

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

FORM SB-2
[Second Amended]

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.)

1245 E. Brickyard Road, Suite 590, Salt Lake City, Utah 84106 (801) 433-2000

(Address and telephone number of principal executive offices)

1245 E. Brickyard Road, Suite 590, Salt Lake City, Utah 84106 (801) 433-2000

(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.

<TABLE>
<CAPTION>

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

</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.

PROSPECTUS

PRIME RESOURCE, INC.
 A UTAH CORPORATION
 1245 E. Brickyard Road, Suite 590
 SALT LAKE CITY, UTAH 84106
 (801) 433-2000

150,000 SHARES OF COMMON STOCK OFFERED

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; the "offering term". This is a self-underwriting by the Issuer. No commissions are intended. The minimum offering of 100,000 shares (\$500,000) must be sold within the offering term for the offering to close. The maximum offering will be 150,000 shares (\$750,000). Proceeds will be placed in a segregated offering account until the minimum offering is sold or the offering is terminated and subscription funds returned.

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

Management is under no obligation to purchase shares to close this offering as a minimum or otherwise, and has no present intent to participate in this offering. If shares are purchased by management, they will purchase for investment purposes only and not with the intent to resell.

INVESTORS IN THE COMMON STOCK MAY LOSE THEIR ENTIRE INVESTMENT SINCE AN INVESTMENT IN THE COMMON STOCK IS SPECULATIVE AND SUBJECT TO MANY RISKS. See Risk Factors beginning at 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.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

<TABLE>
 <CAPTION>

	GROSS PROCEEDS	COMMISSIONS	NET PROCEEDS (1)
<S>	<C>	<C>	<C>
Maximum Offering	\$750,000	\$0.00	\$750,000
Per Share	\$5.00	\$0.00	\$5.00
Minimum Offering	\$500,000	\$0.00	\$500,000
Per Share	\$5.00	\$0.00	\$5.00

(1) Does not include estimated offering costs of approximately \$45,000 to be paid or reimbursed from proceeds, if closed.

</TABLE>

Date of this Prospectus: October , 2002

3

TABLE OF CONTENTS

ITEM	PAGE
Part I - Prospectus Information	
1.	Front Cover Page of Prospectus.....3
2.	Inside Front and Outside Back Cover Pages of Prospectus.....2
3.	Summary Information and Risk Factors.....5
4.	Use of Proceeds.....13
5.	Determination of Offering Price.....19
6.	Dilution.....19
7.	Selling Security Holders.....20
8.	Plan of Distribution.....20
9.	Legal Proceedings.....24
10.	Directors, Executive Officers, Promoters, and Control Persons.....25
11.	Security Ownership of Certain Beneficial Owners and Management.....28
12.	Description of Securities.....29
13.	Interest of Experts and Counsel.....30
14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities.....31
15.	Organization Within Last Five Years.....31
16.	Description of Business.....31
17.	Management's Discussion and Analysis.....41
18.	Description of Property.....49
19.	Certain Relationships and Related Transactions.....49
20.	Market for Common Equity and Related Stockholder Matters.....50
21.	Executive Compensation.....51
22.	Financial Statements..... 53-72
23.	Changes In and Disagreement With Accountants.....72
Part II - Information Not Required in Prospectus	
24.	Indemnification of Directors and Officers.....74
25.	Other Expenses of Issuance and Distribution.....74
26.	Recent Sales of Unregistered Securities.....74
27.	Exhibit List.....75
28.	Undertakings.....76
29.	Signatures.....77

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

4

SUMMARY OF THE OFFERING

The Company: Prime Resource, Inc. ("Prime") was incorporated in Utah on March 29, 2002. Prime Resource, Inc. is a successor entity to a Utah limited liability company known as Prime Resource, LLC, ("Prime LLC"). The principals of Prime remain the same as those in Prime LLC. Prime LLC was organized in June, 1996, but remained inactive until October, 1998 when it became a parent company for its two operating subsidiaries, Belsen Getty, LLC and Fringe Benefit Analysts, LLC. These subsidiaries, in turn, are both Utah limited liability companies. Belsen Getty since 1990 has been engaged in corporate and personal financial consulting, business planning and related business and investment advisory services. Fringe Benefit Analysts since 1984 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 business as its predecessor Prime LLC by acting as the parent and manager of its subsidiaries, Belsen Getty and Fringe Benefit 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. 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, which is the successor to Prime Resource, LLC, will not directly engage in any business activities with third parties, but will act only as a parent and management corporation to its two operating subsidiaries, Belsen Getty, LLC and Fringe Benefit 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

5

Belsen Getty and Fringe Benefit 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 FBA, 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, 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 1990. Its revenues are primarily fee based. Since 1984 Fringe Benefit Analysts has been primarily a business insurance provider of health, life, dental and disability insurance coverages. Both entities were originally organized as corporations and converted to the LLC form in 1998. Both 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 FBA.

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 promptly 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.

Trading Market
Symbol

To date Prime has not obtained any trading symbol, nor have its shares been approved or registered for trading. It is intended that we will, concurrently with this registration, apply through one or more broker/dealers for listing on the 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.

6

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. THE COMPLETE FINANCIAL STATEMENTS, AS ATTACHED, INCLUDE PRO FORMA MATERIAL RELATED TO CERTAIN REORGANIZATION AND COMPENSATION EVENTS, AS WELL AS OPERATING IN THE CURRENT CORPORATE FORM.

<TABLE>
<CAPTION>

	CONSOLIDATED BALANCE SHEET DATA:		June 30, 2002
	(Predecessor Entity, Prime, LLC.)		(Unaudited)
	December 31st (Audited)		-----
	2001	2000	
<S>	<C>	<C>	<C>
Assets	\$580,128	\$660,615	\$511,962
Liabilities	\$360,805	\$162,416	\$286,119
Members' and Stockholders' Equity	\$220,338	\$498,199	\$225,843
Accumulated Other Comprehensive Loss	(\$ 1,015)	-----	(\$ 0)
Total Liabilities, Members' and Stockholders' Equity, and Accumulated Other Comprehensive Loss	\$580,128	\$660,615	\$511,962

</TABLE>

7

<TABLE>
<CAPTION>

STATEMENT OF CONSOLIDATED OPERATIONS DATA:
(Includes Predecessor Entity--Prime LLC to 3/29/2002)

Years Ended December 31st

Six Months
Ended June 30th

	(Audited)		(Unaudited)	
	2001	2000	2002	2001
<S>	<C>	<C>	<C>	<C>
Revenues:				
Commissions	\$1,557,246	\$1,498,016	\$864,225	
\$814,491				
Investment Advisory Fees	449,031	707,537	249,966	
301,839				
Interest and Dividends	15,204	7,716	7,398	
7,198				
	2,021,481	2,213,269	1,121,589	
1,123,528				
Expenses:				
Operating	2,057,452	1,957,107	1,207,537	
920,733				
Interest	674	662	1,746	
336				
	2,058,126	1,957,769	1,209,283	
921,069				
Income (loss) before income tax expense	(36,645)	255,500	(87,694)	
202,459				
Income tax expense	--	--	19,801	--
Net income (loss)	(36,645)	255,500	(107,495)	
202,459				
Comprehensive Income (Loss)	(\$37,660)	\$255,500	(\$107,495)	
\$202,459				

</TABLE>

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: 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. EVEN IF THE MAXIMUM OFFERING IS SOLD, THE EXISTING SHAREHOLDERS WILL CONTINUE TO CONTROL THIS CORPORATION FOR THE FORESEEABLE FUTURE AND THEREBY CONTROL MANAGEMENT AND BE IN A POSITION TO ULTIMATELY DIRECT ALL PRINCIPAL DECISIONS. Even if the maximum offering is sold to the public, the present shareholders will continue to own approximately 95% of the shares; and, thereby, be in a position to make all corporate decisions. 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 Prime as shareholders.

2. MAJORITY SHAREHOLDER TRANSACTIONS MAY ADVERSELY AFFECT THE PRICE OF YOUR STOCK IN THE FUTURE THROUGH PUBLIC OR PRIVATE SALES OF THEIR STOCK. The existing shareholders have and will continue to own the vast majority of the outstanding shares, as any recent market transaction by them may have a significant adverse impact on any future market price of your shares by potentially depressing any market price as these large holdings are liquidated. 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 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 adversely affect future stock prices by a small group of initial shareholders creates a significant market risk to anyone investing in this offering.

9

3. LIMITED CAPITAL PLACES PRIME AT RISK OF NOT MEETING INTENDED FUTURE BUSINESS OBJECTIVES OR OPERATIONS. Prime will be marginally capitalized if this offering is closed; there remains a question of whether there is sufficient capital being raised in this offering to finance the activities intended by Prime. If not, Prime may not meet its financial objectives or develop any value for its shares. There is a very limited amount of capital being generated, even if this offering is successful. As a result, even if closed, this offering may not generate sufficient revenues to Prime to allow it to adequately fund its intended activities. Moreover, alternative funding may not be available. 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 realize the subsidiaries' activities and the expected or anticipated results by management.

4. THERE IS NO PRESENT PUBLIC MARKET OR ANY ASSURANCE OF A PUBLIC MARKET FOR OUR SHARES; THE LACK OF A PUBLIC MARKET MAY LIMIT YOUR CAPACITY TO SUBSEQUENTLY SELL YOUR STOCK. 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, which means you may have difficulty selling your shares in the future. Without a viable public market, shareholders may not be able to sell their shares in the future. The company does not have any trading markets for its shares and the mere completion or sale of shares pursuant to 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 obtain an Electronic Bulletin Board Listing and develop a 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 as to the price at which the shares may trade.

5. DILUTION MEANS YOUR SHARES MAY BE WORTH LESS THAN WHAT YOU PAY FOR

THEM. THERE WILL BE SUBSTANTIAL DILUTION IN THIS OFFERING. 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 at the time of purchase. Substantial dilution risk is anticipated to purchasers of Prime shares. Dilution constitutes a risk of investment because the shares purchased may immediately be worth substantially less on a net worth basis than what was paid for them. 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.

6. BECAUSE MANAGEMENT IS HIGHLY CONCENTRATED, ANY CHANGE IN MANAGEMENT MAY CAUSE THE COMPANY TO LOSE REVENUES OR PROFITS OR OPERATE INEFFICIENTLY. There is a substantial risk to Prime and its shareholders if any present management does not continue their affiliation, as future principals may not have the particular knowledge and contacts to maintain or expand the present business activities or to run the company profitably or efficiently. You

10

should understand that because the intended products and services are very 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, or be released by the company, Prime and its shareholders may be substantially and immediately adversely affected. Further, there is only a three year employment contract between each member of management and Prime. Further, Prime is allowed to terminate any employee without cause or minimal notice.

7. THE HIGH PROBABILITY THAT OUR SHARES MAY BE DESIGNATED AS A PENNY STOCK MAY CAUSE ADDITIONAL COSTS OF TRADING OR LIMIT THE POTENTIAL MARKET FOR YOUR STOCK. If a trading market is established and if Prime trades below \$5.00/share, it may become a penny stock which poses the risk of reduced tradeability to you as an investor and may adversely affect the market price of your shares. The stock of Prime, if it successfully trades, may 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 and certain states 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. These restrictions may adversely effect the tradeability or price of the shares. See "Plan of Distribution".

8. YOUR MANAGEMENT'S LACK OF EXPERIENCE MAY ADVERSELY IMPACT THE COMPANY MEETING ITS FINANCIAL OR BUSINESS OBJECTIVES. Your management will have very little experience in the operation of a public company with a resulting risk it may not be able to comply with public reporting requirements or operate the company profitably or efficiently. There is a risk in Prime arising from the fact that management is inexperienced in operating a public company and may have problems complying with the complex regulations for a public company or waste valuable resources in attempting to comply. If these problems develop they could cause suspensions in trading or decreases in the stock price. 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 its limited inexperience should be considered as a potential risk factor.

9. AS THE PREDECESSOR ENTITIES TO THE REGISTRANT HAD LIMITED REVENUE GROWTH AND NET LOSSES, YOU MAY CONSIDER THIS FACT AN INDICATOR THAT YOUR ANTICIPATED RETURN ON INVESTMENT MAY BE LIMITED OR NON-EXISTENT. 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 calendar year 2001 and the first quarter of 2002. The risk is that if a company does not ultimately create earnings growth, there is little likelihood that its shares will maintain any market value. 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 and 2002 to date. 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 proceeds are expended and operating results are computed.

11

10. BECAUSE PRIME IS ANTICIPATED TO OPERATE THROUGH ITS SUBSIDIARIES IN HIGHLY REGULATED FIELDS, GOVERNMENT REGULATION AND POLICIES MAY IMPAIR THE ABILITY OF PRIME TO OPERATE PROFITABLY. Each of the areas of financial services in which Prime participates is subject to significant governmental regulation and policy control. As a small company, government regulation may pose a burden of operating profitably or efficiently. For instance, the area of insurance sales is subject to greater than average government regulation of terms, pricing and persons who may engage in insurance sales. In like manner, the providing of investment advice by Belsen Getty requires particular licensing and reporting requirements. 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 and insurance agents are 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 or the failure of any principal to maintain his status as a licensed professional may have a significant adverse impact on its future earnings or earnings potential.

11. THE PERSONAL CONTACTS USUALLY REQUIRED IN PRIME'S TYPE OF BUSINESS MAY LIMIT THE GROWTH OF PRIME AS A PUBLIC COMPANY. There is a special risk factor in this offering in that the nature of the business products and services 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. A business upon which personal contacts and relationships are paramount may be limited in growth potential to the time available to those necessary to maintain such contacts. Moreover, a business based on personal expertise and contacts is always at great risk if key persons maintaining those contacts leave the business. 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 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 subsequent 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.

12. ANTICIPATED FUTURE CAPITAL NEEDS AND THE LACK OF ANY PRESENT FUNDING SOURCES MAY IMPAIR PRIME'S ABILITY TO MEET FINANCIAL OBLIGATIONS OR BE PROFITABLE. 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. There is a reasonable likelihood that a growing business may need future capital. There is a risk in this offering to the extent Prime has no assurance that additional or future funds will be available. You will be subject to a risk in this offering in that Prime 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.

12

13. LARGE INSTITUTIONAL COMPETITORS TO PRIME MAY ADVERSELY AFFECT FUTURE REVENUES OR POTENTIAL PROFITS OF PRIME. Prime may come under price and marketing pressure from large institutional service companies providing essentially the same or related types of services or financial products at a lower cost due to economies of scale. Large competitors pose a special risk to a small company like Prime in a similar industry in that the larger competitor may offer and supply services or product at less expense and attract away necessary customers or engage in larger and more effective marketing. There appears to be a growing trend in financial and insurance services where large institutional companies such as national CPA firms, insurance companies, banks 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.

14. THERE IS A RISK THAT A FUTURE CONTROLLING SHAREHOLDER MAY BE SUBJECT TO EXTENSIVE REGULATION AS A CONTROL PERSON OF AN INVESTMENT ADVISORY FIRM. Belsen Getty, LLC as a subsidiary of Prime currently conducts business, in part, as an investment advisory firm. There is a risk that if in the future some new shareholder becomes the majority shareholder of Prime, they may be required

to license and be regulated under state and/or federal law as the controlling person of an investment advisory firm. Registration as an investment advisor would entail substantial regulation and filing requirements as a highly regulated profession. In addition, there may arise significant limitations on anyone required to be licensed as an investment advisor in their ability to hold and trade public securities.

USE OF PROCEEDS

- -----

In this offering, Prime will receive gross offering proceeds, if the offering is closed, of either \$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. In the event the offering is closed as a minimum offering there would only be \$20,000 in working capital reserves allocated to Prime. All amounts raised over the minimum offering will be allocated to the working capital reserves of Prime. 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 as estimated below.

In the minimum offering, as contrasted to the maximum, it is anticipated the working capital reserve to Prime would be reduced from \$270,000 to \$20,000 and there would be no acquisition fund. All additional investment proceeds received over the minimum offering will be applied to an increase in the working capital reserve fund of Prime. The primary purpose of the Prime working capital reserves are presently intended to create an acquisition fund for insurance agencies or their book of business to be acquired through FBA.

13

From the anticipated net offering proceeds, Prime would employ the proceeds in three specific applications. In the event of the maximum offering, approximately \$370,000 would be used by Prime directly for additional management personnel, general administrative costs and working capital and acquisition reserves. Approximately \$250,000 of the working capital reserve allocated to Prime would be available for anticipated acquisitions by FBA. Alternatively, some of these proceeds may be used to retain new agents, though there is no specific plan to so employ these funds. The balance of the proceeds would be 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 proceed charts.

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. PRIME UNDERTAKES FOR THE PURPOSES OF THIS OFFERING TO EMPLOY SUCH RESERVES FOR ACQUISITION WITHIN EIGHTEEN MONTHS FROM THE CLOSE OF THE OFFERING. IF NOT USED FOR ACQUISITION WITHIN SUCH PERIOD, THE FUNDS WILL BE USED PRIMARILY TO ENHANCE MARKETING AND OPERATIONS, INCLUDING ANTICIPATED COMMISSION DRAWS TO NEW AGENTS, RECRUITING AND TRAINING OF NEW AGENTS, ADDITIONAL EMPLOYEES AS NEEDED AND SIMILAR PURPOSES; WITH A REASONABLE AMOUNT TO BE MAINTAINED AS A WORKING CAPITAL RESERVE. IT IS NOT POSSIBLE FOR THE COMPANY TO DETERMINE IN ADVANCE, IN THE EXERCISE OF REASONABLE BUSINESS DISCRETION, THE EXACT USE OF SUCH FUNDS IN A FUTURE BUSINESS ENVIRONMENT AND THE FOREGOING CONSTITUTES ONLY A REASONABLE ESTIMATE OR PROGNOSIS. CHANGING BUSINESS CONDITIONS COULD REQUIRE SOME UNFORESEEN AND UNRELATED USE OF THESE PROCEEDS, IF RAISED.

14

<TABLE>
<CAPTION>

MAXIMUM OFFERING: \$750,000

GENERAL DESCRIPTION OF INTENDED EXPENDITURE	DOLLAR AMOUNT	PERCENTAGE OF OFFERING (ROUNDED)
<C>	<C>	<C>
1. Estimated offering costs:	\$ 45,000	6.0%
a. Legal fees	\$ 20,000	2.7%
b. Audit and accounting review expense	\$ 20,000	2.7%
c. Printing, mailing and distribution	\$ 2,500	.33%
d. State Filing and Edgar processing fees	\$ 2,500	.33%
2. Estimated allocation to Prime Resource:	\$ 370,000	49.3%
a. Salaries to new administrative staff members(1)	\$ 20,000	2.7%
b. Management fees(2)	\$ 30,000	4.0%
c. General and administrative costs		
1. Ongoing legal	\$ 10,000	1.3%
2. Ongoing accounting	\$ 10,000	1.3%
3. Ongoing employee training	\$ 5,000	.67%
4. Employee training supplies	\$ 1,500	.20%
5. Additional financial modeling software	\$ 2,000	.27%
6. Website development and enhancement	\$ 20,000	2.67%
7. Financial public relations	\$ 1,500	.20%
d. Working capital reserves		
1. Recruitment expense (employees)	\$ 10,000	1.3%
2. Entertainment budget (insurance agents)	\$ 10,000	1.3%
3. Acquisition of insurance companies or business(3)	\$ 250,000 (3)	33.3%
3. Fringe Benefit Analysts	\$ 220,000	29.3%
a. Advertising		
1. Radio	\$ 5,000	.67%
2. Direct Mail	\$ 12,000	1.6%
3. Telemarketers	\$ 5,000	.67%
4. Online promotion	\$ 3,000	.40%
b. Recruiting new agents		
1. Entertainment	\$ 15,000	2.0%
2. Recruiting services (headhunter)	\$ 10,000	1.3%
3. Seminars	\$ 20,000	2.67%
4. Travel expenses	\$ 10,000	1.3%
5. Lap top and presentation software	\$ 10,000	1.3%
6. Legal due diligence expense	\$ 10,000	1.3%

</TABLE>

(Continued on following page)

<TABLE>
<CAPTION>

GENERAL DESCRIPTION OF INTENDED EXPENDITURE	DOLLAR AMOUNT	PERCENTAGE OF OFFERING (ROUNDED)
<S>	<C>	<C>
c. Trade Show		
1. Location deposits	\$ 3,000	.40%
2. Booth preparation	\$ 5,000	.67%
3. Travel Expenses	\$ 2,000	.27
d. Marketing FBA Advantage program		
1. Mailing lists purchase	\$ 15,000	2.0%
2. Telemarketing follow-up	\$ 10,000	1.3%
3. Brochure layout and design	\$ 2,500	.33%
4. Printing brochure	\$ 10,000	1.3%
5. Travel expense	\$ 10,000	1.3%
6. Mailing expense	\$ 2,500	.33%
e. Additional sales materials		
1. Design of new product brochures	\$ 2,500	.33%
2. Printing expense	\$ 7,500	1.0%

f. New service personnel		
1. Recruit and train	\$ 2,500	.33%
2. Salary and benefits	\$ 47,500	6.3%
4. Belsen Getty	\$ 115,000	15.3%

a. Marketing budget		
1. Mailing development	\$ 5,000	.67%
2. List purchase ongoing	\$ 10,000	1.3%
3. Printing and mailing	\$ 20,000	2.67%
4. Telemarketing follow-up	\$ 15,000	2.0%
b. Relocation budget		
1. Moving personnel	\$ 2,500	.33%
2. Moving supplies	\$ 5,000	.67%
3. Reconfigure Telecom and network	\$ 2,500	.33%
c. New equipment and software		
1. New server and Lan	\$ 10,000	1.3%
d. New service personnel		
1. Recruit and train	\$ 2,500	.33%
2. Salary	\$ 27,500	3.67%
e. Consulting service personnel (part-time)	\$ 15,000	2.0%
TOTAL	\$ 750,000	100%

</TABLE>

(1) No proceeds of the offering will be employed to pay salaries or benefits to any current officer or employee; in the event the offering is closed, Prime will most likely hire some new employees.

(2) Management fees are not intended to compensate or augment amounts paid current officers or directors, but may be used to create incentive payments for employees or insurance agents and to expand the number of employees as necessary.

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

16

<TABLE>
<CAPTION>

MINIMUM OFFERING: \$500,000

GENERAL DESCRIPTION OF INTENDED EXPENDITURE	DOLLAR AMOUNT	PERCENTAGE OF OFFERING (ROUNDED)
<C>	<C>	<C>
1. Estimated offering costs:	\$ 45,000	9.0%

a. Legal fees	\$ 20,000	4.0%
b. Audit and accounting review expense	\$ 20,000	4.0%
c. Printing, mailing and distribution	\$ 2,500	.50%
d. State filing and Edgar processing fees	\$ 2,500	.50%
2. Estimated allocation to Prime Resource	\$ 120,000	24.0%

a. Salaries to new administrative staff members	\$ 20,000	4.0%
b. Management fees	\$ 30,000	6.0%
c. General and administrative costs		
1. Ongoing legal	\$ 10,000	2.0%
2. Ongoing accounting	\$ 10,000	2.0%
3. Ongoing employee training	\$ 5,000	1.0%
4. Employee training supplies	\$ 1,500	.30%
5. Additional financial modeling software	\$ 2,000	.40%
6. Website development and enhancement	\$ 20,000	4.0%
7. Financial public relations	\$ 1,500	.30%
d. Working capital reserves	\$ 20,000	4.0%

3. Fringe Benefit Analysts	\$ 220,000	44.0%
	-----	-----
a. Advertising		
1. Radio	\$ 5,000	1.0%
2. Direct mail	\$ 12,000	2.4%
3. Telemarketers	\$ 5,000	1.0%
4. Online promotion	\$ 3,000	.60%
b. Recruiting new agents		
1. Entertainment	\$ 15,000	3.0%
2. Recruiting Services (headhunter)	\$ 10,000	2.0%
3. Seminars	\$ 20,000	4.0%
4. Travel expenses	\$ 10,000	2.0%
5. Lap top and presentation software	\$ 10,000	2.0%
6. Legal due diligence	\$ 10,000	2.0%

</TABLE>

(Continued on following page)

<TABLE>
<CAPTION>

GENERAL DESCRIPTION OF INTENDED EXPENDITURE	DOLLAR AMOUNT	PERCENTAGE OF OFFERING (ROUNDED)
<S>	<C>	<C>
c. Trade show related expenses		
1. Location deposits	\$ 3,000	.60%
2. Booth preparation	\$ 5,000	1.0%
3. Travel expenses	\$ 2,000	.40%
d. Marketing FBA Advantage program		
1. Mailing lists purchase	\$ 15,000	3.0%
2. Telemarketing follow-up	\$ 10,000	2.0%
3. Brochure layout and design	\$ 2,500	.50%
4. Printing brochure	\$ 10,000	2.0%
5. Travel expense	\$ 10,000	2.0%
6. Mailing expense	\$ 2,500	.50%
e. Additional sales materials		
1. Design of new product brochures	\$ 2,500	.50%
2. Printing expense	\$ 7,500	1.5%
f. New service personnel (2)		
1. Recruit and train	\$ 2,500	.50%
2. Salary and benefits	\$ 47,500	9.5%
4. Belsen Getty	\$ 115,000	23.0%
	-----	-----
a. Marketing budget		
1. Mailing development	\$ 5,000	1.0%
2. List purchase ongoing	\$ 10,000	2.0%
3. Printing and mailing	\$ 20,000	4.0%
4. Telemarketing follow-up	\$ 15,000	3.0%
b. Relocation budget		
1. Moving personnel	\$ 2,500	.50%
2. Moving supplies	\$ 5,000	1.0%
3. Reconfigure Telecom and network	\$ 2,500	.50%
c. New equipment and software		
1. New server and Lan	\$ 10,000	2.0%
d. New service personnel		
1. Recruit and train	\$ 2,500	.50%
2. Salary	\$ 27,500	5.5%
e. Consulting service personnel (part-time)	\$ 15,000	3.0%
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.

