgree

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Employment Agreement

This Employment Agreement (the "Agreement") is made by Prime Resource, Inc., ("the Company"), and Terry Deru, ("the Employee" or "Deru").

Deru and Prime Resource, Inc., will be referred to individually as a Party and collectively as the Parties. The Parties agree as follows:

1. Employment. Company shall employ Employee as the President and Chief Executive Officer (CEO). Employee accepts and agrees to such employment, subject to the general supervision, advice and direction of the Board of Directors. Employee shall: (i) strategically plan and then manage all general corporate directives and activities and sign all contracts authorized by the Board whether by specific resolution or general grant of authority; (ii) perform such duties as are customarily performed by an employee in a similar position and by the Bylaws; and (iii) perform all services and duties as may be assigned to the Employee from time to time by the Board of Directors.

2. Best Efforts of Employee. Employee agrees to perform faithfully, industriously, and to the best of Employee's ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Agreement, to the satisfaction of Company. Employee shall perform such duties at such place(s) as the needs, business, or opportunities of the Company or its subsidiaries may require on a full-time basis.

3. Duties of Deru. Employee acknowledges that as an existing principal officer of Prime, he has a fiduciary duty to the Company. Employee agrees to disclose all potential business opportunities to the Company, not to compete against the Company during his employment, and not to become involved in any activities that create a conflict of interest (or potential conflict of interest) between the Company and the Employee during his employment. The Employee also agrees to promptly keep the Board of Directors aware of all investments and business activities that the Employee is directly or indirectly involved in, and all business activities or investments in which the Employee has a direct or indirect financial interest that may have the likelihood of impacting the company during his employment. The Employee agrees not to do business in competition with the Company during his employment. The Employee agrees not to do business with any third parties who are doing business with the Company during his employment, without the prior express written consent of the Company's Board of Directors. The Employee also agrees not to participate personally in any business deals or ventures in which the Company is participating, is considering participating, or could participate during his employment.

4. Compensation of Employee. As compensation for the services provided by the Employee under this Agreement, Company will pay Employee an annual base salary of \$240,000/year. Annual salaries shall be pro rated and paid on a monthly basis, and payable in accordance with the Company's usual payroll procedures.

(4.1) Employee shall be included to the extent eligible thereunder in any and all plans pursuant to which the Company, or any predecessor, may provide insurance, health care, or retirement benefits for the Company's employees, including but not limited to insurance, 401(k) plan, flextime, sick days, holidays, and vacation -- initially eighteen (18) days per year as more particularly described in the Prime LLC Employment Manual. Employee's participation in any such plan or program shall be subject to the provisions, rules and regulations designated by the Company in its full and complete discretion and as the Company may change from time to time, so long as the employee is not discriminated against in any way contrary to other general officers of the Company. Employee acknowledges no such plans or benefits have currently been adopted by the Board, except employee shall be guaranteed 18 paid leave days and participation in any existing plan or benefit transferred from Prime LLC.

(4.2) In accordance with the Company's policies, established from time to time, the Company will pay or reimburse Employee for all reasonable and necessary out-of-pocket expenses incurred by him in the performance of his duties under this Agreement, subject to the presentment of appropriate vouchers. These expenses shall include but are not limited to reimbursement for Employee's mobile phone, for business travel, for business meals, and ground transportation when on Company business.

(4.3) Employee acknowledges that Prime does not presently have any stock option or other stock rights programs or plans for officers or directors, nor is there presently any bonus incentives or plans. While employee recognizes such plans may be adopted in the future, employee explicitly agrees that the adoption of such plans is not a promised consideration under this Agreement and the creation or withholding of such plans by the Board of Directors is not a consideration for this Agreement or basis for employee withdrawal. Company and employee further agree and covenant that employee will be treated equally with

all other general officers of the Company in the creation or adoption of any future benefits described by this paragraph or reasonably related thereto.

5. Recommendations for Improving Operations. Employee shall provide Company with all information, suggestions, and recommendations regarding Company's business, of which Employee has knowledge that will be of benefit to Company.