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 does 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 based upon book value which occurs to the investor in certain offerings compared to the purchase price of those shares. The net tangible book value of Prime Resource, Inc. (formerly Prime Resource, LLC) interest as of the attached Balance Sheet dated June 30, 2002 was \$225,843 and is estimated to be \$0.08/share in the present corporate form.

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 \$0.31 per share. Therefore, each investor in this offering will suffer an immediate estimated dilution to his investment of \$4.69 per share or 94 % in the maximum offering; and \$4.77 per share or 95 % 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:

<TABLE>
<CAPTION>

Maximum offeringMinimum Offering

[Bar chart illustrating the following:]

<S>	<C> Value Subscription	<C> Value share after	<C> Value Subscription	<C> Value
share after	\$5.00/share	offering	\$5.00/share	offering
0.23/share	100%	\$0.31/share	100%	\$
		(Rounded)		(Rounded)
95%				Dilution
\$4.77/Share		Dilution 94%		
		\$4.69/Share		

</TABLE>

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.

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

General

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, Mr. Andrew Limpert, 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.

Issuer/Agent

It is presently anticipated that Mr. Andrew Limpert will be exclusively responsible for the efforts to sell the Prime shares in this offering to various business contacts and acquaintances through delivery of this prospectus. Mr. Limpert is currently acting as the Treasurer and a member of the Board of Directors. We cannot promise the offering will be sold, as Mr. Limpert, Secretary and CFO, will only engage in these efforts on a part-time basis. 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. Should any other member of management be qualified to act and in fact engages in selling efforts for Prime such fact will be supplementally disclosed to any

prospective investor. There is no present intent or expectation that any other issuer/agent will be employed.

Mr. Limpert as an issuer agent is relying upon the exclusion from being required to qualify and license as a broker/dealer in his anticipated selling efforts, pursuant to SEC Rule 3(a) 4-1 under the Securities and Exchange Act of 1934. In essential terms, Prime and Mr. Limpert believe he satisfies the following tests of the Rule:

- 1) Mr. Limpert is not subject to a statutory disqualification to act as an issuer agent as such term is defined under Section 3(a) 4-1 of the Securities Act of 1934;
- 2) Mr. Limpert will not be compensated for his selling efforts in any manner, though he may be reimbursed direct selling costs paid out-of-pocket;
- 3) Mr. Limpert is not now and will not be at the time of his selling effort an associated person with any broker/dealer;

- 4) Mr. Limpert will meet each of the following conditions:
- (i) Mr. Limpert will continue to perform substantial duties for the issuer at the date of the offering;
 - (ii) Mr. Limpert was not a broker or dealer within the preceding 12 months;
 - (iii) Mr. Limpert has not and will not engage in selling efforts for any issuer more than once every 12 months.

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. It is believed Mr. Limpert, or any subsequently designated management sales agent, in the intended selling efforts of the Prime shares being registered will fully meet the safe harbor requirement of a non-broker issuer agent pursuant to Rule 3(a) 4-1 as set-out above. It is not anticipated that Prime will employ an issuer/agent other than Mr. Limpert. Any prospective investor wishing a copy of this rule or further explanation of the company's determination of compliance will be provided a copy and explanation prior to investing upon request to Prime.

In the unanticipated event that Prime determines it is necessary to hire and pay one or more independent broker/dealers to attempt to sell this offering, Prime will amend this registration statement and prospectus by a post-effective amendment to disclose all such underwriting terms. No broker/dealer will be allowed to engage in sales or solicitations until any such post-effective amendment becomes effective. Each prospective investor is also advised that prior to any involvement of any broker/dealer in the offering any broker/dealer would be required to clear the underwriting terms and compensation with the National Association of Securities Dealers, Corporate Finance Department.

21

Sales to Officers and Affiliates

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 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 a holding period.

Minimum Purchase

There is no minimum subscription requirement.

Estimated Costs of Offering

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. See also Use of Proceeds Section.

Subscription Account

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.

Closing Offering

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 will most likely be closed at some point between the minimum and maximum. Proceeds available for working capital reserves to Prime will be increased by each dollar raised over the minimum offering.

22

Initial Sales Jurisdiction

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.

No Trading Market

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 Registration Commitment

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.

Penny Stock Limitations

Broker/dealer transactions in shares trading under \$5.00/share are generally subject to certain specific disclosure requirements and limitations on trading known commonly as the "Penny Stock Rules". While the penny stock rules are not believed applicable to the initial issuance of the shares subject to this issuer/agent registration and sale, there is a high probability such rule would apply to subsequent sales of Prime stock. The application of the penny stock rules may impair the tradeability or price at which your shares may subsequently be resold.

The following purports to be a general summary of the penny stock rules. However, any prospective investor may obtain a complete copy of the applicable rules from Prime upon request or from the SEC online, (Rules 15g-2 through 15g-6 of the Exchange Act).

The penny stock rules require a broker/dealer prior to a transaction in a penny stock, not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker/dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson in the transaction, as well as monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally

23

require that prior to a transaction in a penny stock, the broker/dealer make a special written determination that the penny stock is a suitable investment for

the purchaser and receive the purchaser's written agreement to the transaction.

These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Our shares may someday be subject to such penny stock rules and our shareholders may find it more difficult to sell their securities because of such rules.

LEGAL PROCEEDINGS

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

<TABLE>
<CAPTION>

DIRECTORS, EXECUTIVE OFFICERS, OR CONTROL PERSONS

NAME	POSITION	CURRENT TERM OF OFFICE
----- <S> Mr. Terry Deru*	<C> Director, CEO/ President/ Chairman of the Board	<C> 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 serve 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 serve 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:48

Mr. Deru is currently a consultant and manager with Belsen Getty LLC and an officer/director in Prime as outlined above. He also served Belsen Getty as an officer/director when operating as a predecessor 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. Since affiliation with Belsen Getty, he has served as a consultant and director from 1985 to 1998 and as a consultant from 1998 to the present. He has been the manager of Belsen Getty since January, 2002. Mr. Deru will continue his part-time affiliation with Belsen Getty while also acting as the part-time officer of Prime. Mr. Deru also acts as a part-time CEO for Kinship Systems, Inc., a small public company which is not presently active. 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.

25

MR. SCOTT DERU - DIRECTOR, VICE-PRESIDENT OPERATIONS
Age: 42

Mr. Scott Deru has been employed full-time since 1982 as a principal officer of Fringe Benefit Analysts. Since 1998 he has been the manager and principal officer of Fringe Benefit 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, now known as Prime, Inc. In addition to his full-time services to Fringe Benefit Analysts, LLC he worked as a director of insurance for Care of Utah, Inc., developing insurance programs, primarily for the health care industry from October, 1994 to July, 2000. 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 and agent within the state of Utah, and by reciprocity in other western states.

MR. ANDREW LIMPERT - DIRECTOR/SECRETARY/TREASURER/CFO
Age: 33

Mr. Limpert has been a financial and retirement planner associated with the Salt Lake based firm of Belsen Getty, LLC since 1998. He is a Registered Investment Advisor, but he is not a Certified Financial Planner. As a licensed Investment Advisor, Mr. Limpert has completed licensing requirements and testing prescribed by the State of Utah. Mr. Limpert plans to continue his full-time employment with Belsen Getty. He will also serve as a director, treasurer, CFO and secretary for Prime. Prior to the foregoing positions, he worked with Prosource 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. In 1998 Mr. Limpert served briefly as an interim outside director in a small public company, then known as Mt. Olympus Resources, Inc. Mr. Limpert resigned as part of a reorganization of Olympus in November, 1998. Mr. Limpert is also presently affiliated on a part-time as-needed basis with a small presently inactive company known as Kinship Systems, Inc. as a director and its treasurer/secretary and CFO/accounting officer. Due to the company's present inactivity, his time commitment and services to Kinship have been minimal. Mr. Limpert was appointed to these positions in February, 2000 as part of the initial organization. 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 its inception in 1996. Mr. Limpert became a member in January, 2002. Prime LLC also had associated as a founding member Mr. William Campbell, whose interest in Prime LLC was bought out by Prime LLC in December, 2001 and transferred to Andrew Limpert in January, 2002 prior to the organization of Prime, Inc., as more particularly described under

26

"Description of Business". Mr. Campbell has no further interest or affiliation with Prime or either of its subsidiaries. As previously indicated, Prime, LLC has as its wholly owned subsidiaries Belsen Getty, LLC and Fringe Benefit Analysts, LLC. These subsidiaries, in turn, passed 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. Prime will continue to receive these "pass throughs" and will pay salaries for all officers and employees of its subsidiaries, as well as general operating costs.

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 in 2002: Mr. Terry Deru \$240,000, Mr. Scott Deru \$240,000 and Mr. Andrew Limpert \$165,000. Additionally, Mr. Limpert's salary will increase to \$210,000 in 2003 and the Derus will remain the same. 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 the managers 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.

Each of the three principal officers serves Prime pursuant to a written employment agreement which is essentially identical in terms for each officer, except for the compensation provisions outlined above. The essential terms of the employment agreements provide as follows:

- (1) Each employment contract runs for three years from April 5, 2002;
- (2) There are no currently adopted benefits or stock rights, except 18 days of paid leave per year for each officer;
- (3) Prime may terminate the employment with or without cause. If termination is without cause, the employee is to receive a severance equal to three months pay. Otherwise, the employee is paid through the month the notice of termination is given. The employee has no right to terminate the agreement without cause.
- (4) The employment contract has standard provisions protecting proprietary rights and property of the company from being used by the employee or appropriated;
- (5) The employment agreement provides for the exclusive full-time service by each officer to Prime or one or more of its subsidiaries.

Each prospective investor may view a copy of the employment agreement prior to investing by viewing this registration statement online at the SEC filing site (www.sec.gov/edgar) or by requesting a copy from Prime.

27

Shares Held By Management and Certain Security Holders

The following tables set forth the ownership, as of the date of this prospectus, 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 below have sole voting and investment power with respect to such shares.

<TABLE>
<CAPTION>

Title of Class	Name and Address of Owner	Current Shares Owned	Current Percentage of Outstanding (Rounded)	Percent of Total Common in the event Max. or Min. Off. Sold (Rounded) (1)
<S>	<C>	<C>	<C>	<C>
Common Stock	Terry Deru 99 Cove Lane Layton, Utah 84040	1,000,000	36%	34%

Common Stock	Scott Deru 6855 N. Frontier Drive Mountain Green, Utah 84050	1,000,000	36%	34%

Common Stock	Andrew Limpert 8395 S. Parkhurst Circle Sandy, Utah 84094	750,000	27%	26%

Common Stock	Officers and Directors as a Group(2)	2,750,000	99%	94%

</TABLE>

(1)The difference in each officer's percentage of the total outstanding in the event of the maximum or minimum offering is a de minimus amount less than 1%. As such, the maximum percentages are employed. Officers will have a slightly greater fractional percentage of outstanding shares in the event of the minimum versus the maximum offering.

(2)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.

28

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. Counsel for Prime has provided an opinion that 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

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

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.

29

Shares Eligible For Future Sale

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.

Currently, all of the 2,800,000 issued and outstanding shares were issued on April 5, 2002 and would not be eligible for sale under Rule 144 as restricted stock until April 6, 2003, assuming the other requirements of Rule 144 are satisfied as generally described below.

In general under Rule 144, as currently in effect, any of our affiliates or other restricted shareholders after a one year holding period 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 also 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. There are currently no nonaffiliated shareholders.

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

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 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.

30

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 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 THE COMPANY IN LAST FIVE YEARS

As previously noted, Prime Resource LLC was formed in 1996 and remained inactive until 1998 when it became the parent entity for Belsen Getty LLC and Fringe Benefit Analysts LLC. Prime continued 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 Benefit 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 and Historical

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 as organized in 1996, but not active until the 1998 acquisition of its present subsidiaries. Mr. Scott Deru acted as the manager for Prime LLC. From 1990 to 1998, Belsen Getty and Fringe Benefit Analysts collaborated as independent corporations. In 1998 Prime LLC became the 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.

31

As part of the 1998 reorganization, Mr. Scott Deru and Mr. Terry Deru each contributed their 50% ownership interest in Fringe Benefit Analysts to Prime, LLC. Mr. Terry Deru and Mr. William Campbell each contributed their 50% ownership interest in Belsen Getty to Prime, LLC and Mr. Don Deru, the father of Scott and Terry Deru, contributed capital. The resulting ownership percentages in Prime, LLC were Scott and Terry Deru at 36 1/2% each; Mr. William Campbell at 23% and Mr. Don Deru 4%. Prime, LLC was later dissolved of record in April, 2002 after transferring all assets to Prime, Inc.

Fringe Benefit Analysts was formed and licensed in November, 1984 in Utah as a general insurance agency. The company initially was formed and operated as a Utah corporation with Mr. Scott Deru as its president. It was jointly owned by Scott Deru and Terry Deru from inception. FBA concentrated upon developing software to analyze employee benefits and writing insurance for business related purposes, such as key man life policies, group health plans and related insurance. Mr. Scott Deru and Mr. Terry Deru remained joint owners from 1984 to 1998 when their ownership was acquired by Prime, LLC.

In 1985 FBA started collaborating closely with Belsen Getty LLC, which was primarily engaged in business consulting and financial planning. Belsen Getty, which was initially formed in 1990. Belsen Getty, which was engaged in advising firms in the formation of employee health, pension, stock option and related plans, frequently referred clients to FBA when insurance funding was required. In like manner, FBA would frequently refer insurance clients needing business planning to Belsen Getty. However, neither firm operates upon an exclusive basis as to these referrals.

Belsen Getty, Inc. was formed on November 9, 1990 by Mr. William

Campbell and Mr. Terry Deru as a successor to a Nevada corporation. Mr. Terry Deru joined the firm in the summer of 1985 and purchased a 50% interest in Belsen Getty, Inc. of Nevada from Mr. Campbell. All interest in Belsen Getty Inc. was transferred to Belsen Getty LLC in 1998 which was then exclusively owned by Prime LLC. Mr. Terry Deru received a 36 1/2% interest in Prime and Mr. Campbell a 23% interest in Prime.

In order to take advantage of some economies of scale and to work more cohesively in cross-selling to the respective client base of Belsen Getty, Inc. and Fringe Benefit Analysts, Inc. the foregoing reorganization occurred in 1998. Prime Resource, LLC (a LLC organized on June 27, 1996, but having no real business activity) was used as a holding company for the newly formed entities of Belsen Getty, LLC and Fringe Benefit Analysts, LLC. These subsidiary entities were formed on October 2, 1998 and became the successor firms for Belsen Getty, Inc. and Fringe Benefit Analysts, Inc., respectively, each being wholly owned by Prime Resource, LLC.

Mr. William Campbell became associated with Prime Resource LLC in 1998 resulting from a minimal cash contribution and his fifty per cent interest in Belsen Getty. He received a 23% interest in Prime LLC.

In January, 2002 Prime LLC purchased Mr. Campbell's interest in Prime 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 which were valued at \$113,000. The 26 percent membership share of the Company issued to Mr. Limpert was

32

accounted for as compensation expense and is included in "compensation and benefits" in the statement of operations for the quarter ended March 31, 2002. The value of the share of the Company issued to Mr. Limpert was based on what the Company was required to pay a former member, Mr. William Campbell, for his 23 percent share of the Company, in connection with the Company's termination and buy-out of Mr. Campbell effective January 1, 2002. 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, Inc.

In March, 2002, Prime LLC decided to incorporate in Utah in anticipation of this offering and issued in April, 2002 to Mr. Limpert 750,000 shares of its common stock, (26% of the issued and outstanding) for his prior and continuing consulting services for and to Prime. The other stockholders are Mr. Terry Deru, 1,000,000 shares; Mr. Scott Deru, 1,000,000 shares; and Mr. Don Deru, 50,000 shares. FBA and Belsen Getty continued under their existing structure as wholly owned subsidiaries of Prime, Inc. with Mr. Terry Deru continuing as the manager of Belsen Getty and Mr. Scott Deru for FBA.

As limited liability companies, the historical revenues of Belsen Getty, LLC and Fringe Benefit Analysts, LLC have flowed through to its member and sole owner, Prime Resource, LLC. Within Prime the revenues, after payment of all operating costs and wages and allowance for working capital 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 Prime Resource, Inc., 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, Inc. 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, management will be paid a fixed salary. Prime, Inc. would then retain any 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. Mr. Scott Deru will also devote a substantial majority of his time to the business affairs of Fringe Benefit 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.

Over the past three years, Belsen Getty has contributed approximately 27% of the present revenues to Prime, LLC and Fringe Benefit Analysts has contributed the remaining 73% of net revenue to Prime, LLC. As noted above, Prime, LLC was dissolved in April, 2002 upon the transfer of assets to Prime, Inc. Prime, Inc., like its predecessor, Prime LLC, is not anticipated to generate any independent sources of revenue or income. All salaries and benefits in Belsen Getty and Fringe Benefit Analysts have been and will be paid directly by Prime.

Belsen Getty Business

- - - - -

Belsen Getty is a Utah financial management company offering investment advice, financial planning, pension and 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. Belsen Getty uses sophisticated modeling software to complete its investment advisory aspects of its services to clients who wish it to manage their 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.

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 Benefit 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.

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

Fringe Benefit Analysts Business

- - - - -

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

Fringe Benefit 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. There are no present acquisition agreements, candidates, proposals or negotiations. FBA has not historically, nor does it presently intend, to engage in any acquisition of an insurance or other business from any related or affiliated party. Proceeds of this offering used for acquisitions will not be with any entity or person related to or affiliated with Prime or any member of its management.

Fringe Benefit Analysts is currently managed by Mr. Scott Deru, has 8 employees and approximately 20 agents.

Plan of Operation

- - - - -

o Acquisitions. In the event of the maximum offering, a substantial portion of net proceeds of the offering (approximately \$250,000 or 33%) would be available for acquisition by Fringe Benefit Analysts to acquire other insurance providers, or their policies and book of business. Those funds may also be employed, alternatively, for recruitment of existing agents, though there is no present intent or plan to employ these funds for recruitment.

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 Benefit Analysts. Proceeds of the offering will be used to contact existing agents with relationship to explaining and demonstrating this program.

- o Growth of Core Business. Revenues will be expended to advertise and promote core business activities, including attracting new clients, 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 Benefit 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.

Principal Products

- -----

Fringe Benefit Analysts

- -----

The principal products for Fringe Benefit Analysts are the sale and management of health and life insurance products to small and medium sized businesses. Fringe Benefit Analysts sells insurance programs and policies primarily offered by four major carriers: Altius Insurance, United Health Care, Intermountain Health Care and Regence Blue Cross. Additionally, dental, long term care and disability insurance coverages are offered on a group basis. The fees are standard commissions as set by the providers themselves. A typical range for commissions in form of percentages would be 2-12%. Copies of our contracts with these providers have been filed as exhibits to this registration.

The primary markets for each of the above listed products are for small to medium sized companies located in the intermountain west. The size may vary from as few as 2 employees to companies with an employee base as large as 300 or more. The typical client will have between 10 to 100 employees. This is the primary niche that FBA has focused upon.

Belsen Getty

- -----

The principal products for the Belsen Getty subsidiary of Prime is that of Investment Advisory Services. The advisory services include the construction and management of financial portfolios for clients. Clients consist of pension and 401(k) plans for approximately 50 small to medium companies and approximately 300 individual clients. Financial planning and retirement modeling services are also offered as well as general financial management counseling for individuals and emerging companies.

The compensation for advisory services are derived on a fee basis. The fee ranges from 50 basis points to 125 basis points per year depending on the size of the portfolio being managed and the services provided. There are no commissions paid on investment products and the assets are held by third party custodians.

Belsen Getty is not associated with any broker/dealer and does not share brokerage commissions. On isolated occasions, Belsen Getty may earn insurance commissions, but these would be less than 3% per year of total revenues.

The markets Belsen Getty operates in are similar in scope to the niche discussed in the FBA product section. Typically, pension and 401(k) plans for companies with employees of 10 to 200 are targeted. On the individual portion of the business families or persons having investable assets in excess of \$250,000 are the primary market for portfolio and financial management.

Competition
- -----

Fringe Benefit Analysts
- -----

FBA is exposed to competition to the same degree and manner as most small independent insurance agencies in the relevant market writing primarily group health and related disability insurance and some "key man" life policies. FBA perceives that it may receive some benefit from its referral relationship to Belsen Getty, but otherwise has no unique competitive advantage.

It appears to FBA that there is a significant competitive advantage to larger insurance companies arising from apparent economies of scale which often allows them to provide similar products and services at lower costs or offer collateral advisory and planning services which FBA cannot directly match. This competition from large insurance carriers should be considered a material risk factor.

Belsen Getty
- -----

Belsen Getty does not believe there is any unique or particular competitive risks to the services it provides. Various large insurance and brokerage companies, accounting and law firms provide related planning and consulting services to individuals and businesses related to health, pension and profit sharing programs, as well as capital funding alternatives. There is perceived by Belsen Getty some competitive advantage to large competitors which, because of economies of scale, may be able to provide these care services at lower cost or provide free collateral services or products. Belsen Getty regards the planning and consulting divisions of major financial institutions such as Merrill Lynch, Morgan Stanley & Co. and other major broker/dealers providing financial planning services to be its primary competitors. There is also a growing trend for banks to also provide these services and products.

Major Customers or Providers
- -----

Fringe Benefit Analysts
- -----

FBA does not have any customer accounting for over 4% of its revenues and is not believed to be dependent on any major client. It should be noted, however, that there are essentially four companies in the current operating area who supply almost all the insurance products as sold by FBA. These companies are Intermountain Health Care through which FBA derives approximately 38% of its insurance revenues by value, Regence Blue Cross accounts for approximately 20%, Altius Insurance Company accounts for approximately 11% and United Health Care accounts for approximately 11% of the Prime revenues by value.

Belsen Getty
- -----

Belsen Getty regards its client base as quite broad and diversified and does not believe it is unduly dependent or at risk in the reliance upon any major client or client group.

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

Fringe Benefit 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 Benefit 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 Benefit Analysts would intend 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 Benefit Analysts entities are accrued and paid by Prime.

Government Regulation of Business and Approval of Products

The insurance products sold by FBA are primarily subject to government regulation on a state level and to a lesser extent by federal regulation. In particular, FBA must be licensed within the state of Utah as a licensed insurance company and its agents must be licensed as insurance sales persons. This licensure requires annual filings and reports to the state of Utah by Fringe Benefit Analysts. There are additional federal regulations on the sale and placement of insurance policies, but which are not believed to have direct application on the day-to-day business of FBA in the sale of insurance policies and other related insurance products. The agents for FBA are also required to participate in continuing professional education and to pay an annual license fee to continue to be licensed as registered insurance sales agents within the state of Utah. FBA has been able to sell insurance products in surrounding jurisdictions by provisions allowing the sale of insurance products by agents licensed in the state of Utah in adjacent jurisdictions who can license in surrounding states by reciprocity.

As part of the services provided by Belsen Getty, Mr. Terry Deru, is a Certified Financial Planner and a Registered Financial Consultant. These designations are not licensed, but there are continuing professional educational requirements. Mr. Andrew Limpert is a registered investment advisor within the state of Utah and is required to pay an annual fee and file reports related to this profession. Mr. Limpert is also a Registered Financial Consultant.

38

Other than the foregoing, particular licensing and registration requirements, Prime Resource, Inc. will be required to continue to file an annual corporate filing with the state of Utah to remain in good standing and may be required to make separate applications in various jurisdictions where it may do business in the future to be qualified as a foreign corporation. In the event of the successful completion of this registration statement, Prime Resource will also be required to file periodic reports with the Securities and Exchange Commission as to its accounting and business activities which are more particularly described below.

It is not generally believed that the foregoing regulations will have a substantial adverse affect upon the viability or potential financial success of the company.

FBA Advantage Program

One particular aspect of the business of Fringe Benefit Analysts is the application of what is termed the "FBA Advantage" Program. The FBA Advantage program is a tool for employees and Human Resource Directors of small and medium size firms to obtain administration of employee benefit programs such as: 125(c) (Cafeteria) plans, COBRA administration, HIPAA administration, and Qualified Retirement Plan administration at a perceived cost savings. Implementation began in May 2002 and several components of the program are in the development stage.

Shared Employees

Ms. Brenda Rogers acts as the Human Resource Director for both Belsen Getty and Fringe Benefit Analysts. She allocates her time approximately equally between the two entities. She is paid directly by Prime. Mr. Dale Harrell also acts as a Controller for both Belsen Getty and Fringe Benefit Analysts. He

allocates approximately one-half of his full-time employment to each entity. He is also paid directly 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.

Reports to Security Holders

In the event of the successful completion of this offering, Prime believes that it will become a limited reporting company under the Securities and Exchange Act of 1934 (34' Act) and be required to register under the 34' Act as a 15(d) company. In this capacity, it will be required to file an annual report on Form 10-KSB discussing all of its management, business and accounting activities on an annual basis. The company currently functions on a calendar year basis. In addition to the annual report, Prime will also be required to file quarterly reports at the end of each quarter other than the final quarter of the year in which the annual report will be substituted for a quarterly report. These reports will be filed on form 10-QSB and discuss generally the unaudited accounting information for the company for the quarter and any material events or changes in business activities or management.

Because Prime is not believed to be required to become a 12(g) full reporting company for the foreseeable future, it will not be under an obligation to mail annual reports to shareholders; however, the present intended policy of the company is to disseminate such annual report related to any shareholder meeting. It should also be noted the company is not believed to be subject to the filing of formal proxy materials with the SEC as a 15(d) company. In the future, the company, whether or not it meets the requirements to require filing as a 12(g) full reporting company, may elect to become a full reporting company to complete various registrations on NASD sponsored over-the-counter markets, but which filings are not presently anticipated.

Any person may read and copy reports filed with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain further information by calling the public reference room at 1-800-SEC-0330. The company also intends to continue its electronic file and each of the public reports filed by the company would be further available online at www.sec.gov/edgar. These reports will also be available from the company by shareholder request at any time as filed.

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

Overview

Prime Resource, LLC, ("Prime") was dissolved in April 2002 and its assets transferred to Prime Resource, Inc. Prime LLC, historically, operated as a Utah limited liability company and was the owner of Belsen Getty, LLC, (Belsen Getty), and Fringe Benefit Analysts, LLC, (FBA). Prime, Inc. now continues in this same capacity. Belsen Getty provided investment management, financial planning and pension and retirement planning for various individual and business clients. FBA primarily acts as an insurance broker of health, life, dental and disability insurance coverages. 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 when Prime was substantially reorganized as a Utah corporation, each prior member exchanged membership interest in Prime for an agreed upon sharehold interest in the corporation. All of the attached and referenced annual 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, Prime'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

Revenues

Prime's revenues, by reportable segment were as follows:

Segment -----	Year Ended December 31st -----	
	2001 ----	2000 ----
Insurance Products(Commissions)	\$1,557,246	\$1,498,016
Asset Management (Advisory Fees)	\$ 449,031	\$ 707,537
Interest and Dividends	\$ 15,204	\$ 7,716
	-----	-----
	\$2,021,481	\$2,213,269

Asset management revenues in 2001 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 Prime's 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.

Interest and dividends on a Company-wide basis was higher in 2001 due to larger amounts invested in marketable securities and cash equivalents in

2001, as compared to 2000.

Operating Expenses

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 by outside agents.

Net Income Loss

As a result of the foregoing factors Prime realized a net loss of \$36,645 in 2001 as contrasted to net income of \$255,000 in 2000.

42

Six-month period ended June 30, 2002 compared to the six-month period ended June 30, 2001

Revenues

Prime's revenues by reportable segment were as follows:

<TABLE>
<CAPTION>

Segment	Three-months ended June 30th		Percentage Change (Rounded)
	2002	2001	
Insurance Products (Commissions)	\$ 864,225	\$ 814,491	6%
Asset Management (Advisory Fees)	249,966	301,839	-17%
Interest and Dividends	7,398	7,198	3%
	<u>\$ 1,121,589</u>	<u>\$ 1,123,528</u>	

</TABLE>

Insurance product sales for the six-months ended June 30, 2002 increased from the prior comparable period due to higher volumes in 2002.

Asset management revenues for the six-months ended June 30, 2002 decreased marginally from the comparable prior six-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. Asset management fees were also negatively effected by a general decrease in the value of the stock market.

Operating Expenses

Total operating expenses increased \$288,214 or 31.3 percent, as compared to the prior six-month period. The increase is due to increases in compensation and benefits of \$208,788 or 43.6 percent, and general and administrative expense of \$82,809 or 87.2 percent from the prior comparable six-month period.

The increase in compensation and benefits expense resulted from the issuance of a 26 percent membership interest in Prime (valued at \$113,000) to an employee for advisory and organizational services rendered in connection with Prime's reorganization and registration with the SEC, and an increase in the base salary of such employee, partially offset by lower management salaries, resulting from the termination of a former member of Prime.

The increase in general and administrative expense was due to legal and accounting fees incurred in connection with Prime's reorganization and registration with the SEC.

Income Tax Expense

Although Prime realized a loss of \$87,694 for the six-months ended June 30, 2002, Prime recognized income tax expense for the period resulting from

43

pretax income for the three-months ended June 30, 2002, in connection with its

conversion from a limited liability company to a taxable corporation effective April 4, 2002.

Net Income
- - - - -

The six-month period ended June 30, 2002 resulted in a net loss of (\$107,495) compared to net income of \$202,459 for comparable prior period. The loss in 2002 was primarily due to increased management salaries and other compensation and administrative costs related to the reorganization as described above. Further, the six-month period ended June 30, 2001 was positively impacted by one-time fees generated from transfers of customer pension accounts to other outside financial institutions.

Three-month period ended June 30, 2002 compared to the three-month period ended June 30, 2001

Revenues

Prime's revenues by reportable segment were as follows:

<TABLE>
<CAPTION>

Segment	Three-months ended June 30th		Percentage Change (Rounded)
	2002	2001	
-----	----	----	
<S>	<C>	<C>	<C>
Insurance Products (Commissions)	\$ 429,373	\$ 395,913	8%
Asset Management (Advisory Fees)	159,320	145,642	9%
Interest and Dividends	5,453	4,174	31%
	-----	-----	
	\$ 594,146	\$ 545,729	

</TABLE>

Insurance product sales for the three-months ended June 30, 2002 increased from the prior comparable period due to higher volumes in 2002.

Asset management fees for the three-months ended June 30, 2002 increased from the prior comparable period due to increased brokerage fees resulting from placing new and existing customer accounts with an outside financial institution, offset in part by lower ongoing fees in connection with a general reduction in the value of the stock market.

Operating Expenses
- - - - -

Total operating expenses increased \$118,583 or 28.0 percent, as compared to the prior comparable quarter. The increase was due to increases in compensation and benefits of \$104,932 or 52.5 percent. The increase in compensation and benefits expense resulted from increase in the base salary of a key employee and shareholder of Prime.

Income Tax Expense
- - - - -

Prime recognized income tax expense for the first time in the second quarter of 2002, due to its conversion from a limited liability company to a taxable corporation, effective April 4, 2002.

Net Income

In the quarter ended June 30, 2002 Prime realized net income of \$32,244 compared to net income of \$122,211 for the same quarter in 2001. Net income in 2002 was lower due to increased compensation and benefits expense along with the first-time recognition of income tax expense, partially offset by increased revenues from both insurance product sales and asset management fees.

Liquidity and Capital Resources
- - - - -

Historically, Prime'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 2000, respectively. Although Prime 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 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 investing 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.

Six-month period ended June 30, 2002 compared to the six-month period ended June 30, 2001

 Prime used (\$39,709) and generated \$171,125 in cash from operations during the six-month periods ended June 30, 2002 and 2001, respectively. Prime realized net income of \$202,459 for the first half of 2001 versus a net loss of (\$107,495) in the first half of 2002. Furthermore, cash used in operations during the first six-months of 2002 was negatively impacted by the settlement of wages paid to a former member in the amount of \$100,000.

45

Investing activities for the first six months of 2002 generated \$180,962 in cash. However, investing activities for the first six months of 2001 used \$192,442 in cash. Sources of cash in 2002 included repayments on receivables from members totaling \$144,799 and proceeds from the sale of marketable securities in the amount of \$51,140. In addition, during 2001, Prime advanced \$147,000 to members. This use of cash in 2001 was partially offset by a \$20,000 repayment on a loan from a related party.

Prime used \$48,000 in cash in financing activities during the first six months of 2002, resulting from a one-time buy out of a former member, partially offset by proceeds from repayments of loans to members totaling \$52,000.

Balance Sheet Data

 The following summarizes Prime's assets, liabilities, and members' equity as of June 30, 2002, December 31, 2001 and December 31, 2000:

<TABLE>
 <CAPTION>

Assets -----	June 30, 2002 (Unaudited) -----	December 31, 2001 -----	December 31, 2000 -----
<S>	<C>	<C>	<C>
Current assets	\$263,912	\$185,200	\$391,900
Property and equipment, net ..	119,493	131,300	167,200
Other	128,557	263,600	101,500
	-----	-----	-----
Total assets	511,962	580,100	660,600
Liabilities and members equity			
Current liabilities	202,244	345,200	147,500
Other liabilities	83,875	15,600	14,900
Members' & stockholders' equity	225,843	219,300	498,200
	-----	-----	-----
Total liabilities, members' & shareholders' equity	\$511,962	\$580,100	\$660,600

</TABLE>

Current assets as of December 31, 2001 decreased by \$206,700 or 52.7 percent from the balance at December 31, 2000. The decrease was primarily due to a reduction in cash of \$193,200 to pay for operations, settlement of a wage claim with a prior employee and advances to members of \$140,000; a decrease in accounts receivable of \$47,300 due to a change in the Company's billing process for investment advisory services, whereby such services were billed in arrears during 2000, versus in advance as in 2001; partially offset by an increase in marketable securities in 2001 totaling \$50,100.

Current assets increased between June 30, 2002 and December 31, 2001 by \$78,635 or 42.5 percent. The increase in current assets was primarily due to an increase in cash of \$93,253 resulting primarily from collections on receivables from members.

46

Net property and equipment decreased primarily due to routine depreciation and disposals, offset by purchases of equipment.

Other assets increased between December 31, 2001 and 2000 by \$162,100 or 160 percent due to advances to members in 2001. The decrease between June 30, 2002 and December 31, 2001 resulted from repayments of such advances during the first quarter of 2002.

Current liabilities increased between December 31, 2001 and 2000 by \$197,700 or 134 percent due to obligations stemming from a settlement with a former member in connection with Prime's buy-out of the former member's share of the Company. Such liabilities subsequently decreased between June 30, 2002 and December 31, 2001 as Prime paid the obligations during the first quarter of 2002.

The Offering

- -----

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

It is possible that the anticipated proceeds of this offering will not be sufficient to support any significant increase in revenues or income to Prime, 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, Prime does not have any foreign market or currency exposure. Fringe Benefit Analysts is subject to continuing regulations as an insurance agency where it operates and certain principals of Belsen Getty are subject to regulation as investment advisors and licensed financial planners.

Prime 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. Loans to management will now be prohibited under the Sarbanes-Oxley Act in public companies. See "Related Party Transactions".

47

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.

Prime 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.

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 previously leased commercial space for their operations at 22 East First South, 4th Floor, Salt Lake City, Utah from Brownstone Associates LLC. Scott Deru and Terry Deru were prior owners in Brownstone Associates through December 31, 2001 along with Mr. William Campbell, who was a prior owner in Prime LLC. Prime now considers its current lease, described below, to be with a fully unrelated party. Mr. Campbell continues as the principal owner of Brownstone, but has no ownership or affiliation with Prime. Prime leased approximately 2,800 square feet in the Brownstone until August, 2002. The prior gross monthly lease payment was \$3,976 per month. The lease was terminated by notice without penalty effective August 16, 2002.

48

Commencing August 16, 2002 Prime and its subsidiaries lease space in the Brickyard Tower in Salt Lake City, Utah. The exact address is 1245 East Brickyard Road, Suite 590, Salt Lake City, Utah 84106. This is a five year lease with a base rental amount of \$4,588.58 per month. The company will occupy approximately 3,239 square feet.

Belsen Getty's current office space in the Brickyard Tower consists of two conference rooms, a reception area, four individual offices, a large area with six cubicles, a workroom, file room and kitchen area.

Total current monthly direct costs of operating the present physical facilities, which includes rent, utilities and other overhead expenses, is approximately \$4,588.58 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 \$50,000 owed to Prime by Andrew Limpert; Mr. Scott Deru and Mr. Terry Deru had outstanding loans owing of \$70,000 each, but which are off-set by two loans to Prime by the Derus each for \$100,000, totaling \$200,000. The notes payable to the company are demand notes, bear single annual interest (APR) of 4 1/2% and the note receivable also has an APR of 4 1/2% and is a demand note. Under the provisions of the recent Sarbanes-Oxley Act, Prime will discontinue immediately, as a prospective public company, any loans to officers, directors or employees.

o The current lease arrangement which terminated August, 2002 was entered by Prime with a previously affiliated party, Mr. William Campbell, and could not thereby be considered arms length. The terms of this lease are discussed at page 49 of this Prospectus under Description of Property.

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 Messrs. Terry Deru, Scott Deru and Andrew Limpert would be considered founders and promoters of the current Prime Resource, Inc. As such, Scott Deru contributed his interest in the prior Prime LLC for his approximate 36% stock interest in Prime; Terry Deru has contributed his interest in Prime LLC for an approximate 36% stock interest; and Mr. Limpert has contributed his interest in Prime LLC for an approximate 27% stock interest in Prime. None of these transfers by the promoters can be considered independent or arms-length transactions.

49

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 Electronic Bulletin Board, OTCBB, once our registration statement has become effective. 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.

<TABLE>
<CAPTION>

50

EXECUTIVE COMPENSATION

HOURLY COMPENSATION, LONG TERM COMPENSATION

Name and Principal Other3 Position Payouts (Loans)	Year	Salary(1)	Bonus(2)	Other Annual Compensation	Restricted Stock Awards(s)	Securities Underlying Options	LTIP
<S> <C> <C>	<C>	<C>	<C>	<C>	<C>	<C>	
Mr. Terry Deru, \$70,000 President	2001	\$262,000	--	\$65,000	--	--	--
--	2000	208,341	--	--	--	--	--
---	1999	122,236	--	--	--	--	--
Mr. Scott Deru,, \$70,000 Secretary	2001	\$240,000	--	\$65,000	--	--	--
--	2000	\$212,000	--	--	--	--	--
---	1999	\$165,242	--	--	--	--	--
Mr. Andrew Limpert, \$50,000 Treasurer	2001	\$118,000	--	--	--	--	--
--	2000	60,479	--	--	--	--	--
	1999	65,613	--	--	--	--	--

</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, and \$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 compensation of \$118,000 in 2001, which will increase to \$165,000 this year and \$210,000 in 2003. 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, earlier discussed under "Remuneration of Officers and Directors". The most essential term of such contract is that the company may terminate the employment agreement, without cause, at anytime upon notice. 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 on a demand note basis. These amounts remain outstanding, but are off-set by \$100,000 demand notes each owed by Prime to Mr. Scott Deru and Mr. Terry Deru. The interest on these notes is 4.5% APR. Mr. Limpert has borrowed \$50,000. This loan is a demand note with interest payable at the time of demand at 4.5% APR.

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

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT THEREON

Years Ended December 31, 2001 and 2000
and Interim Period to June 30, 2002 (unaudited)

<TABLE>
<CAPTION>

<S>		<C>
	Independent Auditors' Report	55
	Financial Statements:	
	Consolidated Balance Sheets	56
	Consolidated Statements of Operations Years Ended December 31, 2001 and 2000	57
	Consolidated Statements of Operations and Comprehensive Income (Loss) Years Ended December 31, 2001 and 2000	58
	Consolidated Statements of Operations Three-Months Ended June 30, 2002 and 2001 (Unaudited)	59
	Consolidated Statements of Operations Six-Months Ended June 30, 2002 and 2001 (Unaudited)	60
	Consolidated Statements of Cash Flows	61
	Consolidated Statements of Members' and Stockholders' Equity	62
	Notes to Consolidated Financial Statements	63-72
</TABLE>		

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Prime Resource, Inc. and subsidiaries
(formerly 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.

Layton, Utah
 March 29, 2002, except for Note 9,
 as to which the date is April 5, 2002

<TABLE>
 <CAPTION>

PRIME RESOURCE, INC. AND SUBSIDIARIES
 (Formerly Prime Resource, LLC and Subsidiaries)

CONSOLIDATED BALANCE SHEETS

June 30, ASSETS 2002 (unaudited)	December 31, 2001	December 31, 2000
-----	-----	-----
Current Assets:		
<S>	<C>	<C>
<C>		
Cash and cash equivalents	\$ 32,102	\$ 225,321
\$ 125,355		
Accounts receivable	99,287	146,570
126,105		
Available-for-sale securities	50,125	--
--		
Current portion of notes receivable, related parties	3,763	20,000
3,763		
Deferred income taxes	--	--
8,689		
-----	-----	-----
263,912	185,277	391,891
Property and equipment, net of accumulated depreciation of \$123,440, \$100,211 and \$68,058 at June 30, 2002, December 31, 2001 and 2000, respectively	131,283	167,216
119,493		
Other assets	8,516	8,516
13,104		
Advances and notes receivable from related parties, excluding current portion	255,052	92,992
115,453		
-----	-----	-----
\$ 511,962	\$ 580,128	\$ 660,615
=====	=====	=====
LIABILITIES, MEMBERS' AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade accounts payable	\$ 16,659	\$ 5,706
\$ 51,245		
Accrued compensation, commissions and benefits	228,567	141,806
138,456		
Income taxes payable	--	--
12,543		

Member distribution payable	100,000	--
--	-----	-----
-----	345,226	147,512
202,244		
Notes payable to related parties	15,579	14,905
67,928		
Deferred income taxes	--	--
15,947	-----	-----
-----	360,805	162,416
286,119	-----	-----

MEMBERS' EQUITY		
Members' equity	220,338	498,199
--		
Accumulated other comprehensive loss	(1,015)	--
--	-----	-----
-----	219,323	498,199
--	-----	-----

STOCKHOLDERS' EQUITY		
Common stock - no par value; authorized 50,000,000 shares; issued and outstanding 2,800,000 shares in 2002	--	--
--		
Additional paid-in capital	--	--
197,763		
Retained earnings	--	--
28,080	-----	-----
-----	--	--
225,843	-----	-----

	\$ 580,128	\$ 660,615
\$ 511,962	=====	=====
=====		

</TABLE>

See accompanying notes to financial statements

56

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31, 2001 and 2000

	2001	2000
	-----	-----

<S>	<C>	<C>
REVENUES		
Commissions	\$ 1,557,246	\$
1,498,016		
Investment advisory fees	449,031	
707,537		
Interest and dividends	15,204	
7,716	-----	-----

2,213,269	2,021,481	
EXPENSES		
Commissions	538,510	
480,565		
Compensation and benefits	1,130,418	
1,079,865		
General and administrative	230,205	
256,405		
Occupancy and equipment	115,575	
100,122		
Interest	674	
662		
Depreciation	42,744	
40,150		
---	-----	-----
	2,058,126	
1,957,769	-----	-----

NET INCOME (LOSS)	\$ (36,645)	\$
255,500	=====	
=====		

PROFORMA COMPENSATION AND BENEFITS, assuming the reorganization and new compensation agreements described in Note 9 occurred on January 1, 2001 \$ 1,222,418 \$ -

PROFORMA INCOME TAX BENEFIT, assuming the reorganization described in Note 9 occurred on January 1, 2001	51,458	--
--	--------	----

PROFORMA NET LOSS, assuming the reorganization described in Note 9 occurred on January 1, 2001	(77,187)	--
--	----------	----

PROFORMA BASIC AND DILUTED LOSS PER SHARE, assuming the reorganization described in Note 9 occurred on January 1, 2001	(.028)	--
--	--------	----

</TABLE>

See accompanying notes to financial statements

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Years Ended December 31, 2001 and 2000

2000	2001	
-----	-----	-----
<S>	<C>	<C>
REVENUES		
Commissions	\$ 1,557,246	\$
1,498,016		
Investment advisory fees	449,031	
707,537		

Interest and dividends	15,204	
7,716		
-----		-----
	2,021,481	
2,213,269		
EXPENSES		
Commissions	538,510	
480,565		
Compensation and benefits	1,130,418	
1,079,865		
General and administrative	230,205	
256,405		
Occupancy and equipment	115,575	
100,122		
Interest	674	
662		
Depreciation	42,744	
40,150		
-----		-----
	2,058,126	
1,957,769		
-----		-----
NET INCOME (LOSS)	(36,645)	
255,500		
OTHER COMPREHENSIVE INCOME -		
Net unrealized loss on securities available for sale	1,015	--
	-----	-----

TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (37,660)	\$
255,500		
=====		

</TABLE>

See accompanying notes to financial statements

<TABLE>
<CAPTION>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

CONSOLIDATED STATEMENTS OF OPERATIONS

Three-Months Ended June 30, 2002 and 2001

(Unaudited)

	2002	2001
	-----	-----
<S>	<C>	<C>
REVENUES		
Commissions	\$ 429,373	\$
395,913		
Investment advisory fees	159,320	
145,642		
Interest and dividends	5,453	
4,174		
-----		-----
	594,146	
545,729		
EXPENSES		

Commissions	141,070	
133,118		
Compensation and benefits	304,629	
199,697		
General and administrative	57,071	
45,491		
Occupancy and equipment	26,579	
31,776		
Interest	1,745	
337		
Depreciation	11,007	
13,099		
---	-----	-----
	542,101	
423,518		
Income before income tax expense	52,045	
122,211		
Income tax expense	19,801	--
---	-----	-----
NET INCOME	\$ 32,244	\$ --
122,211		
=====	=====	
PROFORMA COMPENSATION & BENEFITS, assuming the reorganization and new compensation agreements described in Note 9 occurred on January 1, 2001	\$ 314,129	\$ --
PROFORMA INCOME TAX EXPENSE, assuming the reorganization described in Note 9 occurred on January 1, 2001	16,187	--
PROFORMA NET INCOME, assuming the reorganization described in Note 9 occurred on January 1, 2001	26,358	--
PROFORMA BASIC AND DILUTED INCOME PER SHARE, assuming the reorganization described in Note 9 occurred on January 1, 2001	.009	--

</TABLE>

See accompanying notes to financial statements

<TABLE>
<CAPTION>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)
CONSOLIDATED STATEMENTS OF OPERATIONS
Six-Months Ended June 30, 2002 and 2001

(Unaudited)

	2002	
2001	-----	-----

REVENUES		
<S>	<C>	<C>
Commissions	\$ 864,225	\$
814,491		
Investment advisory fees	249,966	
301,839		
Interest and dividends	7,398	
7,198		
---	-----	-----
	1,121,589	
1,123,528		

EXPENSES			
Commissions		266,262	
261,222			
Compensation and benefits		688,069	
479,281			
General and administrative		177,829	
95,020			
Occupancy and equipment		52,205	
64,000			
Interest		1,746	
336			
Depreciation		23,172	
21,210			
---		-----	-----
		1,209,283	
921,069			
Income before income tax expense		(87,694)	
202,459			
Income tax expense		19,801	--
---		-----	-----
NET INCOME		\$ (107,495)	\$
202,459			
=====		=====	

PROFORMA COMPENSATION & BENEFITS, assuming the reorganization and new compensation agreements described in Note 9 occurred on January 1, 2001 \$ 711,069 \$ -

PROFORMA INCOME TAX EXPENSE, assuming the reorganization described in Note 9 occurred on January 1, 2001 42,064

PROFORMA NET LOSS, assuming the reorganization described in Note 9 occurred on January 1, 2001 (68,630)

PROFORMA BASIC AND DILUTED INCOME PER SHARE, assuming the reorganization described in Note 9 occurred on January 1, 2001 (.025)

</TABLE>

See accompanying notes to financial statements

60

<TABLE>
<CAPTION>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six-Months	Year Ended	Year Ended	Six-Months
Ended	December 31,	December 31,	Ended
June 30, 2001	2001	2000	June 30, 2002
(unaudited)			(unaudited)
-----	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
<S>	<C>	<C>	<C>
<C>			
Net income (loss)	\$ (36,645)	\$ 255,500	\$ (107,495)
\$ 202,459			
Adjustments to reconcile net income (loss) to net cash provided by operations:			
Depreciation	42,744	39,536	23,172
21,210			