6. Confidentiality. Employee recognizes that Company has and will have information regarding the products or services to be marketed and sold, the clients and potential clients to which products or services are to be marketed and sold, and the technique for marketing and selling generally (collectively "Confidential Information" which, in its totality, is not known to the public) which are valuable, special and unique assets of Company. The Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, use any Confidential Information for the Employee's own benefit or use any of the Company's Confidential Information in any way that is directly or indirectly in competition with the Company. Employee agrees that the Employee will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Confidential Information to any third party without the prior written consent of the Company. Employee will protect the Company's Confidential Information and treat it as strictly confidential. A violation by Employee of this paragraph shall be a material violation of this Agreement and will justify termination and/or legal and/or equitable relief.

7. Unauthorized Disclosure of Information. If it appears that the Employee has disclosed (or has threatened to disclose) Confidential Information in violation of this Agreement, the Company shall be entitled to an injunction to restrain the Employee and or the Employee's agents from disclosing, in whole or in part, such Confidential Information, or from providing any goods or services to any Party to whom such Confidential Information has been disclosed or may be disclosed or from using such Confidential Information to sell goods or services. The Company shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

8. Confidentiality After Termination. All provisions of this Agreement regarding Confidential Information shall remain in full force and effect after the termination of this Agreement for a period of 24 months.

9. Services to Third Parties. The Employee shall not provide any consulting services to or enter the employment of any third Party during the course of his employment, unless the Employee has obtained the Company's prior written consent.

10. Return of Records, Property and Confidential Information. Upon termination of this Agreement, the Employee shall deliver all records, customer or supplier lists, notes, data, memoranda, models, computers, files, computer files, recorded data, and equipment of any nature that are in the Employee's control or possession that are the Company's property or relate to the Company's business or that are copies of Company documents or that contain the Company's Confidential Information.

11. Termination. Employee's employment under this Agreement shall be for a three year term, unless terminated for cause.

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A. Termination Without Cause. This Agreement may be terminated by the Company at any time without cause and without notice. In the event Employee is terminated by the Company without cause prior to the three year term, the Company shall pay to Employee, as a severance allowance, his then current monthly Base Salary, stock options and health benefits for the three months (3 months) period following the date of termination and including the month in which notice of termination occurs.

B. Termination For Cause. The Company may also terminate this Agreement without notice if the Agreement is terminated for cause. For purposes of this Agreement, termination for cause shall mean termination for fraud, embezzlement, misfeasance, theft, or a material criminal act or any material breach of this Agreement. In the event that Employee's employment is terminated for cause, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any employee rights or compensation which would vest in the month of termination, but off-set by any amounts appropriated or wrongfully taken by Employee.

C. Effective Date. Employee's employment shall be terminated on the earlier of: 30 days following the written submission of Employee's resignation; or date such resignation is accepted by the Company.

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D. Resignation. In the event that Employee's employment is terminated pursuant to Employee's resignation, then Employee shall be entitled to receive Employee's then current monthly Base Salary and any other compensation or right

which would vest in the month the resignation becomes effective.

12. Termination for Disability or Death. Company shall have the option to terminate this Agreement, if Employee is no longer able to perform the essential functions of the position with reasonable accommodation. In the event of termination for disability or death, employee shall receive the termination rights and benefits described by paragraph 12A for termination within three years without cause.

13. Disclosure. The Employee is required to disclose any outside activities or interests, including ownership or participation in the development of intellectual property or trade secrets, that may conflict or compete with the interests of the Company. Immediate disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to the sale or marketing of any product similar to any product offered by Prime Resource, Inc. or any of its subsidiaries anywhere in the world; or the sale or marketing (anywhere in the world) of any product that is similar to or that competes with any of the products sold by or to be sold by the Company.

14. Assignment. The Employee's obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation, or entity without the prior written consent of the Company.

15. Intellectual Property. The following provisions shall apply with respect to the Company's copyrightable works, trade secrets (including, but not limited to client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), inventions, applications for patents, and patents (collective, "Intellectual Property").

16. Development of Intellectual Property. Any Intellectual Property and or trade secrets (including, but not limited to, client lists, mailing lists, data banks, marketing information, prospect lists and information about clients and potential clients), created, developed, modified, or updated, by the Employee during the term of the Agreement is the property of the Company. Any improvements to Intellectual Property items of the Company including further inventions or improvements, and any new items of Intellectual Property discovered or developed by the Employee (or the Employee's employees, if any) during the term of this Agreement shall be the property of the Company. The Employee shall sign all documents necessary to protect the rights of the Company in such Intellectual Property, including the filing and/or prosecution of any applications for copyrights or patents. Upon request, the Employee shall sign all documents necessary to assign the rights to such Intellectual Property to the Company.