--	Noncash compensation	2,409	--	114,859
980	Loss on disposal of assets	980	--	--
337	Interest expense on borrowings from member	674	--	349
(2,627)	Interest income on loans to related parties	(8,113)	(759)	(3,991)
(11,545)	Changes in operating assets and liabilities:			
--	Trade and other accounts receivable	47,283	25,324	(26,234)
--	Other assets	--	--	(4,588)
18,790	Accounts payable	10,559	(22,788)	34,529
(58,479)	Accrued liabilities and compensation	86,762	(57,836)	(90,111)
--	Income taxes payable	--	--	12,543
--	Deferred income taxes	--	--	7,258
		-----	-----	-----
171,125	Net cash provided by (used in) operating activities	146,653	238,977	(39,709)
		-----	-----	-----
	CASH FLOWS FROM INVESTING ACTIVITIES:			
(15,864)	Purchases of equipment	(18,865)	(46,741)	(11,325)
(147,688)	Loans to related parties	(155,650)	(36,427)	(5,500)
--	Principal payments from related party notes receivable	--	--	146,647
20,000	Collections on loans to related parties	20,000	20,000	--
--	Proceeds from securities available for sale	--	--	51,140
(48,890)	Investment in securities available for sale	(51,141)	--	--
		-----	-----	-----
(192,442)	Net cash provided by (used in) investing activities	(205,656)	(63,168)	180,962
		-----	-----	-----
	CASH FLOWS FROM FINANCING ACTIVITIES:			
--	Payments on note payable to a member	--	(17,567)	--
--	Notes payable to members	--	--	52,000
--	Member buy-out	--	--	(100,000)
(90,643)	Distributions to members	(134,215)	(181,765)	--
		-----	-----	-----
(90,643)	Net cash used in financing activities	(134,215)	(199,332)	(48,000)
		-----	-----	-----
(111,960)	NET INCREASE (DECREASE) IN CASH	(193,219)	(23,523)	93,253
225,321	CASH AT BEGINNING OF PERIOD	225,321	248,844	32,102
\$ 113,361	CASH AT END OF PERIOD	\$ 32,102	\$ 225,321	\$ 125,355
		=====	=====	=====
	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 -- --

--

</TABLE>

See accompanying notes to financial statements

<TABLE>
<CAPTION>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

CONSOLIDATED STATEMENTS OF MEMBERS' AND STOCKHOLDERS' EQUITY

January 1, 2000 to June 30, 2002

Retained Earnings	Members'	Common Stock		Additional	
	Equity	Shares	Amount	Paid in Capital	
-----	-----	-----	-----	-----	
<S>	<C>		<C>	<C>	
<C>					
Balance at January 1, 2000	\$ 424,465	--	\$ --	\$ --	\$
Net income	255,500	--	--	--	
Member distribution	(181,766)	--	--	--	
-----	-----	-----	-----	-----	
Balance at December 31, 2000	498,199	--	--	--	
Net loss	(36,645)	--	--	--	
Member distribution	(241,216)	--	--	--	
-----	-----	-----	-----	-----	
Balance at December 31, 2001	220,338	--	--	--	
Net loss through date of incorporation (April 4, 2002) (unaudited)	(135,575)	--	--	--	
Member contribution (unaudited)	113,000	--	--	--	
April 4, 2002 reorganization from a limited liability company to a corporation (unaudited)	(197,763)	2,800,000	--	197,763	
Net income from April 4, 2002 through June 30, 2002 (unaudited)	--	--	--	--	
28,080	-----	-----	-----	-----	
-----	-----	-----	-----	-----	
28,080	\$ --	2,800,000	\$ --	\$ 197,763	\$
=====	=====	=====	=====	=====	

</TABLE>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly 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.

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly 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

The Company generates revenues from two primary sources, commissions on the sale of insurance and fees on the provision of investment advice.

Fees from the provision of investment advice are billed and earned based on an agreed upon percentage of the fair value of investment portfolios under management. Such fees are typically one percent per year, and are calculated and billed on a monthly basis at one twelfth of one percent of the fair value of investments under management as of the beginning of each calendar month, and are recognized as revenue in the month billed.

PRIME RESOURCE, INC. AND SUBSIDIARIES (Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

Revenues, in the form of commissions, are earned on brokered sales of group and individual health insurance products under agency marketing agreements with applicable health insurance providers. Commissions are generally collected on a monthly basis and are recognized as revenue in the month for which the related insurance premiums apply. Commissions earned by the Company are split, at management's discretion, between the Company and its licensed agents, on a case-by-case basis. The Company recognizes the full amount of commissions received under its agency agreements as commission revenue and the portion paid to its licensed agents as commission expense.

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-interest 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.

Prime 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.

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 Prime's future operations and accounting.

Interim Financial Information

The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission for Form 10-QSB, and accordingly, do not include all of the information and footnotes required by

64

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Generally accepted accounting principles. In the opinion of management, these unaudited consolidated financial statements reflect all adjustments, which consist only of normal recurring adjustments, which are necessary to present fairly the Company's financial position, results of operations, and cash flows as of June 30, 2002, and for the three-month and six-month periods ended June 30, 2002 and 2001. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements, and notes thereto, for the year ended December 31, 2001.

The preparation of the interim consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expense for the period being reported. Actual results could differ from those estimates. The results of operations for the three-months and six-months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the remainder of the year ending December 31, 2002 or future annual periods.

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	2002
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
	=====	=====

65

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

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".

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>

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 5 - SEGMENT INFORMATION (CONTINUED)

<TABLE>
<CAPTION>

	Asset Management		Insurance Products	
	Three Months Ended June 30, 2001 (unaudited)	Three Months Ended June 30, 2000 (unaudited)	Three Months Ended June 30, 2001 (unaudited)	Three Months Ended June 30, 2000 (unaudited)
<S>	<C>	<C>	<C>	<C>

Revenues	\$ 159,320	\$145,642	\$ 429,373	\$ 395,913
Expenses	194,934	152,662	292,833	264,468

Income (Loss) before tax	\$ (35,614)	\$ (7,020)	\$ 136,540	\$ 131,445
Income tax expense (benefit)	(13,550)	--	51,948	--

Net Income (Loss)	(22,064)	\$ (7,020)	84,592	\$ 131,445
=====				

</TABLE>

<TABLE>
<CAPTION>

	Other		Consolidated	
	Three Months Ended		Three Months Ended	
	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)
	<C>	<C>	<C>	<C>
Revenues	\$ 5,453	\$ 4,174	\$ 594,146	\$ 545,729
Expenses	54,334	6,338	542,101	423,518

Income (Loss) before tax	\$ (48,881)	\$ (2,214)	\$ 52,045	\$ 122,211
Income tax expense (benefit)	(18,597)	--	19,801	--

Net Income (Loss)	(30,284)	\$ (2,214)	\$ 32,244	\$ 122,211
=====				

</TABLE>

67

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 5 - SEGMENT INFORMATION (CONTINUED)

<TABLE>
<CAPTION>

	Asset Management		Insurance Products	
	Six Months Ended		Six Months Ended	
	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)
	<C>	<C>	<C>	<C>
Revenues	\$ 249,996	\$301,889	\$ 864,225	\$ 814,491
Expenses	414,682	319,325	450,275	518,115

Income (Loss) before tax	\$ (164,716)	\$ (17,486)	\$ 413,950	\$ 296,376
Income tax expense (benefit)	(13,550)	--	51,948	--

Net Income (Loss)	(151,166)	\$ (17,486)	\$ 362,002	\$ 296,376
=====				

</TABLE>

<TABLE>
<CAPTION>

	Other		Consolidated	
	Six Months Ended		Six Months Ended	
	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)	June 30, 2001 (unaudited)	June 30, 2000 (unaudited)
	<C>	<C>	<C>	<C>
Revenues	\$ 7,398	\$ 7,198	\$ 1,121,589	\$ 1,123,528
Expenses	344,326	83,629	1,209,283	921,069

Income (Loss) before tax	\$ (336,928)	\$(76,431)	\$(87,694)	\$ 202,459
Income tax expense (benefit)	(18,597)	--	19,801	--
Net Income (Loss)	\$ (318,331)	\$(76,431)	\$(107,495)	\$ 202,459

</TABLE>

The Insurance Products segment does not have any customer accounting for over 4 percent of its revenues and is not believed to be dependent on any major client. However, there are essentially only four companies supplying health coverage in the current operating area which within the Company has agency marketing agreements.

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 as of June 30, 2002, December 31, 2001, and December 31, 2000 are as follows:

68

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 5 - SEGMENT INFORMATION (CONTINUED)

	June 30, 2002 (unaudited)	December 31, 2001	December 31, 2000
Asset Management	\$ 39,365	\$ 32,026	\$ 65,537
Insurance Products	161,655	42,553	11,908
Other	41,913	159,941	158,281
	\$ 242,933	\$ 234,520	\$ 235,726

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.

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

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.

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 EVENTS

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. The 26 percent membership share of the Company issued to Mr. Limpert was accounted for as compensation expense and is included in "compensation and benefits" in the statement of operations for the quarter ended March 31, 2002. The value of the share of the Company issued to Mr. Limpert was based on the amount the Company was required to pay a former member for his 23 percent share of the Company, in connection with the Company's termination and buy-out of the member, effective January 1, 2002.

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.

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 9 - SUBSEQUENT EVENTS (CONTINUED)

On April 5, 2002, the Company was reorganized from a limited liability company to a corporation. The Company was authorized to issue 50,000,000 shares of a single class of common stock with no par value. The Company issued 2,800,000 of such shares to existing members representing the entire ownership interest of the Company at the time of incorporation. As there was no change in control of the organization, the value of the stock, issued in the reorganization, was based on the book value of the predecessor organization of approximately \$192,000, as of March 31, 2002. Accordingly, there was no change in the recorded book values of Company assets or liabilities due to the reorganization.

Also, in connection with the reorganization, the Company entered into three-year

employment agreements with three of its executive officers.

NOTE 10 - INCOME TAXES (UNAUDITED)

Income tax expense is comprised of the following for the three-month period ended June 30, 2002:

	Current -----	Deferred -----	Total -----
U.S. Federal	\$ 9,492	\$ 7,258	\$ 16,751
State	3,051	-	3,051
	-----	-----	-----
	\$ 12,543	\$ 7,258	\$ 19,801
	=====	=====	=====

Total income tax expense (benefit) for the three-month period ended June 30, 2002 differs from the amounts computed by applying the U.S. federal tax income rate of 34 percent to pretax income as a result of the following:

Federal income taxes at statutory rate	\$ 17,697
State income taxes net of federal benefit	1,737
Deferred taxes relating to change in tax status	10,391
Benefit of graduated rates	(10,217)
Other non-deductible items	194

Total	\$ 19,801
	=====

71

PRIME RESOURCE, INC. AND SUBSIDIARIES
(Formerly Prime Resource, LLC and Subsidiaries)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001 and 2000

NOTE 10 - INCOME TAXES (UNAUDITED) (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 30, 2002 are as follows:

Deferred tax assets:	
Accounts receivable	\$ (46,819)
Accrued wages	36,396
Accounts payable	19,112

Total deferred tax assets	\$ 8,689
	=====
Deferred tax liability - primarily due to differences in depreciation and amortization - noncurrent	\$ (15,947)
	=====

Realization of the deferred tax assets depends on the Company's ability to generate sufficient future taxable income. Management believes that the Company will generate such future earnings and, accordingly, realize the benefit of the gross deferred tax assets. Therefore, management has not provided any valuation allowance.

The entity also changes tax status during the year, resulting in the deferred tax assets and liabilities being recorded in the continuing operations for the current period.

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.

72

{OUTSIDE COVER OF PROSPECTUS}

This is a self underwriting not involving any broker/dealer. Each person contacted to invest in this offering will concurrently be given a copy of this prospectus. Unless otherwise advised, the prospectus will expire and should not be relied upon at anytime greater than six months after the effective date appearing on the cover page.

73

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 Utah 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 \$45,000 are to be paid by the company ultimately from offering proceeds and are outlined below:

	ESTIMATED OFFERING COSTS	
ITEM		ESTIMATED COST
1. Attorney Fees		\$ 20,000
2. Auditing		\$ 20,000
3. Printing and Distribution		\$ 2,500
4. State Filing and Edgar Fees		\$ 2,500
	TOTAL COSTS	\$ 45,000

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 first table summarized these transactions; the second table summarizes historical significant contributions to the prior Prime, LLC entity in 1998. The original Prime, LLC was formed in 1996 with minimum capitalization:

<TABLE>
<CAPTION>

Name/ Shareholder -----	SUMMARY OF ALL SHARES ISSUED IN PRIME, INC.				Consideration -----
	Number of Shares -----	Acquisition Date -----	Price per Share -----		
<S>	<C>	<C>	<C>	<C>	<C>
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
Mr. William Campbell		1/2002			23% of shares in B.G., Inc.-repurchase by Limpert.

</TABLE>

*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 contained a premium for continuing organizational services.

74

<TABLE>
<CAPTION>

HISTORICAL SUMMARY OF LLC/INTEREST IN PREDECESSOR PRIME LLC
AS OF 19981

Name of Shareholder	LLC Interest	Acquisition Date	Value of Interest	Consideration
<S>	<C> <C>	<C>	<C>	<C>
1. Mr. Scott Deru	36 1/2%	10/98	Unknown	50% F.B.A., Inc.
2. Mr. Terry Deru	36 1/2%	10/98	Unknown	50% B.G., Inc. 50% F.B.A., Inc.
3. Mr. Don Deru	4%	10/98	\$150,000	Cancellation \$150,000 Note
4. Mr. William Campbell	23%	10/98	Unknown	50% B.G., Inc.

</TABLE>

1The original Prime LLC formed in 1996 was minimally capitalized and remained inactive until 1998.

<TABLE>
<CAPTION>

- <S> <C>
- Item 27. Index of Exhibits:
- Exhibit Item 3 - Articles of Incorporation and By-Laws - Previously Filed
 - Exhibit Item 4 - Stock Certificate - Previously Filed
 - Exhibit Item 5 - Attorney Letter in re Legality - Amended Filed
 - Exhibit Item 10.1 - Assignment of LLC Interest to Limpert - Previously Filed

- 10.2 - Employment Contract of Principal Employee - Previously Filed
- 10.3 - Employment Contract of Principal Employee - Previously Filed
- 10.4 - Employment Contract of Principal Employee - Previously Filed
- 10.5 - IHC Insurance Agency, LLC Agency Agreement
- 10.6 - Producer Agreement with PacifiCare
- 10.7 - Regence Life and Health Insurance Company Broker/Agent Agreement
- 10.8 - Agent Marketing Agreement with United Healthcare of Utah,
United Health and Life Insurance Company

Exhibit Item 21 - Subsidiary List - Previously Filed

Exhibit Item 23.1 - Julian D. Jensen, P.C. Attorney at Law - Previously Filed

Exhibit Item 23.2 - Consent of Experts - Carver Hovey & Co. CPA's - Amended Filed

</TABLE>

75

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:
 - 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) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (ss.230.424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective 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

76

such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the small business issuer of expenses incurred or paid by a director, officer or controlling person of the small business issuer in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in

connection with the securities being registered, the small business issuer will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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 October 11, 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:

77

BY: MR. TERRY DERU

(Signature) /s/

(Title) Director, CEO, President

(Date) 10/11/2002

BY: MR. SCOTT DERU

(Signature) /s/

(Title) Director, Vice-President, Treasurer

(Date) 10/11/2002

BY: MR. ANDREW LIMPET

(Signature) /s/

(Title) Director, CFO, Secretary, Vice-President

(Date) 10/11/2002

78

October 11, 2002

Board of Directors
Prime Resource, Inc.
1245 East Brickyard Road
Brickyard Tower, Suite 590
Salt Lake City, UT 84106

RE: Opinion on Legality - Updated
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 Second Amended 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 all shares of Kinship will, when sold, be legally issued, fully paid and non-assessable.

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,

Julian D. Jensen
Attorney at Law

JDJ/jp

THIS AGREEMENT is made and entered as of the 31st day of December 2002, between IHC Health Plans, Inc., a Utah nonprofit corporation with principal offices in Salt Lake City, Utah, plus IHC Benefit Assurance Company, Inc., a Utah corporation with its principal office in Salt Lake City, Utah, both of which are together herein referred to as "IHC" (or "us" or "we"), and Fringe Benefit Analysts, Inc. (herein referred to as "Agency" or "you" or "your"), with principal offices in Layton, Utah.

10/01

AGENCY AGREEMENT
TABLE OF CONTENTS

Fact Sheet.....	1
Table of Contents	2
ARTICLE I - APPOINTMENT	

1.1 Appointment	4
1.2 Letters of Record	5
1.3 Agents and Sub-agents	6
ARTICLE n - QUALIFICATIONS. DUTIES. RIGHTS. AND LIMITATIONS	

2.1 Qualifications	6
2.2 Duties	8
2.3 Rights	9
2.4 Limitations	9
2.5 Compliance with Title 18, United States Code, Sec.s 1033 and 1034	9
ARTICLE in - COMPENSATION	

3.1 Commissions	10
3.2 Top Producer Bonus	11
3.3 IHC BrokerLine	11
ARTICLE IV - TERM AND TERMINATION	

4.1 Termination of Agreement and Appointment	11
4.2 Obligations of the Parties Upon Termination	13
4.3 Loss of Direct Agent Appointment.	13
4.4 Continuously and Properly Licensed	14
ARTICLE V - GENERAL TERMS	

5.1 Applicable Law; Arbitration	14
5.2 Assignments	14
5.3 Calendar Days	14
5.4 Confidentiality	15
5.5 Exhibits	15
5.6 Force Majeure	15
5.7 Indemnification	15
5.8 Modification of the Agreement	16
5.9 Notices	16
5.10 Section Headings	17
5.11 Severability	17
5.12 State and Federal Laws	17
5.13 Successors in Interest	17
5.14 Superseding Effect	17
5.15 Tax and Duties	18
ARTICLE VI - CONFIDENTIALITY AND SECURITY OF MEMBER DATA	

6.1 Definitions	18
6.2 Access	18
6.3 Use	18
6.4 Disclosure	19
6.5 Safeguards	19
6.6 Accounting & Reporting of Uses & Disclosures	19
6.7 Access to Agency	19

6.8 Amendment of Protected Information	20
6.9 Termination	20
6.10 Termination Procedure	20
6.11 IHC'S Right to Injunctive Relief.....	20
6.12 Amendment of this Agreement	21
Signatures	22
Exhibits	23

WITNESSETH

WHEREAS, IHC serves as either an insurer or as an intermediary between premium-based and self-insured employer groups and individuals and health care providers, and has made arrangements with such providers to render health care services pursuant to mutually agreeable terms; and

WHEREAS, Agency is an insurance agency licensed to perform such services by the Utah Department of Insurance; and

WHEREAS, Agency desires to provide such services for IHC (on types of business offered by IHC) to help establish a relationship between IHC and various insured, self-insured, and other employer groups and individuals in exchange for commissions and other compensation as set forth herein;

NOW, WHEREAS, in consideration of the promises and mutual representations herein contained, the parties hereto agree as follows:

ARTICLE I

APPOINTMENT

1.1 Appointment. IHC hereby appoints Agency, who hereby accepts a nonexclusive, nontransferable right (without prior written approval of IHC) to serve as a marketing Agency for IHC, authorized (subject to the limitations in this Agreement) to solicit, negotiate, sell, and service IHC insurance and other service contracts, provided that no such contract will take effect without prior approval of the Underwriting Department of IHC. This Appointment is expressly made subject to the terms, conditions, limitations, and restrictions of this Agreement.

Unless specified otherwise by us, this Appointment and Agreement will also apply to any appointment subsequently granted to you by IHC to represent IHC in the promotion of any other IHC product. This Appointment will be limited to that geographical region in which we are functioning, but you will not have any exclusive rights with regard to IHC plans or services within such area.

IHC service contracts intended to be included in the terms of this Agreement include products offered by IHC Health Plans, Inc. and IHC Benefit Assurance Company, Inc. In addition, this contract extends to the products of any other company that authorizes IHC Insurance Agency, LLC to solicit business. It is agreed that any and all Agent or Agency Agreement(s) signed by the Agent or Agency prior to this Agreement are null and void.

1.2 Letters of Record. Letters of Record received from other IHC appointed/authorized agents on any of your groups and individuals will be verified by us with the employer/individual as to the employer's/individual's intent. If verified, you will be notified by us and given one week to obtain from the employer/individual a Letter of Rescission rescinding the new Letter of Record. If no such rescission is obtained in that period, then we will recognize the new agent as the servicing agent for that group or individual, and the new agent and not you will be entitled to receive the commissions for premiums paid on that group or individual beginning with the next premium due date following receipt of the new Letter of Record. Except as provided below, IHC will honor a new or change in Letter of Record only after one year or more from the initial effective date of the contract. IHC will, however, initiate and/or support change actions at any time an agent is involved with fraudulent activities or misrepresentations or is terminated by IHC for cause, and IHC will not pay an agent or agency involved in these types of activities after such a change. If a client insists on a change of representation during the first year of a new IHC contract and an agent is willing to service with no compensation until the first year renewal, IHC will honor the new agent representation, but will continue to pay

commission to the initial agent until renewal. If IHC receives an agent of record letter dated more than 30 days prior to the first renewal, it will be returned, as we will only accept letters with a date of 30 days or less prior to the initial renewal to transfer the account.

5

- 1.3 Agents and Sub-agents. In the event that any agent or sub-agent employed by or associated with Agency has five or more groups and at least Two Million Five Hundred Thousand Dollars (\$2,500,000) annual IHC premium, and desires to be released from Agency in order to work directly with IHC or another agency and to retain commissions on produced groups, then in IHC'S discretion, such agent/sub-agent may be declared by IHC to be an independent agent and receive Top Producer Bonuses as described in the standard IHC Agent Agreement on business placed after such time. Following such a change. Agency will not be entitled to receive commissions on such independent agent's production and will not be entitled to count such agent's production towards Agency's Top Producer Bonus.

If any agent or sub-agent employed by or associated with Agency desires to break away from Agency prior to reaching the five group/Two Million Five Hundred Thousand Dollar (\$2,500,000) annual IHC premium level, then, except as provided in the following sentence, such change may only be made upon agent/sub-agent obtaining a signed release from Agency or obtaining some other signed agreement between Agency and agent/sub-agent authorizing such result. If there is a dispute or unwillingness on the part of an Agency to release any agent or sub-agent from the Agency, and no other mutual written agreement addresses such release, then the agent or sub-agent and related accounts will be released no later than 90 days from such written request, whether or not Agency agrees.

ARTICLE II

QUALIFICATIONS, DUTIES, MGHTS, AND LIMITATIONS

- 2.1 Qualifications. To qualify as an Agency hereunder, you must have and at all times maintain a valid and current license issued by the Utah Department of Insurance, authorizing you to sell and service health care

6

service contracts. You will notact as an agency for IHC at any time when your license is terminated, lapsed, or suspended, regardless of the reason, and you agree to immediately notify IHC any time that your license is terminated, lapsed, suspended, or otherwise not in effect. All persons required to be individually licensed to provide services through your agency pursuant to this Agreement must be appropriately licensed, and you agree to require and to verify that each such person is appropriately licensed at all times and to terminate from acting under the authority of this Agreement any person not appropriately licensed.

Pursuant to the Violent Crime Control and Law Enforcement Act of 1994 (Title 18, United States Code, Sec.s 1033 and 1034), to qualify as an Agency for IHC, and for any individual to qualify as your agent selling or offering IHC products, you, each of your employees, and each agent/sub-agent associated with you must have not ever at any time been convicted or plead guilty or have been found to be guilty of a felony crime involving dishonesty, breach of trust, or any crime related to insurance. As an express condition of this Agreement and your Appointment as an Agency for IHC, you certify and promise that none of your employees, agents, or sub-agents have been convicted or plead guilty or have been found to be guilty of any such crime, and you promise to promptly notify IHC, as well as the Utah Commissioner of Insurance in the event that any such person is either charged with or convicted of any such crime. You also hereby agree to obtain written consent from the Utah Commissioner of Insurance before engaging in the business of insurance. Any failure on your part to immediately terminate from employment and/or association with you of any person convicted of such a crime will result in termination of this Agreement.

7

- 2.2 Duties. To qualify for the commissions, overrides, and bonuses specified below, you must continue as the Agency of record for each fully insured or partially self-funded account. (See above.)

You agree to provide a high level of customer service and support to your customers. You further agree to provide your agents/sub-agents with a level of administrative support that is reasonably necessary to assist them in providing good customer support, including but not limited to promptly paying agents and sub-agents their share of commissions and other compensation received from IHC for IHC business.

You agree to actively and in good faith promote our products, plans, and services in regard to initial sales, customer support, and renewals. You will indemnify us in full against any loss of money or of property, including any incurred costs and/or expenses which we sustain through any fraudulent or dishonest act or culpable negligence on your part or on the part of anyone working for you, including but not limited to any acts identified in 2.4 below.

You will at all times maintain errors and omissions insurance coverage on yourself and all your employees, and require agents and sub-agents to provide evidence of coverage at a minimum amount of One Million Dollars (\$1,000,000). You will provide evidence of such coverage to us prior to your selling the first group or individual policy for us, and you will provide evidence of such insurance for all of your other agents, sub-agents, and employees, with proof of coverage to us within thirty (30) days of the appointment or employment of such individuals. All such coverage will be maintained in force after such dates as long as this Agreement is in effect, and your authority to act as an Agency for IHC will be suspended any time such coverage is not in effect.

You agree to abide by and conduct yourself with honesty and integrity, in accordance with guidelines that may be promulgated and modified by us in "IHC BrokerLme" from time to time, and in all other respects according to law.

8

2.3 Rights. You will have the right to use sales brochures, rate sheets, applications, certificates, and various other forms provided by us to help you perform your marketing responsibilities. However, you will not divulge proprietary information about us when identified in writing to you as such and will strictly abide by the provisions of the confidentiality section that appears below.

2.4 Limitations. As stated above, your Appointment as our Agency is limited to the geographical region in which we are functioning, but you will not have any exclusive rights with regard to the plans or services within such area. You will have no authority to make, alter, vary, or discharge contracts in the name of IHC or to waive or modify any terms or conditions of the contracts proposed by us, including but not limited to having no authority to modify or waive any eligibility or enrollment requirement or standard for any group or individual. Agency agrees to indemnify IHC if, solely as the result of representations made by the Agency to the customer or other conduct forbidden by this paragraph, IHC is required to provide any coverage or to pay any claim or claims that would not otherwise be covered.

2.5 Compliance with Title 18. United States Code. Sec.s 1033 and 1034. You certify and agree that none of your officers, agents, or employees has ever been convicted of a felony involving either dishonesty or a breach of trust, or any crime involving the business of insurance. Your further certify and agree that you have made recent inquiry of all your officers, agents, and employees regarding any possible past convictions and that you will, at the time of employment and periodically thereafter (not less often than annually), check and recheck such officers, agents, and employees to determine your continued compliance with this paragraph.

9

You agree that any officer, agent, or employee who is found to have been convicted of any such crime will not be involved in any way in any activities of any kind for IHC Health Plans, Inc., whether described in this Agreement or not, unless they have first been expressly granted authority to do so by the Utah Commissioner of Insurance. You agree to immediately notify us if at any time any of your officers, agents, or employees are ever convicted of such a crime. You understand that any violation by you of this paragraph will constitute grounds for immediately cancellation of this Agreement by IHC Health Plans, Inc.

ARTICLE III

COMPENSATION

3.1 Commissions. Commissions paid by us for sales of eligible, fully insured plans are based on monthly premiums earned and paid to us from group and individual contracts or agreements sold by you. Payment of commissions will be made on or about the fifteenth (15th) of the month following the month in which we receive the monthly premiums. The methods of determining commissions payable hereunder are set forth in Exhibits A, B, C, and D which are attached hereto and are, by this reference, made a part of this Agreement. The schedule(s) of commissions may be changed by us at any time upon at least thirty (30) days prior written notice.

Self-funded, partially self-funded, and administrative-services-only contracts, and contracts with large groups over 500 employees (eligible for IHC or other carrier coverage in all locations) where arrangements are "net" of commissions or other than standard commissions, are all not covered by this Agreement. Commissions or other compensation payable to you for such arrangements must be separately negotiated between you and the Employer prior to the effective date of such plan established with IHC.

10

Any deviations from the compensation requirements of this Agreement must be negotiated and agreed to by us in advance of any commitment to any client/member, and must be in writing, signed by an officer of IHC.

- 3.2 Top Producer Bonus. In return for producing health care premiums for us (on types of business offered by us), you will receive a Top Producer Bonus payment when you have generated a specified minimum annual premium from groups contracting with us for health care services. In such event, you will be entitled to receive the Top Producer Bonus payment set forth in Exhibit D, which is, by this reference, made a part of this Agreement.
- 3.3 IHC BrokerLine - Policies and Procedures. Additional information on compensation and policies and procedures will be provided by us to you from time to time in the publication "IHC BrokerLine." Such information will become a part of our relationship unless you object to it within thirty (30) days after receiving the publication.

ARTICLE IV
TERM AND TERMINATION

- 4.1 Termination of Agreement and Appointment. This Agreement and Appointment will be for an initial term of one (1) year, and will automatically renew from year to year unless terminated for any of the following:
- A. Upon thirty (30) days advance written notice by either party for any reason, with or without cause (the parties agree that it will not be a breach of the implied covenants of good faith/fair dealing for either party to terminate this Agreement either with or without cause);
- B. Upon written notice, if either party fails to comply with the terms or conditions of this Agreement and fails to cure the same within thirty (30) days of receipt of written notice to cure, except for those things designated elsewhere as resulting in an immediate termination or suspension of this Agreement; or

11

- C. Immediately, for any of the following events, either party may terminate this Agreement by giving the other party written notice of such termination:
- (1) The adjudication of either party to be bankrupt or insolvent;
 - (2) The filing by either party for bankruptcy or insolvency;
 - (3) The filing by either party for reorganization or readjustment under any law relating to insolvency or bankruptcy;
 - (4) The appointment of a receiver with respect to all or substantially all of the property of either party;
 - (5) Any assignment by either party of its assets for the benefits of creditors; (6) The institution by either party of any proceedings for liquidation or the winding up of its business other than for purposes of reorganization, consolidation, or merger; (7) Agency's failure to obtain and/or maintain errors and omissions liability insurance in force in amounts acceptable to us; or
 - (8) Agency's loss or non-renewal of its license from the State of Utah to sell and service insurance and other service contracts, or the institution of proceedings by the Insurance Commissioner for the cancellation and/or revocation of such license.
 - (9) Death of agent or principal of agency.
 - (10) Employment of any person in violation of 2.1 of this Agreement.

The Parties agree to promptly notify each other upon the occurrence of any of the foregoing grounds for termination. The occurrence of either (7) or (8) or (9) or (10) above will cause the immediate, automatic suspension of Agency's appointment under this Agreement.

12

- 4.2 Obligations of the Parties Upon Termination. Upon termination of the Appointment and this Agreement, neither party will have any further obligations except for compensation payable for business already in place; provided, however, that no compensation will be payable following termination if the agent or agency has engaged in dishonest or fraudulent activities in the sale of such business, when the agency contract has been terminated for cause, or when such compensation would be improper under applicable insurance laws and regulations. Also, upon the death of the agent, compensation will continue for a period not to exceed the lesser of 90 days from date of death or until an "agent of record letter" is presented on such business. In no event will any compensation be paid for more than six months following the termination of this Agreement.

Since a sub-agent is not permitted to write any new IHC business after termination of the Agency Agreement until transferring to a new appointed IHC agency, sub-agents will be encouraged by IHC to transfer, and no financial obligations by IHC to the previous agency will exist on such transferred agents' business. Also, at the point that the loss of such transferred business premiums will cause the previous agency's qualification for overrides or Top Producer Bonus payments to terminate, no further overrides will be paid.

- 4.3 Loss of Direct Agent Appointment. Any agent appointed directly to IHC Insurance Agency, LLC, that maintains less than One Hundred Thousand Dollars (\$100,000) of annualized IHC Health Plans premium will no longer qualify for a direct appointment with IHC Health Plans, and the agent's direct appointment will be terminated. Commissions on existing business will continue for a period not to exceed six months, and no new business will be honored. In order to submit new business and receive commissions beyond six months, the agent will need to be appointed by an IHC General

13

Agent. Any new directly appointed agent must reach therequired One Hundred Thousand Dollar (\$100,000) level within twelve months from the effective date of their Appointment with IHC Health Plans. 4.4 Continuously and Properly Licensed. Commissions will be payable only so long as Agent and/or Agency is (a) continuously and properly licensed and appointed, and (b) continuously recognized as the Agent of Record to receive said commissions. Agent may not transfer, assign or dispose of any interest he or she may have under this Agreement without prior written consent of IHC.

ARTICLE V
GENERAL TERMS

- 5.1 Applicable Law: Arbitration. This Agreement will be construed and interpreted in accordance with the laws of the State of Utah. Any and all disputes arising under this Agreement, if not resolved by informal means, will be submitted to binding arbitration pursuant to the Utah Arbitration Act, Section 78-31a-1 et seq. U.C.A. 1953, as amended. If any such arbitration action is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees and all of its costs and expenses related to the arbitration, and such amount will be awarded and judgment entered thereon in addition to any other relief which may be awarded.
- 5.2 Assignments. You have neither the power nor the right to assign or transfer this Agreement or Appointment or any right or commission or payment hereunder, or to delegate any duty under this Agreement, except as provided herein and only upon our advance written consent. Likewise, IHC cannot assign this Agreement without the prior written consent of the other party.
- 5.3 Calendar Days. Unless stated otherwise, all periods of days referred to in this Agreement will be measured in calendar days. 14
- 5.4 Confidentiality. The parties agree that they will not divulge, furnish, or make accessible to anyone any trade secrets, or confidential or proprietary information of the other party, identified as such in writing, without the advance, prior written consent of the other.

5.5 Exhibits. The following Exhibits are hereby incorporated into this Agreement by reference:

- A. Exhibit A entitled, "Computation of Agent or Agency Commissions"
- B. Exhibit B entitled, "IHC Commission Schedule for the Small Employer (SE) Product (2-50 EEs)"
- C. Exhibit C entitled, "IHC Commission Schedule for Individual Health Plans (IHP)"
- D. Exhibit D entitled, "Computation of Top Producer Bonus Payments"
- E. Exhibit E entitled, "Use and Disclosure of Protected Information"

5.6 ForceMajeure. Either party will be excused for failures and delays in performance of its respective obligations under this Agreement caused by declared or undeclared war, riots or insurrections, laws and regulations, strikes or lockouts, floods, fires, explosions, or other catastrophes beyond the control and without the fault of such party. This provision will not, however, release such party from using its best efforts to avoid or remove such cause, and such party will continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for nonperformance, such party will give prompt written notice thereof to the other party. None of the bases for termination specified above may be considered as an excuse for performance under this paragraph.

5.7 Indemnification. You will indemnify us and hold us harmless against any and all claims, actions, damages, liability and expense, including reasonable attorney fees, in connection with or arising from or out of any occurrence reasonably related to this Agreement or your performance or the performance of any of your employees, officers, agents, principals or affiliates. This indemnification extends to principals, employees,

15

officers, agents and attorneys of IHC.

In the event a lawsuit is initiated against us involving IHC'S plan and you are also named as a defendant, we will hire and pay for an attorney to defend you in said lawsuit, subject, however, to the following:

- A. If there is a conflict of interest in IHC'S proceeding with assisting you in the subject lawsuit, then we will not be obligated to either hire or pay for your attorney or, if later discovered we will not be obligated to continue paying your attorney.
- B. If judgement is rendered against you in any such lawsuit, then you hereby agree to immediately reimburse IHC for all attorney fees, costs, and expenses paid on your behalf in the subject lawsuit.

5.8 Modification of the Agreement. This Agreement contains the entire understanding of the Parties. Except in the circumstances expressly stated in this Agreement, any cancellation, modification, or waiver of rights under this Agreement will be effective only if made in writing, signed by the party against whom enforcement is sought. No waiver of any particular breach or failure of performance of this Agreement will be construed as a waiver of any other rights under this Agreement or of any other similar breaches or failures of performance. No delay in acting with regard to any breach will be construed as a waiver of the breach.

5.9 Notices. Any notices will be sufficiently given if sent by registered or certified mail, postage prepaid, addressed or delivered as follows:

- A. To IHC: David H. Olson
IHC Health Plans, Inc.
4646 West Lake Park Blvd., Suite N4-701
Salt Lake City, Utah 84120-8212
- B. To Agent: At their current address.

16

A party may change its address in writing to the other party. Any such notice will be deemed to have been given, if mailed by first class U.S. mail to the last known address as provided herein, on the fifth (5th) day after the date on which the notice is mailed.

5.10 Section Headings, The headings of Articles and Sections herein are used for convenience and ease of reference and will not limit the scope or content of the Articles or Sections.

- 5.11 Severability. In the event that any provision of this Agreement will become or be unenforceable, invalid, void or voidable, the same will be limited, construed or, if necessary, eliminated to the extent necessary to remove such defect and the remaining provisions will continue to bind the Parties as though the unenforceable, invalid, void or voidable part were not a part of the Agreement.
- 5.12 State and Federal Laws. The Parties recognize that this Agreement at all times is subject to applicable state, local and federal laws. The Parties further recognize that this Agreement will be subject to amendments in such laws and regulations as are applicable. Any provisions of law that invalidate, or otherwise are inconsistent with, the terms of this Agreement or that would cause one or both of the Parties to be in violation of law, will be deemed to have superseded the terms of this Agreement; provided, however, that the Parties will exercise their best efforts to accommodate the terms and the intent of this Agreement to the greatest extent possible consistent with the requirements of law.
- 5.13 Successors in Interest. Subject to the foregoing provision on assignability, this Agreement will inure to the benefit and be binding upon the Parties, their successors, trustees, assigns, receivers, and legal representatives, and will not inure to the benefit of any other third person, firm, or corporation.
- 5.14 Superseding Effect. This Agreement supersedes all oral or written agreements, if any, between the Parties and constitutes the entire agreement between the Parties with respect to the matters contained herein.

17

- 5.15 Taxes and Duties. The commissions, override bonus payments, and other fees as specified herein are exclusive of any taxes, duties or other tariffs imposed by any governmental agencies upon you. You are liable for any and all such taxes, duties, or tariffs, including, but not limited to, state and local sales, use, and property taxes, exclusive of taxes based upon IHC'S income, if any.

ARTICLE VI
CONFIDENTIALITY AND SECURITY OF MEMBER DATA

- 6.1 Definitions. For purposes of this Agreement, the following terms have the following meanings: "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations promulgated thereunder by the U.S. Department of Health and Human Services.

"GLB" means the Gramm-Leach-Bliley Act of 1999 (15 U.S.C.6801 through 6820) and Utah Administrative Code R5 90-206, Privacy of Consumer Financial and Health Information Rule.

"Protected Information" means information described in Exhibit E of this Agreement that IHC discloses to Agency or that Agency creates or receives on behalf of IHC.

"Disclosure" means the release, transfer, provision of access to, or divulging in any other manner of Protected Information outside the entity holding the information.

"Use" means the sharing, employment, application, utilization, examination or analysis of Protected Information within an entity that maintains such information.

- 6.2 Access. You will limit access to Protected Information to your employees who need access to such information in order to complete their job duties.
- 6.3 Use. You may only use Protected Information for those purposes described in Exhibit E of this Agreement, for the proper management and administration of your business, and to carry out your legal responsibilities. Any other use must be approved by IHC in writing and in advance of the use.

18

- 6.4 Disclosure. You may only disclose Protected Information for those purposes described in Exhibit E of this Agreement and as required by law. Any other disclosure must be approved by IHC in writing and in advance of the disclosure.
- 6.5 Safeguards. You will use appropriate safeguards to prevent access, use or disclosure of Protected Information otherwise than as provided for by this Agreement.
- 6.6 Accounting and Reporting of Uses and Disclosures. You will make an accounting of and report to IHC the following uses and disclosures:

- A. Any use or disclosure you make in violation of this Agreement.
- B. All disclosures you make as required by law.
- C. As required by IHC, any use or disclosure not specifically permitted by this Agreement but approved by IHC in accordance with Section 3 or 4 of this Article. For all such accountings you will include: the date of the use or disclosure, a brief description of the Protected Information used or disclosed, and the purpose of the use or disclosure (or, for disclosures, a copy of the document requesting you to make the disclosure). Additionally, for disclosures you will also include the name and, if known, the address of the recipient of the Protected Information. You will report such accountings to IHC within ten (10) working days of the use or disclosure requiring the accounting.

6.7 Access to Agency. For purposes of complying with HIPAA and of determining compliance with this Agreement, you will give IHC access to the facilities that you use to maintain and process Protected Information, as well as to your books, records, and policies and procedures concerning access to and use and disclosure of Protected Information. Additionally, you will also give the access described above to the Department of Health and Human Services ("HHS") as HHS deems necessary to determine IHC'S compliance with HIPAA.

19

6.8 Amendment of Protected Information. As determined necessary by IHC to comply with HIPAA, you agree to amend Protected Information that you maintain as directed by IHC.

6.9 Termination. If you breach any provision of this Article, IHC may at its option:

- A. Exercise any of its rights of access under Section 7 of this Article.
- B. Require you to submit to a plan of monitoring and reporting as IHC determines necessary to comply with this Agreement.
- C. Terminate this Agreement, with or without an opportunity for you to cure your breach. D. Negotiate a cure period for you to cure your breach. IHC'S remedies under this Section are cumulative, and the exercise of any particular remedy does not preclude the exercise of any other remedy. Additionally, IHC may exercise the remedies in this Section notwithstanding any other provision of this Agreement and without limiting its rights and remedies available in this Agreement and under applicable law.

6.10 Termination Procedure. Upon termination of this Agreement, for any reason, you shall return or destroy all Protected Information that you still maintain in any form and shall retain no copies of such Protected Information. If return or destruction is not feasible, you shall notify IHC, continue to extend the protections of this Agreement and limit use of such information to those purposes that make its return or destruction infeasible.

6.11 IHC'S Right to Injunctive Relief. You understand and agree that IHC has a fiduciary responsibility to protect the confidentiality of information about its members. If you should disclose any information contrary to the terms of this Agreement, IHC'S damages would be substantial, but difficult to prove (e.g., loss of trust in IHC among its members). Consequently, IHC

20

shall be entitled to obtain injunctive and other mandatory judicial relief against you to restrain and prevent any threatened, likely or possible use or disclosure in any manner contrary to the terms of this Agreement of any Protected Information. You understand and agree that other remedies would be inadequate, due to IHC'S fiduciary responsibility to protect the confidentiality of its members' information.

6.12 Amendment of this Agreement. You understand and agree that IHC may need to amend this Agreement from time to time in order to ensure IHC'S compliance with HIPAA and GLB. You agree to allow IHC to amend this Agreement in order to comply with HIPAA and GLB by providing you a written copy of such amendment thirty (30) days prior to the effective date of the amendment. If you disagree with any such amendment, you must notify IHC in writing within thirty (30) days of your receipt of IHC'S amendment. If you and IHC cannot agree on an amendment within thirty (30) days thereafter, either party may terminate this Agreement on written notice to the other.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement which is effective as of the 31st day of December, 2001.

IHC:

By: /s/ David H. Olson

David H. Olson
Vice President of Broker Relations

AGENCY: By: /s/ Scott E. Deru

Scott E. Deru

Typed or printed Name: Fringe Benefit Analysts, LLC

Title: Member/Manager

21

EXHIBIT A
COMPUTATION OF AGENT OR AGENCY COMMISSIONS

See Sec. 3.1

For all Large Employer groups with fifty-one (51) eligible employees or more written for IHC Health Plans or IHC Benefit Assurance Company, Inc. (regardless of product name), commissions are payable to you by us for your production. Such commissions are computed and paid to you based upon monthly premiums actually paid to us from Employer Groups placed with such IHC plans by you. Payment of the following commissions will begin approximately forty-five (45) days after the enrollment of a group, and payments will be made on a monthly basis thereafter.

Commissions are payable on monthly premiums received by us as follows, beginning from the top of the scale for each group:

COMMISSION SCHEDULE

First year and renewal year commissions are based per group on monthly premiums as received, and are paid from the top of the scale on each case each 12 month plan year.

From the first submission of a group until the first commission check is approximately forty-five (45) days, so long as the premiums have been paid. Subsequent checks will be cut by the fifteenth (15th) of the following month for those cases which have paid premium. Otherwise, such commissions will be paid the month following receipt of premium.

Annual Premium	Agent Percentage
-----	-----
First \$150,000	5%
Next \$200,000	4%
Next \$400,000	3%
Next \$700,000	2%
Plus Next \$1,500,000	1%
Excess of \$2,950,000	1/2%

Groups of over five hundred (500) Employees (eligible for IHC or other carrier coverage in all locations) will use the above Standard Scale or a service fee/commission may be negotiated and the premium adjusted accordingly. Such groups may be in the commission pool, or may be quoted net of commissions, so long as it is understood that what one broker quotes all authorized brokers can quote, so that no broker has a commission advantage over another.

22

EXHIBIT B

IHC COMMISSION SCHEDULE
FOR THE SMALL EMPLOYER (SE) PRODUCT - TWO TO FIFTY EMPLOYEES

SMALL EMPLOYER GROUPS OF TWO TO TWENTY-FOUR (2-24) EMPLOYEES

For all Small Employer groups of two to twenty-four (2-24) employees, the following commission and override schedule applies:

IHC Rate Class*	Percent of New or Renewal Rate Increase from SE "Street Rate"	Agent Commissions (% of Premium)
-----	-----	-----
04-30	0%-14%	9%
31-50	15%-31%	7%
51-80	32%-57%	5%
81-92	58%+	4%

* as reflected on renewal rate illustration

If a group has an adjustment on its rate class at renewal (up or down) as a result of its claims history, the commission and override schedule shown above will automatically then be implemented.

SMALL EMPLOYER GROUPS OF TWENTY-FIVE TO FIFTY (25-50) EMPLOYEES

Effective May 1, 2000 for new and renewal, Small Employer groups of 25 or more employees will be paid on the basis of:

7% Level Commission

Small Employer groups originally written with less than 25 employees, but which grow to 25 or more employees during the year and maintain size at renewal, will move to the 7% level commission upon renewal. Groups originally written with 25 or more employees, but which diminish to fewer than 25 employees during the year and maintain size at renewal, will move to the above rate tier schedule for "Small Employer Groups of Two to Twenty-four (2-24) Employees" upon renewal.

23

EXHIBIT C

IHC COMMISSION SCHEDULE FOR
INDIVIDUAL HEALTH PLAN ("IHP")

DURATIONALLY RATED IHP

Durationally rated Individual Health Plans/Personal Care commission schedule will be:

12% First Year
8% Second Year
4% Each Year Thereafter

For those individuals who reapply with full medical underwriting and subsequently become eligible for the most favorable premium rates, the twelve percent (12%) first year commission will again apply.

Durationally rated IHP premium volume will also count toward the Two Million Five Hundred Thousand Dollar (\$2,500,000) annual premium requirement for Top Producer Override.

"Durationally rated" means "block of individual business contracts filed with the State Insurance Department for a specific period of time."

NON-DURATIONALLY RATED IHP (PLANS EFFECTIVE PRIOR TO JANUARY 1999)

The commission schedule is a level four percent (4%) for all non-durationally rated IHC Individual Health Plans ("IHP"). IHP contracts will not count toward the five (5) group requirement for obtaining the Top Producer Override, but the IHP premium volume will count toward the Two Million Five Hundred Thousand Dollar (\$2,500,000) annual premium requirement.

24

EXHIBIT D

COMPUTATION OF TOP PRODUCER BONUS PAYMENTS

Top Producer bonus payments are determined and paid on a different basis depending upon which IHC plan is involved. No Top Producer Bonus is ever payable unless and until the Agent (when Agent Agreement) or Agency (when Agency Agreement) has in place at least five (5) group (Small Employer or non-Small Employer, but not including Individual) contracts for IHC plans or policies. If, at any time, Agent's or Agency's production drops below the Top Producer minimum level(s) on the Top Producer Bonus lists after once having exceeded such level(s), then Top Producer Bonuses will not be paid or payable, subject to the provisions on the next page, until the agent's or agency's production again exceeds such level(s). When payable, Top Producer Bonuses are added to the regular commissions payable pursuant to Exhibit A.

TOP PRODUCER BONUSES - PERSONAL CARE/INDIVIDUAL POLICIES

For Personal Care/Individual contracts, Top Producer bonus payments are paid to you on account of your total agent or agency production when agent or agency reaches five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium. The bonus/override is a level two percent (2%). The five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium requirement can be satisfied by Large Employer, Small

Employer groups and premiums, as well as Individual premium.