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17. Compliance with Company's Rules. Employee agrees to comply with all of the rules, regulations, and guidelines of Company as they are amended from time to time.

18. Solicitation of Customers and Solicitation of Employees:

(18.1) Employee agrees that during his employment by the Company hereunder and for the period of two years after his termination date, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit, divert or appropriate, or attempt to solicit, divert or appropriate, to any competing business (i) any person or entity whose account with the Company was sold or serviced by or under the supervision of Employee during the two years preceding the termination of such employment; (ii) any person or entity whose account with the Company has been directly solicited at least twice by the Company within the one year period prior to the date of termination of employment; or (iii) any account existing at any financial institution.

(18.2) Employee agrees that during his employment by the Company hereunder and for a two year period following the termination of such employment for any reason, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others solicit, divert or hire away, or attempt to solicit, divert or hire away any person then employed by the Company or then serving as a sales representative of the Company.

19. Return of Property. Immediately upon termination of this Agreement, the Employee shall deliver all property (including keys, records, notes, data, memoranda, models, and equipment) that is in the Employee's possession or under the Employee's control, which is Company's property or related to Company's business. Such obligation shall be governed by any separate confidentiality or proprietary rights agreement signed by the Employee.

20. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered in person or deposited in the United State mail, postage paid, addressed as follows:

If for the Employee:

If for the Company:

Terry Deru

Vice-President, Prime Resource, Inc.:
22 East 100 South/Fourth Floor
Salt Lake City, UT 84111

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above to the other party and attaching proof of service of such change to this Agreement.

21. Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

22. Amendment. This Agreement may only be modified or amended, if the amendment is made in writing and is signed by both parties.

23. Severability. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

24. Waiver of Contractual Right. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

25. Interpretation. This Agreement shall not be construed against the drafting Party. Both Parties acknowledge adequate opportunity to seek legal counsel regarding this Agreement.

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26. Applicable Law, Exclusive Jurisdiction, and Venue. This Agreement shall be governed by the laws of the State of Utah. The Courts in Salt Lake County, Utah have exclusive jurisdiction and the Courts in Salt Lake County, Utah are the exclusive venue for disputes relating to the interpretation or enforcement of this Agreement. In the event of a dispute relating to interpretation or enforcement of this Agreement, the prevailing party shall be awarded all reasonable attorneys' fees and costs incurred.

27. Effective Date. Regardless of the date(s) on which this Agreement is signed, the Effective Date of this Agreement is April 5, 2001.

Prime Resource, Inc.

By: /S/ Mr. Scott Deru April 5, 2002

Executive Vice-President

/S/ Terry Deru April 5, 2002

Terry Deru
Employee

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Law Offices
JENSEN, DUFFIN & DIBB, LLP
311 SOUTH STATE STREET
SUITE 380
SALT LAKE CITY, UTAH 84111

THOMAS A. DUFFIN, P.C.
JULIAN D. JENSEN, P.C.
BRUCE L. DIBB, P.C.
DANIEL O. DUFFIN, P.C.

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531-6600
TELECOPIER
(801)
521-3731

May 14, 2002

Board of Directors
Prime Resource, Inc.
22 East First South/Fourth Floor
Salt Lake City, UT 84111

RE: Consent Letter of Legal Counsel
SB-2 Registration

Dear Prime Resource Board of Directors:

This letter will affirm the consent of the undersigned counsel for Prime Resource, Inc. for his name and the name of his associated firm to be used in the SB-2 Registration Statement and any subsequent amendment thereto being filed with the SEC prepared through our office. The undersigned and associated firm members consent to their name being used as the designated experts for the company as its securities counsel for this registration. The undersigned also consents to the use of his opinion letter "In Re Legality" concerning this offering and the company as part of the filed exhibits to the Registration Statement.

Sincerely,

/s/ Julian D. Jensen

Julian D. Jensen
Attorney at Law

JDJ/jp
PRIME RESOURCE/L.BrdDirect

PRIME RESOURCE/L.Consent

To The Members

Prime Resource, LLC and subsidiaries:

We consent to the use of our report incorporated herein by reference and to the reference to our firm under the heading "Interest of Experts and Counsel" in the prospectus.

/s/ Carver Hovey & Co.

Carver Hovey & Co.
Layton, Utah
May 15, 2002