TOP PRODUCER BONUSES - LARGE EMPLOYER AND SMALL EMPLOYER WITH TWENTY-FIVE TO FIFTY (25 TO 50) EMPLOYEES

For all Large Employer and Small Employer with twenty-five to fifty (25-50) employees health insurance products written for IHC Health Plans or IHC Benefit Assurance Company, Inc. (regardless of product name). Top Producer bonus payments are paid to you monthly, on monthly premiums received by IHC beginning from the top of the scale on a group to group basis, on account of your total agent or agency production volume, but only on business that exceeds the stated premium levels in the following list:

Annual Premium -----	Percentage of Premium earned and paid that is added per group -----
First \$150,000	2%
Next \$200,000	1 1/2%
Next \$400,000	1%
Next \$700,000	1%
Next \$1,500,000	1%
Excess of \$2,950,000	1/2%

25

TOP PRODUCER BONUS - SMALL EMPLOYER WITH TWO TO TWENTY-FOUR (2-24) EMPLOYEES

For Small Employer groups with two to twenty-four (2-24) employees, Top Producer bonus payments are paid to you on account of your total agent or agency production when agent or agency reaches five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium. The five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium requirement can be satisfied by Large Employer, Small Employer groups and premiums, as well as Individual premium.

The bonus/override is:

IHC Rate Class* -----	Percent of New or Renewal Rate Increase from Small Employer "Street Rate" -----	GA or Top Producer Override (% of Premium) -----
04-30	0-14%	2.25%
31-50	15-31%	1.75%
51-80	32%-57%	1.25%
81-92	58%+	1.00%

* as reflected on renewal rate illustration

The previous schedule will be added to Agent or Agency commissions for all current groups, on a per group basis, from the effective date of the fifth (5th) group. Thus, for the Top Producer, the commission schedule, including Top Producer bonus (override), would generally be (unless Small Employer 2-24 employees):

Annual Premium -----	Agent Percentage -----
First \$150,000	7%
Next \$200,000	5 1/2%
Next \$400,000	4%
Next \$700,000	3%
Next \$1,500,000	2%
Excess of \$2,950,000	1%

If the number of groups and premium fall below the five (5) groups and Two Million Five Hundred Thousand Dollar (\$2,500,000) level for three (3) consecutive months, then the next and subsequent commission checks will be paid excluding overrides until the Top Producer requirements are again met.

If a General Agent ("GA") is involved, the GA will receive the above Top Producer overrides based on a combination of all groups produced by the agents under his/her direction, as long as the requirement of a minimum of five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium is attained and maintained. If an agent leaves the agency, future overrides are forfeited on that agent, unless agreement has been authorized by the GA and the agent for the accounts to remain the property of the GA.

26

For a sub-agent to break away from his/her General Agent, the sub-agent must have a release or other agreement signed by the General Agent indicating the General Agent's agreement to the change. However, if there is a dispute or unwillingness on the part of an agency to release any agent or sub-agent from the agency, and no other mutual written agreement addresses such release, then the agent or sub-agent and related accounts must be released within a period not to exceed ninety (90) days from such written request.

When an agent under the General Agent's direction personally attains the requirement of a minimum of five (5) groups and Two Million Five Hundred Thousand Dollars (\$2,500,000) annualized premium, that agent will then have the option to be declared an independent agent and if so, will receive the Top Producer Bonus as described above.

If an employer negotiates a commission schedule different than the foregoing, this Agreement will then be amended by a single case agreement, declaring payable percentage for that group only. The single case agreement would replace Exhibits A and B of this Agreement and will specify the producer commission and top producer override, if applicable. No such negotiated commission schedule will be binding upon IHC unless approved in writing, in advance by an officer of IHC. 27

27

EXHIBIT E
USE AND DISCLOSURE OF PROTECTED INFORMATION

This Exhibit sets forth the permitted uses and disclosures of Protected Information by Agency pursuant to Article VI- Confidentiality and Security of Member Data - of the Agency Agreement. This Exhibit may be amended from time to time as provided for in Section 6.12 of the Agency Agreement.

1. Definitions.

"Claims Experience Information" includes the following information on individual claims: the diagnosis code(s) on the claim, the total amount paid on the claim, a description of the prognosis of the individual who received the services billed for on the claim (e.g. whether the individual is likely to require additional services for the diagnosis for which the claim was submitted), and the Group ID (which can indicate the individual's place of employment, whether or not the individual is on COBRA, whether the individual is a salaried or hourly employee, and the individual's plan type.) This information does not include any identifiable information listed in Title 45 of Code of Federal Regulations, Section 164.514(b)(2)(i) (e.g. member number, subscriber number, claim number, member name, member address, member phone number, and member birth date) other than an individual's location of employment. The claim attributes, as well as the range of individual claims that IHC will disclose to Agency will be determined at the discretion of IHC'S Underwriting Department.

"Plan Sponsor" is defined as defined at Section 3(16)(B) of ERISA, 29 U.S.C. 1002(16)(B). Generally, this is an employer or employee organization (e.g. union).

"Identifiable Information" is information that identifies an individual or with respect to which there is a reasonable basis to believe the information can be used to identify an individual.

"Enrollment Information" is information requested on an enrollment form produced by IHC or a plan sponsor.

"Underwriting Information" is information requested on an IHC underwriting risk assessment questionnaire, Claims Experience Information from another health insurer, or other information about the health status of an individual.

"Protected Information" includes Claims Experience Information, Enrollment Information, Underwriting Information, and any other Identifiable Information maintained by IHC. 28

28

2. Protected Information that IHC will disclose to Agency. IHC will disclose to Agency, Claims Experience Information and Enrollment Information for groups produced by the Agency. IHC will disclose other Protected Information (e.g. status of individual claims,

appeals and grievance related information, etc.) to Agency if Agency has authorization to do so from the member to whom the Protected Information pertains. Such authorizations must be in accordance with current IHC policies and procedures.

3. Protected Information that Agency may collect for IHC. Agency may collect Enrollment Information and Underwriting Information for IHC. Agency may not collect any other Identifiable Information on behalf of IHC.
4. Disclosures of Protected Information by Agency. Agency may:
 - A. Disclose Claims Experience Information to the Plan Sponsor of the group health plan that incurred the claims for the purposes of allowing the Plan Sponsor to (1) shop for replacement coverage and get meaningful bids from prospective issuers and (2) to decide whether or not to change the benefits under a group health plan or whether or not to terminate a group health plan.
 - B. Disclose Enrollment Information to the Plan Sponsor and IHC for enrollment related functions.
 - C. Disclose Underwriting Information only to IHC for underwriting purposes.
5. Maintenance and Use Protected Information by Agency. Agency may maintain copies of Protected Information and use this information in order to verify that it accurately transmitted the information. Agency may also use and disclose enrollment information to IHC and the plan sponsor in order to address questions related to the enrollment process.

ADDENDUM TO IHC INSURANCE AGENCY, LLC, AND
FRINGE BENEFIT ANALYSTS, LLC, AGENCY AGREEMENT

Article 4.2 Obligations of the parties upon termination

Line 6, beginning with "Also, upon ..." is changed to read:

Also, upon the death of the agent, compensation will continue for a period not to exceed the lesser of 90 days from date of death or until an "agent of record letter" is presented on such business, or until an authorized letter of purchase, merger or other transfer of IHC business to the surviving and appropriately licensed and appointed agent or agency is provided. In no event will any compensation be paid for more than six months following the termination of this Agreement, unless or until proof of purchase, merger or otherwise transfer of IHC business to another properly licensed and appointed agency or agency is provided.

No change in the last paragraph, beginning with "Since a sub-agent . . ."

/s/ Scott E. Deru ----- Scott E. Deru Fringe Benefit Analysts, LLC	12/31/01 ----- (Date)
/s/ David H. Olson ----- David H. Olson VP of Broker Relations, IHC Health Plans	11/20/01 ----- (Date)

PRODUCER AGREEMENT

This agreement ("Agreement") is made by and between Fringe Benefit Analysts ("Producer") and PacifiCare of Utah, Inc. and PacifiCare Health Option. Inc. ("PacifiCare"), to be effective on November 1, 1998 , for the provision of sales and related services and consists of this data and signature page and the following exhibits which are attached and incorporated into the Agreement:

- 1. EXHIBIT 1 - TERMS AND CONDITIONS
- 2. EXHIBIT 2 - COMPANY PRODUCTS AND TERRITORIES
- 3. EXHIBIT 3 - COMMISSION SCHEDULE(S).

PRODUCER INFORMATION:

471 W Heritage Park Blvd., Ste #1 Layton UT 84041

 Mailing Address City State Zip

 (801) 773-8998 (801 773-7717

 Telephone Number Fax Number

 3778 87-0618333

 License - Type and Number Tax ID Number or SS Number
 (attach copy of current license)

 Affinity Insurance Services (NALU) NAL - 25462

 Errors & Omissions Carrier
 (attach copy of current policy)

IN WITNESS WHEREOF, THE PARTIES HAVE AGREED TO THE EXECUTION OF THIS AGREEMENT, AS MORE FULLY DESCRIBED ABOVE, BY THEIR SIGNATURES BELOW;

PRODUCER:	PACIFICARE:
Fringe Benefit Analysts	-----
-----	-----
Producer Name (print or type)	Representative (print or type)
-----	-----
/s/ Scott E. Deru, Manager	-----
-----	-----
Signature	Signature
-----	-----
Corporate Name (if applicable)	Title
-----	-----
Corporate Officer and Title	Date
(if applicable)	-----
November 3, 1998	-----
-----	-----
Date	-----

 Producer Number
 (Assigned by PacifiCare)

 /s/ SD

 (Initials)

EXHIBIT 1
TERMS AND CONDITIONS

ARTICLE I. OBLIGATIONS OF PRODUCER

1.1 Performance of Agreement Generally. Producer shall use its best efforts to solicit applications for the PacifiCare Plan(s) designated on Exhibit 2 hereto from groups/employers/individuals within PacifiCare's service area. In order to comply with applicable federal and state regulations.

Producer will perform as set forth in this Agreement and as set forth in PacifiCare administrative guidelines, bulletins, directives, manuals and the like. as PacifiCare may publish from time to time. ail of which are incorporated herein by reference. Producer agrees that in performing under this Agreement, Producer shall act in the best interests of PacifiCare and its clients.

1.2 Producer Services. Producer will service PacifiCare Plan members enrolled through applications submitted by Producer. Such service will include but not be limited to the following:

- (a) Acting as a liaison between the member and PacifiCare if requested by PacifiCare or the member including, but not limited to, the following: Assisting the member to take the proper action in connection with PacifiCare coverage when there is a change of address, change in marital status or change in dependent status and assisting a family member/dependent to obtain coverage when he or she is no longer entitled to coverage as a family member, e.g., when a dependent child reaches the limiting age, or upon divorce.
- (b) Maintaining a working and current knowledge of the PacifiCare Plan(s) designated on Exhibit 2 and the ability to explain the benefits and/or coverage.

1.3 Licensure. Producer shall comply with all applicable licensing requirements required to transact its business and shall provide PacifiCare with copies of its license upon the signing of this Agreement and promptly upon each renewal of said license, thereafter. Producer shall promptly notify PacifiCare of any expiration, termination, suspension or other action of the Department of Insurance or any other applicable regulatory/licensing body affecting the Producer's license or the licenses of Producer's principal persons or employees. Producer warrants that his/her license has not previously been subject to any suspension, termination or other disciplinary action by any government/regulatory authority and that Producer has never been convicted of a felony or a misdemeanor involving theft or misappropriation of monies.

1.4 Submission of Application for Coverage. Producer agrees to comply with all of the rules and regulations of PacifiCare in regard to the completion and submission of applications and to make no representation with respect to the benefits of any PacifiCare Plan or about PacifiCare not in conformity with the material prepared and furnished to Producer for that purpose by PacifiCare. Producer will not make any misleading or deceptive statement and will explain all relevant facts in dealing with prospective and current members and groups. Producer will use his/her best efforts to ensure that each application is fully and truthfully completed by the applicant and the completed application fully and accurately discloses the circumstances, including, where applicable, the health of persons for whom coverage is sought in the application. Producer further agrees to inform every applicant that PacifiCare will rely upon these health representations in the underwriting process, and that the subsequent discovery of material may result in the rescission or termination of any contract entered into by PacifiCare, and that in no event will Ac applicant have any coverage unie- o' o'- reviewed and approved by PacifiCare.

/s/ SD

(Initials)

1.5 Limits of authority Producer is not authorized to. and agrees not to. enter into. alter, deliver, replace, rescind, or terminate any contract on behalf of PacifiCare. nor to extend time for payment, make settlement, or refund membership premiums or any other charges or bind PacifiCare in any way without the prior written approval of PacifiCare. Producer further agrees that PacifiCare reserves the right to reject any and all applications submitted by Producer.

1.6 Handling of Funds. If the Producer receives funds for the account of Company, these funds shall not be deposited by the Producer into any bank account, but shall be remitted to Company within five (5) business days after such funds are received by the Producer. Such funds shall be held by the Producer in a fiduciary capacity for Company and shall at all times be segregated from the assets of the Producer.

1.7 Maintenance of Records. Producer agrees to maintain complete records of all transactions pertaining to applications submitted to and accepted by PacifiCare and its business relationship with PacifiCare for a minimum of five (5) years or as required by any governmental entity or any law

or regulation. Any and all records described above or as may otherwise relate to Producer's activities in connection with PacifiCare shall be accessible and available to representatives of PacifiCare who may review and/or audit and from time to time when this Agreement is in effect and for a period of one (1) year after the termination of this Agreement.

- 1.8 Limits on Compensation. Producer shall seek compensation for performing under this Agreement only from PacifiCare and shall under no circumstances charge prospective or current members or groups any application, processing or other broker, analyst or consultant fee related to the performance of Producer's obligations hereunder. Producer shall under no circumstances attempt to collect from a PacifiCare member any sums owed by PacifiCare.
- 1.9 Insurance. Producer agrees to obtain and maintain in force errors and omissions insurance in an amount of not less than 51,000,000 per occurrence and in the aggregate at Producer's own expense and shall provide evidence of such coverage to PacifiCare upon request. Producer shall provide PacifiCare with thirty (30) days prior written notice of cancellation of such insurance or of a reduction in coverage which does not meet the above minimum requirements. Failure to obtain and maintain this insurance satisfactory to PacifiCare shall be a material failure to comply with a provision of this Agreement and cause for immediate termination by PacifiCare.
- 1.10 Modification of Programs. Notwithstanding any other provision in this Agreement, Producer agrees that PacifiCare has the right to discontinue or modify, or exercise any and all lawful rights it has in connection with any PacifiCare Plans or programs, without incurring any liability to Producer.
- 1.11 Indemnification. Producer agrees to indemnify and hold harmless PacifiCare, its parent, subsidiaries and affiliates, their boards of directors, officers, agents, successors, employees and assigns, from and against any and all claims, liabilities, demands, actions, causes of action, judgements, debts, damages and expenses (including attorneys' fees) arising from the action of Producer or its agents or representatives. This paragraph shall survive the termination of this Agreement.

/s/ SD

(Initials)

- 1.12 Trade Secrets. Producer agrees to maintain the confidentiality of -iny trade secrets or proprietary information obtained or learned from PacifiCare and not to use such trade secrets or proprietary information for its benefit or the benefit of others except as specifically authorized herein. Producer acknowledges and agrees that the leads, presentation manuals, training and recruiting videos, member lists and other lists which PacifiCare may from time to time provide Producer, are confidential and proprietary to PacifiCare. Producer's obligations under this paragraph shall survive termination of this Agreement.
- 1-13 Exercise of Authority. Producer shall not possess or exercise any authority on behalf of PacifiCare other than that expressly conferred by this Agreement.
- 1.14 Non-Discrimination. Producer agrees to render the services contemplated herein without regard to race, sex, religion, creed, color, national origin or ancestry of any of PacifiCare's potential or actual members.
- 1.15 Information Session. Producer will attend, at Producer's sole expense, at least one PacifiCare sponsored producer information session each calendar year to be held in the county in which Producer resides.
- 1.16 Product Sales Limitation. Producer may sell only those products specifically authorized and designated on Exhibit 2 hereto. Producer is not authorized to solicit any other PacifiCare products under this Agreement.
- 1.17 Delegation Restriction. Producer shall not delegate any agents to solicit applications for the PacifiCare Plan(s) or to service PacifiCare Plan members without the prior express written consent of PacifiCare.

ARTICLE II. OBLIGATIONS OF PACIFICARE

- 2.1 Commissions. PacifiCare will pay Producer first year and renewal commissions on a PacifiCare enrollment resulting from applications for

the PacifiCare Plants) that are obtained by Producer and accepted by PacifiCare. Such commissions shall be based on the commission schedule(s) attached to this Agreement as Exhibit 3 and incorporated herein and shall be paid on membership premiums actually received by PacifiCare for the enrollments produced by Producer. Payment shall be as set forth in this paragraph. Notwithstanding any other provision of this Agreement, PacifiCare may modify or replace its commission schedule(s) on thirty (30) days prior written notice to Producer, and such modified or replacement schedule(s) shall apply to all enrollments effective following the effective date of such modification or replacement.

2.2 Renewal Commissions. Renewal commissions shall be payable to Producer by PacifiCare, as provided under Section 2.3 hereof (i) as long as PacifiCare retains the enrollment produced by Producer (such retention being at PacifiCare's option); and (ii) as long as PacifiCare has a valid broker of record letter naming Producer as the representative of the employer group, except that renewal commissions will be paid after the fifth year only so long as this Agreement is still in effect. In the event the employer group notifies PacifiCare that it intends to discontinue or change its broker of record, PacifiCare will cease its payment of commission, with or without notice to the Producer, as of the last day of the month in which PacifiCare is notified by the employer group.

/s/ SD

(Initials)

4

2.3 Payment of Commissions. PacinCare will pay Producer compensation due within thirty (30) days following the end of each calendar month based on membership premiums actually received, earned and reconciled by PacifiCare during the calendar month for Producer generated business, except that PacifiCare reserves the right to accumulate commissions until commissions due Producer equal at least twenty-five dollars (\$25.00). If there is a return of membership premiums on Producer generated business, for any reason, PacifiCare will charge back to Producer the amount of commission previously paid to Producer on the amount or returned membership premiums.

2.4 Loss of Commissions. No further commissions shall be payable to Producer should this Agreement be terminated for cause pursuant to Section 3.3. Additionally, no further commissions shall be payable if:

- a. Producer fails to immediately remit to PacinCare any funds received on behalf of PacinCare; or
- b. Producer shall be indebted to PacinCare for more than sixty (60) days; or
- c. Producer induces or attempts to induce any PacinCare member to give up PacifiCare coverage or replace a PacifiCare benefit agreement with coverage by any other company unless such change is clearly in the best interest of the PacifiCare member; or
- d. Producer commits any act of fraud or dishonesty or breaches any contractual duty of this Agreement; or
- e. Producer fails to notify PacifiCare of any change of Producer's address within one (1) year.

2.5 Offset Against Commissions. Producer agrees that any indebtedness of Producer to PacifiCare shall be a first lien against any commissions due Producer and may be offset and be deducted at PacifiCare's option from commissions due to Producer.

2.6 Survival of Provisions. The provisions of this Article II shall survive the termination of this Agreement.

ARTICLE III. TERM AND TERMINATION

3.1 Term. This Agreement shall become effective on the date first set forth above and shall continue in effect until terminated as provided below.

3.2 Termination Without Cause. This Agreement may be terminated at any time by either party giving the other thirty (30) days prior written notice. The effective date of termination shall be the first day of the month

following the thirty (30) day notice. Such termination shall not impair Producer's right to receive commissions except as provided in this Agreement.

3.3 Termination For Cause. Notwithstanding the provisions of Section 3.2, PacifiCare may terminate this Agreement immediately at any time for cause, by giving written notice to Producer. For purposes of this Agreement, such cause shall include, but not be limited to, the events described in Section 2.4 hereof. The right to terminate this Agreement for cause shall not be exclusive, but shall be cumulative with all other remedies available at law or in equity. In addition, this Agreement will be terminated automatically and without any required notice by PacifiCare, in its sole discretion, if any of the following occurs: (i) if Producer is a corporation, the dissolution of the corporation; (ii) disqualification of Producer to do business under applicable law; or (iii) revocation or termination of Producer's license.

/s/ SD

(Initials)

ARTICLE IV. GENERAL PROVISIONS

4.1 Independent Contractor Relationship. Producer agrees that in the performance of the work, duties and obligations of the parties hereunder, each party shall be deemed to be acting and performing as an independent contractor and nothing in this Agreement shall be construed or deemed a relationship of employer and employee, partnership, joint venture, or principal and agent, nor shall this Agreement be construed in any proceeding or for any purpose whatsoever so as to make the other party liable to any third person for the debts, faults or actions of the other.

4.2 Arbitration. Should any dispute arise between the parties over any provision of this Agreement or over any performance of this Agreement, the dispute shall be submitted to binding arbitration. This arbitration shall be conducted according to the rules of the American Arbitration Association, but need not necessarily be conducted by that organization. Each party shall initially equally contribute to the costs of arbitration. During the arbitration each party shall bear its own attorneys' fees. Upon award of the arbitrator, both the decision of the arbitrator and the award shall be final and the prevailing party shall be entitled to recover from the other party its share of the arbitration costs expended, and all costs, including attorneys' fees. In the event the arbitrator fails to render an award within ninety (90) days of submission of the matter for decision, or such longer time as the parties may stipulate, then either party may elect to have all further arbitration proceedings terminated and the matter submitted for judicial resolution. All reasonable costs and fees incurred during the arbitration shall then be awarded by the court to the prevailing party.

4.3 Non-Exclusive Arrangement. This is not an exclusive Agreement. PacifiCare may use other persons and entities for the same or similar services as are being provided by Producer.

4.4 Assignability. The rights and obligations set forth in this Agreement may be assigned by PacifiCare to an affiliate or other entity of PacifiCare or PacifiCare's parent corporation. The rights and obligations set forth in this Agreement may not be assigned by Producer without the prior written consent of PacifiCare. Any attempted assignment not in compliance with this Section is void and cause for immediate termination by PacifiCare.

4.5 Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction or by arbitration, it shall be deemed severable from the remainder of the Agreement and shall not cause the invalidity or unenforceability of the remainder of the Agreement.

4.6 Enforcement. If any action at law or in equity is necessary to enforce or interpret the terms of the Agreement, the prevailing party shall be entitled to payment by the other party of reasonable attorney's fees, costs and necessary disbursement and expenses in addition to any other relief to which such party may be entitled.

4.7 Notice. Any and all notices required pursuant to the terms of this Agreement must be given by United States mail, postage pre-paid, return receipt requested at the following addresses:

If to PacifiCare:

President
PacifiCare of Utah, Inc.
35 West Broadway
Salt Lake City, UT 84101

If to Producer:
At the address set forth on the first page of this Agreement.

/s/ SD

(Initials)

4.8 Governing Law. PacifiCare and Proaucer snail compiy '.vim ail laws and regulations applicable to their business, licenses and the transactions into which they have entered. This Agreement shall be governed by and construed in accordance with ail applicable state and federal laws.

4.9 Waiver. The waiver by either parry of any breach of this Agreement by the other party shall not constitute a continuing waiver or a waiver or any subsequent breach of the same or a different Section of this Agreement.

4.10 Amendment. PacifiCare may amend this Agreement upon thirty (30) days prior written notice, but any such amendment shall not affect the Producer's rights in connection with business written with an effective daie prior to the effective date of the amendment.

4.11 Use of Names and Trademarks. PacifiCare and Producer each reserve the right to control the use of their names, symbols, trademarks, or other marks currently existing or later established. However, either parry may use the other party's name, symbols, trademarks or other marks with prior written approval of the other party. PacifiCare shall be allowed to use the name or Producer in its promotional activities and marketing campaign.

4.12 Use of Words. In this Agreement the words "shall" and "will" are used in the mandatory sense. Unless the context otherwise clearly requires, any one gender includes all others, the singular includes the plural, and the plural includes the singular.

4.13 Entire Agreement. This Agreement constitutes the entire understanding between the parties. This Agreement shall supersede all prior written agreements, including amendments and addenda, and both PacifiCare and Producer mutually agree that any prior agreements shall automatically terminate on the first day of the term of this Agreement. Any commissions payable by the terms of prior agreements shall not be impaired by the terms of this Agreement.

/s/ SD

(Initials)

[UTAH STATE SEAL-GRAPHIC OMITTED]

State of Utah
Insurance Department

State Office Building, Room 3110
Salt Lake City, Utah 84114-6901
801-538-3800
FAX 801-538-3829
www.insurance.state.utah.us

Michael O. Leavitt
Governor

Merwin U. Stewart
Commissioner

S
FRINGE BENEFIT ANALYSTS
471 W HERITAGE PARK 3LVD
#1
LAYTON UT 84041

Insurance License
Resident Agent

The organization named above, having duly qualified under the laws of this state, is hereby licensed to act within this state as indicated in the class description and line(s) of authority to transact the kinds of insurance business described below.

License number 3778	Insurance Lines Authorized	
License Date: 03-23-1988		
Expiration Date: 03-31-2000	11 Life	03-23-1988
Class Code: A Resident Agent	12 Disability	03-23-1988
	13 Variable Contract	03-23-1988

[OFFICE OF THE INSURANCE
COMMISSIONER SEAL-GRAPHIC OMITTED]

/s/ Merwin U. Stewart

Commissioner of Insurance

8

<TABLE>
<CAPTION>

AGENCY TO AGENT ACTIVE DESIGNATION -- List		10/8/98	15:30:38	Row Count: 23	Page 1 of 1		
Agency Lic# User Stamp	Agent Lic #	Agent Last Name	Agent First Name	Middle	Cert. Date	Cert. ID	Date Stamp
<C> <C> 3778 Iherrera	<C> <C> 64274	<C> <C> ANDERSON	<C> <C> JEFFREY	<C> <C> CARVIN	<C> <C> 08-05-1998	<C> <C> 54415	<C> <C> 08/19/1998
3778 Ilieirera	68661	ANDERSON	PAUL	H	08-05-1998	54416	08/19/1998
3778 Iherrera	28854	BROWN	JERRY	KENDAL	08-05-1998	54417	08/19/1998
3778 Iherrera	89288	BURKE	RONALD	WILLIA	08-05-1998	54418	08/19/1998
3778 Ilierrera	58107	CHATWIN	TRACY	BLAKE	08-05-1998	54419	08/19/1998
3778 Iherrera	40821	CORDON	KEITH	REED	08-05-1998	54420	08/19/1998
3778 Iherrera	73626	COTTLE	ROD	E	08-05-1998	54421	08/19/1998
3778 WANG2LAN	17749	DERU	DONALD	J	03-23-1998	9583	03/02/1997
3778 WANG2LAN	39879	DERU	TERRY	M	03-23-1988	9588	03/02/1997
3778 WANG2LAN	46043	DERU	SCOTT	E	03-23-1988	9584	03/02/1997
3778 Iherrera	106571	DRAKE	MAURINE		08-05-1998	54422	08/19/1998
3778 Iherrera	16529	EVANS	J	GARY	08-05-1998	54423	08/19/1998
3778 Iherrera	38442	HAMILTON	NEIL	M	08-05-1998	54424	08/19/1998
3778 Illowe	44287	JONES	JIMMIE	R	08-24-1998	55191	10/07/1998
3778 Iherrera	100225	KITCHEN	BRUCE	E	08-05-1998	54425	08/19/1998
3778 Iherrera	59726	LARSEN	ROBERT	RAY	08-05-1998	54426	08/19/1998

3778 Iherrera	85096	MEATOGA	JONATHAN	Q1	08-05-1998	54427	08/19/1998
3778 Iherrera	52529	MUCEUS	JON	CHARLE	08-05 1998	54428	08/19/1998
3778 Iherrera	60783	MUSIL	DENNIS	L	08 05 1998	54429	08/19/1998
3778 Iherrera	5689	PRICE	CLYDE	L	08-05-1998	54430	0a/19/1998
3778 Iherrera	16344	ROBBINS	KENNETH	L	08-05-1998	54431	08/19/1998
3778 Iherrera	85319	SWEAT	ERNEST	C	08-05-1998	54432	08/19/1998
3778 Iherrera	15399	WALBECK	DARYL	G	08-05-1998	54433	08/19/1998

</TABLE>

Regence
Life and Health Insurance Company
Broker/Agent Agreement

THIS AGREEMENT is entered into by and between Regence Life and health Insurance Company (the "Company" an Oregon corporation and affiliate of The Regence Group, and FRINGE BENEFIT ANALYSTS, LLC (the "Broker/Agent"), an insurance agent licensed in the State(s) of UTAH.

(page 1 of 4)

1. BROKER/AGENT APPOINTMENT. The Company hereby grants to the Broker/Agent a non-exclusive, revocable appointment to solicit and secure applications and renewals of the Company's group health, life and disability contracts. This appointment shall not limit or prohibit the Company from granting similar appointments to other agents, nor shall it limit or prohibit the Broker/Agent from accepting appointments from other companies.

Broker/Agent agrees to comply with all federal, state and municipal laws or regulations and to pay all taxes, contributions or other sums which may be levied or assessed upon or in connection with the commissions paid to the Broker/Agent by the Company.

The Broker/Agent will diligently solicit and secure applications for the Company's group health, life and disability plans and collect and promptly transmit to the Company all initial premiums on those applications.

2. LICENSURE. The Broker/Agent warrants that he/she is duly licensed by the State (s) of UTAH as an independent insurance Broker/Agent, that no license issued to the Broker/Agent for the sale of insurance, prepaid health care. or hospital or professional benefits has ever been revoked or suspended, and that the Broker/Agent has never been convicted of any crime involving moral turpitude or dishonesty. The Broker/Agent agrees to pay all applicable license fees and taxes.

3. RELATIONSHIP OF PARTIES. The Broker/Agent is not an employee of the Company and nothing contained in this Agreement shall be construed to create the relation of employer and employee between the Company and the Broker/Agent.

4. INDEMNITY/ERRORS AND OMISSIONS INSURANCE. The Broker/Agent agrees to indemnify and hold the Company harmless from any and all liability, loss, cost, damage or expense including attorney fees and costs arising out of or attributed to the Broker/Agent's violation of this Agreement or the Broker/Agent's failure to conform to the provisions of this Agreement. The Broker/Agent shall obtain and maintain for the duration of this Agreement errors and omissions liability insurance with minimum policy limits of one million dollars. Broker/Agent will notify the Company immediately in the event of cancellation of such insurance and will request Broker/Agent's errors and omissions liability insurer to notify the Company of any cancellation of Broker/Agent's errors and omissions policy to the Company upon request. Broker/Agent will provide a copy of the face sheet from the errors and omissions policy to the Company upon request.

5. COMMISSIONS. While this Agreement remains in effect, the Company shall pay the Broker/Agent commissions for all new and renewed contracts in accordance with the rates and terms set forth in the attached Commission Schedule(s). No commissions shall be paid to the Broker/Agent on any premiums received for a contract after the contractholder has notified the Company in writing that the Broker/Agent is no longer servicing that contract. If the Broker/Agent dies, the Company will pay his/her estate any accumulated commissions which were due at the time of death, less any debt the Broker/Agent owed to the Company. No commission will be paid on premium received by the Company after the Broker/Agent's death. Commission payments to the Broker/Agent shall terminate as of the effective date of termination of this Agreement.

6. COMMISSION ACCOUNTING. The Company agrees to make periodic accounting to the Broker/Agent of all commissions paid or payable to him/her since the most recent previous accounting. The Broker/Agent agrees that such accounting shall be conclusively deemed correct unless written objection thereto is delivered to the Company within ninety (90) days after such accounting is mailed to the Broker/Agent at the most recent address shown for him/her in the records of the Company, or delivered to him/her in person. The Broker/Agent shall immediately notify the Company of overpayments and of payments to which the Broker/Agent is not entitled and shall refund the erroneous payment to the Company or make arrangements for the erroneous payment to be charged against future commissions which might become due to the Broker/Agent. Nothing in this paragraph shall diminish or restrict the Company's right to recover overpayments or commissions paid in error.

7. ADVERTISING. The Broker/Agent is not permitted under this contract to

advertise the Company in any form. No use of the name, logo, etc. is permitted by the Broker/Agent for the purpose of advertising the Company or its products.

8. RECORDS. The Broker/Agent shall maintain complete records of all transactions related to applications which the Broker/Agent receives or transmits and any other records required by law or regulation. Such records shall be accessible to the Company upon reasonable requests for the duration of this Agreement and for one year following termination of this Agreement. (page 2 of 4)

(page 2 of 4)

9. RULES AND PROCEDURES. The Broker/Agent agrees to comply with all rules and regulations of the Company presently in effect and any additions or amendments made thereto from time to time. The Broker/Agent further agrees that he/she will make no representation regarding benefits to be provided by the Company except through written material furnished for that purpose by the Company. The Broker/Agent understands and agrees that he/she is not authorized to make any oral or written change in any form, application or contract furnished by the Company, or in premium rates quoted by the Company: to require the Company to quote rates on prospective policies; or to bind the Company in any way. Broker Agent shall comply with the Company's Code of Business Conduct, a copy of which is available upon request.

10. LIMITATIONS. The Company reserves the right to reject or conditionally accept applications submitted by the Broker/Agent, to refuse to quote on prospective group contracts solicited by the Broker/Agent, and to refuse any group contract in force with the Company. The Broker/Agent's authority to collect premium is limited to the initial premium from each applicant. The Broker/Agent is not authorized to accept on behalf of the Company any subsequent premium or other payment.

11. RIGHT TO DISCONTINUE OR CHANGE. The Broker/Agent understands and agrees that at all times the Company has the right to discontinue issuing any contract form, to change the rate or payment basis of the commission payable to the Broker/Agent on one or more contract forms, except that a change of commission rates will not take effect until notice of the change has been delivered to the Broker/Agent, and to discontinue offering any contract form for sale by the Broker/Agent upon immediate notice.

12. TERM AND TERMINATION. This Agreement shall become effective on the first of the month following that in which it has been signed by the Broker/Agent and by an authorized representative of the Company. It shall remain in effect until terminated by either party.

Either party may terminate this Agreement without cause upon ninety (90) days written notice to the other party of intent to terminate. Either party may terminate this Agreement for cause upon thirty (30) days written notice unless such cause for termination is remedied within fifteen (15) days of receipt of such notice. This Agreement shall terminate automatically and without notice upon restriction, suspension, revocation or nullification of the Broker/Agent's license.

Termination shall not relieve either party of any obligation under this Agreement which arose prior to termination. Upon termination each party shall promptly pay any money owed to the other, and the Broker/Agent will promptly return to the Company all contract forms, property, records or other materials furnished by the Company.

13. MODIFICATION. The Company may amend or modify this Agreement and schedules or attachments hereto at anytime effective upon thirty (30) days advance written notice to the Broker/Agent. No amendments, modifications, or waiver of any provision shall be valid unless it is in writing and signed by an authorized representative of the Company.

14. ASSIGNMENT. Any voluntary or involuntary assignment of the Broker/Agent's interest under this Agreement, including the right to commissions, shall not be valid unless the Company has given prior, written consent to the assignment.

15. NOTICE. Any notice required to be given under this Agreement shall be satisfied if delivered in person or mailed, by first class mail to the Company at 100 S.W. Market Street, Portland, Oregon 97201, Attention: Broker/Agent Coordinator, Mail Station C-2-A. Notice shall be deemed communicated as of five (5) days after mailing.

16. GOVERNING LAW/SEVERABILITY. This Agreement shall be governed by the laws of the State of Oregon. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision.

17. WAIVER. The failure of the Company to take advantage of any of its rights or privileges under this Agreement or its forbearance or neglect to cancel or terminate this Agreement in the event of the Broker/Agent's failure to comply with their provision hereof shall not constitute a waiver by the Company of any of its rights or privileges hereunder.

18. MERGER. This Agreement, including any valid attachments, schedules and amendments, constitutes the entire agreement between the Company and the Broker/Agent. Any prior agreement between Company and the Broker/Agent pertaining to the Plan shall have no further force or effect except that any obligation of either party to the other which arose under the prior contract shall continue to exist.

(page 3 of 4)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the Broker/Agent and accepted by the Company as of the 2nd day of November 1998.

BROKER/AGENT	REGENCE LIFE AND HEALTH INSURANCE COMPANY
/s/ Scott E. Deru	
-----	-----
Scott E. Deru	(Authorized Representative)
Manager	
-----	-----

FORM BG 7073 (4/96)

(page 4 of 4)

AGENCY APPLICATION/COMMISSION AGREEMENT
MEDICAL LIFE INSURANCE COMPANY
CLEVELAND, OH

INSTRUCTIONS

- 1) Complete and Sign Part I, Application.
- 2) Carefully read and sign Part II, Agency/Commission Agreement.
- 3) Forward this entire form to Medical Life.
- 4) Upon approval. Medical Life will provide the Agent with a copy of this Agreement.

PLEASE BE SURE ALL INFORMATION IS COMPLETE AND ACCURATE

PART I. AGENT/AGENCY APPLICATION

1. Name
FRINGE BENEFIT ANALYSTS, ILC
2. Mailing Address
471 W Heritage Park Blvd. Suite #1
City Layton
State UT ZIP 84041
Business Telephone: (801) 773-8998

If individual, answer question 3.

3. Date of Birth SS#

If corporation, answer question 4.

4. Name of Corporation Fringe Benefit Analysts, LLC
471 W Heritage Park Blvd., Ste #1
Layton, UT 84041
Tax I.D. Number 87-
5. Previous addresses, past 5 years:
649 N. Main
P.O. Box 336
Layton, UT 84041

Use separate page if necessary

6. Are you now licensed for
Life? Yes A&H? Yes

States: Utah, California, Arizona, Idaho & Wyoming
License No. Utah 3778

7. Give the following information regarding all current and past appointments
with life and/or health insurance companies:

FROM TO NAME OF COMPANY OK TO CONTACT?
MO/YR MO/YR ADDRESS OF HOME OFFICE [] YES

[] NO

FROM TO NAME OF COMPANY OK TO CONTACT?
MO/YR MO/YR ADDRESS OF HOME OFFICE [] YES

[] NO

FROM TO NAME OF COMPANY OK TO CONTACT?
MO/YR MO/YR ADDRESS OF HOME OFFICE [] YES

[] NO

FROM TO NAME OF COMPANY OK TO CONTACT?
MO/YR MO/YR ADDRESS OF HOME OFFICE [] YES

[] NO

8. Have you ever been convicted of a felony?. NO
(If 'yes' enclose details) -----

9. Do you owe an unpaid balance to any insurance company?
NO (If 'yes' enclose details)

I certify that the answers to the above questions are true. I agree to comply
with all regulations imposed by Medical Life Insurance Company and/or the
Insurance Department. I understand and agree that I will not solicit business
until MLI has notified me that I have been authorized to do so. I further
certify that I am free to contract with Medical Ufe Insurance Company.

/s/ Scott E. Deru Manager

Signature of applicant

11/2/98

Date

E. If any coverage described is terminated by ML! or the group or by both
for any reason or cause, all right to commissions that might otherwise
have occurred hereunder on such policy shall cease. No commissions shall
accrue on any coverage issued to any employee under the conversion
privilege in the policy.

F. In the case of termination of this Agreement, commissions shall continue
to be paid as set forth in Section V of this Agreement.

IV. TERM/TERMINATION. This Agreement is for an inaeinite term. Either party
may terminate this Agreement upon thirty (30) days written notice to the
other party; however, breach of the conditions or provisions hereof or
fraud will cause this Agreement to terminate immediately upon MLI's written
notice to Agent. This Agreement shall termi- nate automatically upon the
termination, suspension or expiration of the Agent's license.

V. CONTINUATION OF PAYMENT AFTER TERMINATION. Upon the termination of this
Agreement for reasons other than Agent's breach, fraud, or the termination,
suspension or expiration of Agent's license; and subject to MLI's
reservation of rights under Section I above; and subject to Agent remaining
the agent of record for the applicable account(s), MLI will continue to pay
Agent the regular renewal commissions for all premiums collected for the
time period set forth in the Commission Schedule. If such terminaiton is
the resut or Agent's death, MLI will pay said commissions for said time
period to Agent's estate, unless applicable state law provides otherwise.

Notwithstanding any provisions to the contrary, MLI shall continue to own the underlying business regardless of the reason for termination of this Agreement.

- VI. RECORDS. The Agent shall maintain proper records of business transacted under this Agreement and shall make such records available to MLI upon request.
- VII. PRINTED MATERIAL. MLI will furnish the Agent all supplies, applications, circulars and other printed matter necessary for doing business under this Agreement. The Agent agrees not to publish or distribute any circulars, advertisements or other matter referring to MLI without first securing the written approval of MLI. All printed matter and supplies so furnished are the property of MLI and must be promptly returned to MLI upon request.
- VIII. LIMIT OF AUTHORITY. The Agent is not authorized to: (a) extend credit for MLI; (b) alter, waive or modify any of the terms, conditions or limitations of any policy issued; (c) effect any verbal agreement or contract of insurance; nor (d) effect any contract of insurance except by means of authorized policy forms according to our underwriting rules and regulations. The Agent shall have no authority other than expressly granted in this Agreement. No forbearance or neglect on the part of MLI to insist upon compliance by the Agent with the terms of this Agreement shall be construed as or constitute a waiver of any of the terms of this Agreement. The Agent has no authority to collect or issue a receipt for any premiums other than the initial premiums collected with applications for group insurance. Any authority otherwise granted under this Agreement shall end upon termination of this Agreement.
- IX. DISCONTINUANCE OF POLICY FORMS. We may discontinue or withdraw from the Agent any policy plan scheduled herein or hereafter and may fix commissions and renewal commissions on any policy not scheduled herein.
- X. GOVERNING LAW. This Agreement is governed and construed in accordance with the laws of the State of Utah. All disputes with regard to this Agreement or any part thereof, unless settled amicably, must be submitted to arbitration at the domicile of Medical Life Insurance Company, Cleveland, Ohio. Arbitration shall be conducted by three arbitrators, one appointed by the Agent, one appointed by MLI, and one appointed by the named arbitrators.
- XI. ASSIGNMENT. Neither this Agreement nor any of the benefits the Agent accrues hereunder shall be assigned or transferred either in whole or in part without the written consent of MLI.
- XII. INDEMNIFICATION, HOLD HARMLESS. The Agent agrees to indemnify and hold MLI harmless from all loss, expense, cost and liability resulting from unauthorized acts or transactions by said Agent or any other persons engaged or acting on the Agent's behalf.
- XIII. NOTICE. All notices required by this Agreement shall be in writing and shall be deemed sufficiently given and delivered at the time of mailing thereof if sent by regular mail to the principal place of business of either party.
- XIV. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties hereto and no modification, amendment, change or discharge of any provision of this Agreement shall be valid or binding unless the same is in writing and signed by all parties hereto.

AGENT CONTRACT
GROUP

HealthWise, an Independent Licensee of the Blue Cross and Blue Shield Association (hereinafter referred to as "the Plan") hereby contracts with: Agency Fringe Benefit Analysts, LLC (hereinafter referred to as "Agent") To act as the Plan's Agent, having been duly licensed as an insurance agent/broker by the State of Utah for solicitation of applications for insurance offered by the Plan. The parties hereby agree:

Appointment & Relationship

The Agent is an independent contractor authorized to solicit applications for group insurance on behalf of the Plan. The execution of this contract shall not be deemed to create an employer-employee relationship between the Plan and the Agent.

The Agent is authorized to submit applications to the Plan for acceptance or rejection and to collect the appropriate premium due for subject applications. The Agent shall be free to exercise his/her/its own judgment concerning who he/she/it solicits on behalf of the Plan and the time and place of solicitation, subject to provisions of this Agreement, applicable statutes, governmental

regulations, and production requirements implemented by the Plan and subject to application eligibility requirements. The Agent agrees to follow the guidelines set out in the Plan's Agent/Broker Manual, which are subject to change from time to time.

The Agent assumes responsibility for all expenses incurred pursuant to conduct of business under this Agreement.

Authority

The Agent shall obtain any and all licenses required by the State of Utah, local laws or regulations. The Agent shall make no representations with respect to the Plan's health care coverage except as may be contained in the written material prepared and furnished to the Agent by the Plan, and shall not make any oral or written alteration, modification, or waiver of any term or condition applicable to that coverage without the express written consent of the Plan.

The Agent is not authorized to extend credit for or make any commitment on behalf of the Plan. The Agent shall have no authority other than expressly specified in this Agreement. No Agent is authorized to collect premium beyond the initial application premium for insurance which will be directly billed by the Plan. The Agent agrees not to illegally withhold any funds, rebate any premiums, or otherwise violate any applicable statute or regulation pertaining to the solicitation of insurance or the licensing or activities of insurance agents.

1

Compensation

Agent shall receive a monthly commission on all business (as defined in the Agent/Broker Commission Schedule which is contained in the then current Agent/Broker Manual unless otherwise negotiated).

Commissions payable under this Agreement shall be paid so long as this Agreement is in effect, the business has health coverage with the Plan written through the Agent (as evidenced by a current letter of record), and the Agent continues to service the business.

Commissions shall not be payable unless and until the premiums to which they apply are received by the Plan, and Agent has complied with the terms of this Agreement.

The Plan shall have the right to discontinue writing or to alter the health care coverage under any contract executed between any business and the Plan according to the terms of the contract. If the Plan rescinds the contract with the business and returns premiums, the Agent shall repay to the Plan, upon demand, the amount of commissions Agent has received on the returned premiums.

Litigation/Venue

The Agent shall indemnify and save harmless the Plan from any and all claims, liability, attorney fees, costs, and damage or loss occurring by reason of any failure by Agent or Agent's employees to comply with this Agreement or any applicable law or regulation. The Agent further agrees to be covered and to cover his/her/its employees by an errors and omissions policy of insurance to such an extent as is consistent with currently accepted practice within the insurance business, and will provide to the Plan a Certificate of Insurance evidencing such insurance. Agent agrees to notify Plan immediately if Agent's errors and omissions policy is cancelled or amended to limit its coverage in any material respect.

In the event of any dispute or controversy concerning the construction, interpretation, performance, or breach of this Agreement, arising between the Plan and Agent, the same shall be submitted to binding arbitration under the appropriate rules of the American Arbitration Association. Any arbitration shall be conducted in Salt Lake City, Utah, unless mutually agreed otherwise by the parties. Fees associated with initiating an arbitration proceeding under this paragraph shall be split equally between and advanced by the parties; subject, however, to final apportionment by the arbitrator in his or her award. The parties agree that the arbitrator's award shall be binding and may be enforced in any court having jurisdiction thereof by filing a petition for enforcement of said award.

Advertising

The Agent agrees that all printed matter, applications, sales literature and other written material furnished by the Plan remains the property of the Plan, subject to its control at all times and will be returned to the Plan upon

request. The Agent shall not employ or make use of any advertisement or material in which the Plan's name, licensed service mark(s), and/or corporate symbols are contained, without the express prior written consent of the Plan (and owner, if other than the Plan).

Agent Sub-appointments

The Agent may not appoint Subagents under this Agreement and will exercise all authority conferred herein personally or through his/her/its employees and no others.

Appointment Fees

Agent shall reimburse Plan for the amount of the Plan's expense to appoint, re-appoint, maintain appointment, or cancel appointment of Agent with the appropriate governmental agency(s). At Plan's discretion, such reimbursement may be withheld from commissions due to Agent.

Reports & Records

The Plan agrees to remit to Agent a Commission Schedule on a monthly basis depicting the products sold, the premiums produced, and a commission paid thereon.

A report as referred to above shall be deemed to be accurate unless either party makes an objection thereto within thirty (30) days of the date of the provision of such report to Agent.

The Plan shall have the right to audit Agent at Agent's regular place of business during normal business hours.

Agent agrees to reimburse Plan for the expenses of any audit arising out of the fraud or intentional misrepresentation of the Agent.

Refunds

The Plan may reject any application for insurance solicited by the Agent without specifying reason and return any premium. In the event premium is refunded on a policy, no compensation will be remitted to an Agent and/or commission remitted must be returned to the Plan.

Indebtedness

Any indebtedness of an Agent to the Plan is deemed to be a first lien on any compensation commission due or payable. The Agent is responsible to repay any commission payment made in error by the Plan.

Assignment

No assignment of compensations or benefits may be transferred by the Agent without prior written acceptance by the Plan.

Termination

This Agreement may be cancelled at any time, by either party, by the giving of ninety days prior written notice to the other party. Termination shall take effect on the ninetieth day after such notice is given or such later date as is specified in the notice. In the event of termination, the commissions payable hereunder shall be paid only up to the effective date of termination.

This Agreement will automatically terminate if, at any time, the license granted to the Agent from the State of Utah is suspended, cancelled, surrendered, or otherwise terminated and/or if the Agent breaches any provision of the Agreement, commits any fraudulent act or fails to follow the guidelines set out in the Plan's Agent/Broker Manual, as amended.

If the Agent should change his/her/its residence from the State of Utah, evidence of effective non-resident Utah State licensure and re-appointment with HealthWise shall be required within sixty (60) days to receive continuous payment of commissions. If evidence of effective non-resident Utah State licensure and re-appointment with HealthWise is received after the sixty (60) day grace period, commissions will be payable only from the re-appointment date forward.

Upon termination of this Agreement, all material furnished to Agent by the Plan shall be promptly returned to the Plan.

Vesting

In the event of Agent's death or permanent disability, renewal compensation shall be paid to the Agent's personal representative duly licensed in disability and health by the State of Utah Insurance Department, so long as the Plan continues to utilize the services of agents in the sales and servicing of its products.

Waiver

Failure of the Plan to enforce any provision or regulation of this Agreement shall not constitute a waiver. Sole Agreement This Agreement terminates and supersedes all prior agreements between Agent and Plan relative to policies issued through Agent after the effective date.

Sole Agreement

This Agreement terminates and supersedes all prior agreements between Agent and Plan relative to policies issued through Agent after the effective date.

4

Effective Date

This contract shall be effective as of the date of the Plan's signature and execution, below, provided Agent has paid the fee charged by the Plan for appointment.

I accept this Contract subject to the terms and conditions contained herein.

Fringe Benefit Analysts, LLC

Agency Name (please print)

/s/ Scott E. Deru

Authorized Signature

Manager

Title (if applicable)

11/2/98

Date

- FOR PLAN USE ONLY-

In witness whereof, this Contract has been signed and executed on this ____ day of _____.

Plan

Title

5

AGENT CONTRACT
GROUP AND INDIVIDUAL

Blue Cross and Blue Shield of Utah (hereinafter referred to as "the Plan") hereby contracts with Agency Fringe Benefit Analysts, LLC hereinafter referred to as "Agent")

To act as the Plan's Agent, having been duly licensed as an insurance agent/broker by the State of Utah for solicitation of applications for insurance offered by the Plan.

The parties hereby agree:

Appointment & Relationship

The Agent is an independent contractor authorized to solicit applications for group and individual insurance on behalf of the Plan. The execution of this contract shall not be deemed to create an employer-employee relationship between the Plan and the Agent.

The Agent is authorized to submit applications to the Plan for acceptance or rejection and to collect the appropriate premium due for subject applications. The Agent shall be free to exercise his/her/its own judgment concerning who he/she/it solicits on behalf of the Plan and the time and place of solicitation, subject to provisions of this Agreement, applicable statutes, governmental regulations, and production requirements implemented by the Plan and subject to application eligibility requirements. The Agent agrees to follow the guidelines set out in the Plan's Agent/Broker Manual, which are subject to change from time to time.

The Agent assumes responsibility for all expenses incurred pursuant to conduct of business under this Agreement.

Authority

The Agent shall obtain any and all licenses required by the State of Utah, local laws or regulations. The Agent shall make no representations with respect to the Plan's health care coverage except as may be contained in the written material prepared and furnished to the Agent by the Plan, and shall not make any oral or written alteration, modification, or waiver of any term or condition applicable to that coverage without the express written consent of the Plan.

The Agent is not authorized to extend credit for or make any commitment on behalf of the Plan. The Agent shall have no authority other than expressly specified in this Agreement. No Agent is authorized to collect premium beyond the initial application premium for insurance which will be directly billed by the Plan. The Agent agrees not to illegally withhold any funds, rebate any premiums, or otherwise violate any applicable statute or regulation pertaining to the solicitation of insurance or the licensing or activities of insurance agents.

1

Compensation

Agent shall receive a monthly commission on all business (as defined in the Agent/Broker Commission Schedule which is contained in the then current Agent/Broker Manual unless otherwise negotiated).

Commissions payable under this Agreement shall be paid so long as this Agreement is in effect, the business has health coverage with the Plan written through the Agent (as evidenced by a current letter of record), and the Agent continues to service the business.

Commissions shall not be payable unless and until the premiums to which they apply are received by the Plan, and Agent has complied with the terms of this Agreement.

The Plan shall have the right to discontinue writing or to alter the health care coverage under any contract executed between any business and the Plan according to the terms of the contract. If the Plan rescinds the contract with the business and returns premiums, the Agent shall repay to the Plan, upon demand, the amount of commissions Agent has received on the returned premiums.

Litigation/Venue

The Agent shall indemnify and save harmless the Plan from any and all claims, liability, attorney fees, costs, and damage or loss occurring by reason of any failure by Agent or Agent's employees to comply with this Agreement or any applicable law or regulation. The Agent further agrees to be covered and to cover his/her/its employees by an errors and omissions policy of insurance to such an extent as is consistent with currently accepted practice within the insurance business, and will provide to the Plan a Certificate of Insurance evidencing such insurance. Agent agrees to notify Plan immediately if Agent's errors and omissions policy is cancelled or amended to limit its coverage in any material respect.

In the event of any dispute or controversy concerning the construction, interpretation, performance, or breach of this Agreement, arising between the Plan and Agent, the same shall be submitted to binding arbitration under the appropriate rules of the American Arbitration Association. Any arbitration shall be conducted in Salt Lake City, Utah, unless mutually agreed otherwise by the parties. Fees associated with initiating an arbitration proceeding under this paragraph shall be split equally between and advanced by the parties; subject, however, to final apportionment by the arbitrator in his or her award. The parties agree that the arbitrator's award shall be binding and may be enforced in

any court having jurisdiction thereof by filing a petition for enforcement of said award.

Advertising

The Agent agrees that all printed matter, applications, sales literature and other written material furnished by the Plan remains the property of the Plan, subject to its control at all times and will be returned to the Plan upon

2

request. The Agent shall not employ or make use of any advertisement or material in which the Plan's name, licensed service mark(s), and/or corporate symbols are contained, without the express prior written consent of the Plan (and owner, if other than the Plan).

Agent Sub-appointments

The Agent may not appoint Subagents under this Agreement and will exercise all authority conferred herein personally or through his/her/its employees and no others. Appointment Fees Agent shall reimburse Plan for the amount of the Plan's expense to appoint, re-appoint, maintain appointment, or cancel appointment of Agent with the appropriate governmental agency(s). At Plan's discretion, such reimbursement may be withheld from commissions due to Agent.

Reports & Records

The Plan agrees to remit to Agent a Commission Schedule on a monthly basis depicting the products sold, the premiums produced, and a commission paid thereon.

A report as referred to above shall be deemed to be accurate unless either party makes an objection thereto within thirty (30) days of the date of the provision of such report to Agent.

The Plan shall have the right to audit Agent at Agent's regular place of business during normal business hours.

Agent agrees to reimburse Plan for the expenses of any audit arising out of the fraud or intentional misrepresentation of the Agent.

Refunds

The Plan may reject any application for insurance solicited by the Agent without specifying reason and return any premium. In the event premium is refunded on a policy, no compensation will be remitted to an Agent and/or commission remitted must be returned to the Plan.

Indebtedness

Any indebtedness of an Agent to the Plan is deemed to be a first lien on any compensation commission due or payable. The Agent is responsible to repay any commission payment made in error by the Plan.

i; Assignment

No assignment of compensation or benefits may be transferred by the Agent without prior written acceptance by the Plan.

3

Termination

This Agreement may be cancelled at any time, by either party, by the giving of ninety days prior written notice to the other party. Termination shall take effect on the ninetieth day after such notice is given or such later date as is specified in the notice. In the event of termination, the commissions payable hereunder shall be paid only up to the effective date of termination.

This Agreement will automatically terminate if, at any time, the license granted to the Agent from the State of Utah is suspended, cancelled, surrendered, or otherwise terminated and/or if the Agent breaches any provision of the Agreement, commits any fraudulent act or fails to follow the guidelines set out in the Plan's Agent/Broker Manual, as amended.

If the Agent should change his/her/its residence from the State of Utah, evidence of effective non-resident Utah State licensure and re-appointment with Blue Cross and Blue Shield of Utah shall be required within sixty ('60) days to

receive continuous payment of commissions. If evidence of effective non-resident Utah State licensure and re-appoint- ment with Blue Cross and Blue Shield of Utah is received after the sixty (60) day grace period, commissions will be payable only from the re-appointment date forward. Upon termination of this Agreement, all material furnished to Agent by the Plan shall be promptly returned to the Plan.

Vesting

In the event of Agent's death or permanent disability, renewal compensation shall be paid to the Agent's personal representative duly licensed in disability and health by the State of Utah Insurance Department, so long as the Plan continues to utilize the services of agents in the sales and servicing of its products.

Waiver

Failure of the Plan to enforce any provision or regulation of this Agreement shall not constitute a waiver.

Sole Agreement

This Agreement terminates and supercedes all prior agreements between Agent and Plan relative to policies issued through Agent after the effective date.

Effective Date

This contract shall be effective as of the date of the Plan's signature and execution, below, provided Agent has paid the fee charged by the Plan for appointment.

I accept this Contract subject to the terms and conditions contained herein.

Fringe Benefit Analysts, LLC

Agency Name (please print)

/s/ Scott E. Deru

Authorized Signature

Manager

Title (if applicable)

11/2/98

Date

- FOR PLAN USE ONLY-

In witness whereof, this Contract has been signed and executed on this _____ day of _____.

Plan

Title

Agent/Agency Name: FRINGE BENEFIT ANALYSTS, LLC .
(Please print - must read exactly as the name listed on
your Insurance License)

Business Address: 471 W Heritage Park Blvd., Ste #1
P.O. Box 336
Layton. UT 84041
Daytime Telephone: (801) 773-8998

Residence Address: -----

Send commissions and mail to: Business [] Residence

Birthdate: _____
Insurance License #: _____ Social Security #: _____
Organization License #: 3778 Tax ID #: 87-0618333

If partnership or corporation, list name, address and birthdate of all partners/officers (attach additional page if needed):

Scott E. Deru, President, 3410 N 2350 E, Layton. UT 84040 07/17/60
Terry M. Deru, Vice-President, 336 W Hardscrabble Rd, Morgan,
UT 84050 08/30/54
Elaine M. Deru, Sec./Treas, 2617 E 1650 N, Layton,
UT 84040 11/Q8/33

Licensed in: Life & Disability Property/Casualty Securities

Which States: Utah CA, ID, AZ & WY
Years experience in Life/Accident and Health: ____

List Life/Health companies you currently represent:
See attached list

Current errors and omissions policy must be in force and maintained in order to be appointed with Regence BlueCross BlueShield of Utah.

Errors & Omissions Policy #: NAL-25463
Carrier: NALU/Affinity Insurance Services

Have you ever been convicted of a felony? No

Have you ever had your insurance/security license suspended or revoked? NO
If yes, please explain:

Have you ever been terminated, suspended or put on probation by any health carrier? No If yes, please explain:

/s/ Scott Deru 11/02/98

Applicant Signature Date

NOTE: APPLICATION MUST BE ACCOMPANIED BY A COPY OF INSURANCE LICENSE AND COMPLETED, SIGNED CONTRACT(S)

WHITE COPY - Marketing YELLOW COPY - Cash Services PINK COPY - Agent/Agency

(Please return the WHITE and YELLOW copies to Regence BlueCross BlueShield of Utah)

AGENT MARKETING AGREEMENT
BETWEEN
UNITED HEALTHCARE OF UTAH,
UNITED HEALTH AND LIFE INSURANCE COMPANY
AND

Fringe Benefit Analysts, LLC

(NAME OF CORPORATION)

CORPORATE BROKERAGE AGREEMENT

THIS AGREEMENT, made as of this 1st day of November, 1998, between United HealthCare of Utah ("HMO"), a health maintenance organization, and United Health and Life Insurance Company ("Insurance Company") (collectively known as "Plans"), and Fringe Benefit Analysts, LLC ("Broker"),

WHEREAS, HMO is organized and operated as a health maintenance organization to arrange for the delivery of health care services to persons covered by HMO's group health benefit contracts; and

WHEREAS, Insurance Company is organized and operated as a life and health insurance company licensed in the State of Utah; and

WHEREAS, Broker is a duly licensed insurance broker qualified to solicit enrollment of persons in the group HMO enrollment, group health, disability, and life insurance offered by or through Plans; and

WHEREAS, Plans and Broker desire to contract with each other to arrange for Plans' group HMO benefit contracts and group health, disability, and life insurance to be offered to specified groups of individuals;

NOW, THEREFORE, in consideration of the premises and mutual covenants of this Agreement, Plans and Broker agree as follows:

SECTION I. DEFINITIONS.

For the purposes of this Agreement:

"Broker" means the above-named individual broker/agency who:

1. is duly licensed pursuant to Utah law;
2. is approved by Plans to solicit enrollment of Enrolling Units under this Agreement;
3. has executed this Agreement with Plans to solicit enrollment of Enrolling Units under this Agreement; and
4. is Broker of Record for the Enrolling Unit.

"Benefit Contract" means the health, disability, and life benefit contracts and policies approved by Plans to be marketed and issued to Enrolling Units under this Agreement at premium rates established and approved by Plans.

"Broker Commissions" means the payments due Broker by Plans for the services performed by Broker under this Agreement for an Enrolling Unit. The Broker Commissions shall be calculated and paid as provided for in the Commission Schedule to the Brokerage Agreement, attached hereto and incorporated herein, ("Appendix A").

"Contract Month" and "Contract Year" means the calendar month or year as determined from the effective date of the Enrolling Unit under a Benefit Contract.

"Defined Service Area" means the geographic area in which Broker may solicit enrollment of Enrolling Units under this Agreement and limited to the counties in which HMO and/or Insurance Company and Broker are licensed to operate.

"Enrolling Unit" means an employer group solicited under this Agreement which:

1. is located in the Defined Service Area;
2. has at least 5 employees eligible for group health benefits; and
3. is approved by Plans and accepted for enrollment under a Benefit Contract.

SECTION II. AUTHORITY OF BROKER.

-
- A. Authority of Broker. Broker shall solicit enrollment of Enrolling Units under this Agreement. Plans may from time to time adjust the minimum Enrolling Unit size; it will accept for enrollment. Any such adjustment shall be communicated to Broker on a timely basis.
 - B. Responsibilities of Broker. Broker shall be responsible for completion of initial and ongoing training with Plans to assure compliance by Broker with Plans' marketing and enrollment policies. Such training shall include, but is not limited to, open enrollment training, sales call training, routine evaluation of Broker's performance under this Agreement and such other training as may be required by Plans from time to time.

SECTION III. SOLICITATION AND ENROLLMENT OF ENROLLING UNITS.

-
- A. Solicitation of Enrolling Units. Broker shall use its best efforts to solicit enrollment of prospective Enrolling Units under this Agreement;.
 - B. Proposals. Broker shall submit to prospective Enrolling Units proposal letters in a form and upon such terms as are approved in advance by Plans. No term of such proposal, including premium amounts, may be altered except upon the prior written approval of Plans.
 - C. Application For Enrollment. Broker shall accurately and completely record information required by Plans for enrollment of Enrolling Units under a Benefit Contract and shall comply with applicable policies and procedures as established by Plans from time to time.
 - D. Acceptance for Enrollment. Plans shall have the right to accept or reject any prospective Enrolling Unit submitted for enrollment by Broker based on underwriting and enrollment policies established by Plans. In no event shall any prospective Enrolling Unit be eligible to receive health services under a Benefit Contract unless and until accepted by Plans with such effective date as determined by Plans.
 - E. Servicing of Enrolling Units. Broker shall be responsible for the delivery and explanation of initial administrative forms, such as billing and enrollment materials, and subsequent renewal forms, as approved in advance by Plans. Broker shall deliver the Benefit Contract with Enrolling Units for signature and return signed forms to Plans. Broker is also responsible for each renewal presentation, as approved in advance by Plans.
- 2
- F. Compensation for Services Rendered. Broker shall be compensated for services rendered under this Agreement pursuant to Appendix A and shall be compensated only if the Broker continues to be recognized by the Enrolling Unit as the Broker of Record.
 - G. Marketing Materials. Broker shall obtain from Plans, upon request by Broker, such marketing and enrollment materials as are necessary for solicitation of enrollment under this Agreement by Broker.
 - H. Use of Information. Broker shall not use any marketing materials or other information regarding Plans to the competitive advantage of any health benefits competitor of Plans. All such materials provided to Broker shall be immediately returned to Plans upon termination of this Agreement.
 - I. Records. Broker shall maintain records related to the enrollment of Enrolling Units by Broker, and Plans shall, upon reasonable notice and demand, have access during regular business hours to any records maintained by Broker relating to this Agreement.

SECTION IV. TERMS AND CONDITIONS GOVERNING RELATIONSHIP BETWEEN PARTIES.

-
- A. Independent Contractors. Broker shall remain at all times an independent contractor and not an employee of Plans. None of the provisions of this Agreement are intended to create, nor shall be deemed or construed to create, any other relationship between the parties. No employee of Plans or Broker shall be construed or deemed to be an employee of the other

party.

- B. Indemnification and Hold Harmless by Broker. Broker shall defend, hold harmless and indemnify Plans against any and all claims, liabilities, damages or judgments, including reasonable attorney's fees, asserted against, imposed upon and/or incurred by Plans that arise out of the acts or omissions, including negligence of Broker or other persons within Broker's control, in the discharge of his/her or their responsibilities under this Agreement.
- C. Indemnification and Hold Harmless by Plans. Plans shall defend, hold harmless and indemnify Broker against any and all claims, liabilities, damages or judgments, including reasonable attorney's fees, asserted against, imposed upon and/or incurred by Broker that arise out of the acts or omissions, including negligence of Plans employees or other persons within Plan's control, in the discharge of his/her or their responsibilities under this Agreement. o
- D. Liability Insurance. Broker shall procure and maintain errors and omissions and/or professional liability insurance with coverage satisfactory to Plans. Upon request by Plans. Broker shall provide evidence of such insurance coverage. Broker shall notify Plans in writing, to the attention of the Chief Executive Officer and President, as appropriate, within thirty (30) days prior notice of any material changes in the errors and omissions or professional liability coverage.

SECTION V. RESOLUTION OF DISPUTES.

- A. Disputes. For the purposes of this section, "Disputes" means any dispute or claim between Plans and Broker arising out of or related to the interpretation or application of this Agreement or breach thereof.

3

- B. Negotiation and Arbitration of Disputes. Resolution of any Dispute shall be subject to good faith negotiation between the parties. The complaining party shall notify the other party in writing of such Dispute and the parties shall attempt to resolve the Dispute within ninety (90) days of the date such notice, or within such time as is mutually agreed upon by the parties in writing. In the event the Dispute is not resolved within such time period, it shall be submitted in writing to arbitration by the originating party within fifteen (15) days of the termination of the negotiations as provided above pursuant to the Commercial Arbitration Rules of the American Arbitration Association, except that the arbitrators shall be required to issue written findings of fact and conclusions of law in conjunction with any award and the conclusions of law may be reviewed de novo if the award is challenged in a subsequent judicial proceeding. This provision shall survive termination of this Agreement.

SECTION VI. TERM. TERMINATION. AMENDMENT. ASSIGNMENT. ENTIRE AGREEMENT AND GOVERNING LAW.

- A. Term. The term of this Agreement shall commence on the date first specified above and shall continue in effect through the remainder of the calendar year and for each calendar year thereafter until such time as this Agreement is terminated by either party as provided for in Section VI(B) hereof.
- B. Termination. This Agreement may be terminated, with or without cause, by either party to this Agreement upon sixty (60) days written notice to the other party; provided, however, that termination of this Agreement shall be subject to the following provisions:
 - 1. In the event this Agreement is terminated by Plans, without cause, or by Broker with or without cause, Plans shall pay Broker Commissions as provided in Section III of Appendix A until Broker is no longer Broker of Record with the Enrolling Unit.
 - 2. In the event this Agreement is terminated by Plans, with cause, no Broker Commissions shall be payable to Broker by Plans following the date of such termination. For the purposes of this Agreement "with cause" shall mean default, by Broker under any material term of [his Agreement and failure to cure such default within forty-five (45) days after receipt of written notice from Plans specifying the precise nature of such default.
 - 3. In the event Broker is no longer duly licensed pursuant to Utah law. Plans shall terminate this Agreement, and this shall be deemed termination "with cause." In addition, if Broker is suspended or disciplined by any state or federal regulatory authority, or is

reprimanded in any way in connection with performance of his or her duties as an insurance broker. Plans reserve the right, in its sole discretion, to terminate this Agreement. Such termination shall be deemed termination "with cause" under the terms of this Agreement. No Broker Commissions shall be payable to Broker by Plans following the date of such termination.

- 4. The determination of Contract Years for the purposes of calculating Broker Commissions, as specified in Appendix A, upon termination of this Agreement, shall not be affected by the termination of this Agreement and shall be determined from the effective date of the Enrolling Unit under a Benefit Contract.

- C. Entire Agreement. This Agreement, including all appendices, constitutes the entire agreement between the parties, superseding all prior agreements, understanding and representations. No alterations of this Agreement or waiver of its provision shall be valid unless approved in writing in advance by Plans.
- D. Amendment. Except as otherwise provided in Section III. A. of Appendix A, any amendment to this Agreement proposed by Plans at least sixty (60) days prior to the effective date of such amendment shall be deemed adopted unless this Agreement is earlier terminated as provided for in Section VI(B). Any amendment to Appendix A shall apply to Enrolling Units effective or renewed under a Benefit Contract on or after the effective date of such amendment.
- E. Assignment. HMO and Insurance Company shall have the right to assign any or all of its rights and responsibilities under this Agreement to any entity that controls, is controlled or managed by, or is under common control with HMO or Insurance Company as appropriate. Broker shall not have the right to assign any or all of its rights and responsibilities under this Agreement.

- F. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah,

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date and year first written.

UNITED HEALTHCARE OF UTAH

HMO
By (signature illegible)

Its CFO
11/25/98

Date

Fringe Benefit Analysts, LLC

CORPORATE BROKER
By /s/ Scott Deru

Its Manager
Federal Tax ID# 87-0618333

November 3, 1998

Date

UNITED HEALTH AND LIFE
INSURANCE COMPANY
By

Its Director, Contracts
Date

COBROKER.GEN
03/15/91

COMMISSION SCHEDULES TO
THE BROKERAGE AGREEMENT

SECTION I. DEFINITIONS.

For the purposes of this Appendix.

"Annual Contract Charges" means the Contract Charges collectible from an Enrolling Unit during each Contract Year. Such amount shall be the total premium amount collected from the Enrolling Unit for each Contract Year following its effective or renewal date.

"Contract Charges" means the total premium amount required of and collected from an Enrolling Unit for all health products or for all life, short-term disability, and accidental death and dismemberment products for coverage under Benefit Contracts.

"First Year Commission" means the Commissions due Broker for the first Contract Year of enrollment of the Enrolling Unit by Broker under this Agreement.

"Monthly Contract Charges" means the Contract Charges collectible from an Enrolling Unit during each Contract Month. Such amount shall be the premium amount collected from the Enrolling Unit for each Contract Month following its effective or renewal date.

"Renewal Commission" means the Commissions due Broker for the second and subsequent Contract Years of enrollment of the Enrolling Unit by Broker under this Agreement.

SECTION II. TERMS AND CONDITIONS.

-
- A. Calculation of Commissions. Commissions payable to Broker pursuant to Section III hereof shall be calculated as a percentage of Monthly Contract Charges.

 - 3. Timing of Payment of Proper Commissions. Commissions payable pursuant to Section III hereof shall be paid to Broker on a monthly basis no later than sixty (60) days after the Enrolling Unit's Monthly Contract Charges which are due have been received by Plans.

 - C. Clerical Error. PSars shall make an appropriate adjustment in Broker Commissions, as provided in this Appendix, upon discovery of a clerical error. This includes the Plans' right to collect reimbursement, from Broker for any overpayment of Broker Commissions. However, no such adjustment in Broker Commissions shall be made beyond fifteen (15) months after the date Plans were notified of such clerical error. Plans may collect reimbursement for collection agency and legal fees, if any, incurred by Plans to procure reimbursement.

SECTION III. BROKER COMMISSIONS PAYABLE.

-
- A. Broker Compensation. For Enrolling Units solicited by Broker and approved for enrollment by Plans during the term of this Agreement, Broker shall be compensated pursuant to the commission schedule in this Appendix as amended from time to time by Plans upon thirty (30) days written notice to Broker. Broker shall be compensated for an Enrolling Unit's first Contract Year and for subsequent Contract Years; provided, however, that no Broker Commissions shall be due and payable in the event that this Agreement is terminated with cause by Plans. No Broker

2

Commissions shall be due and payable in the event Broker is no longer the Broker of Record for the Enrolling Unit in accordance with the Plans' Broker of Record policy. In the event this Agreement is terminated without cause, Broker Commissions shall be due and payable in accordance with Section VI.B. of this Agreement and with the schedules set forth below.

- B. Maintenance of Payment of Contract Charges. For an Enrolling Unit to be included as an Enrolling Unit for purposes of determining the Broker Commission Level payable pursuant to Section III(A) of this Appendix, the Enrolling Unit must pay its Contract Charges on a timely basis.

- C. Amount Payable. No amounts shall be payable hereunder in excess of any maximum prescribed by any applicable federal or state law, regulation or ruling.

LIFES, STD & AD & D PRODUCTS

BROKER COMMISSION LEVELS TO
THE BROKERAGE AGREEMENT
FORNEW AND RENEWAL BUSINESS FOR
LIFE, SHORT-TERM DISABILITY AND
ACCIDENTAL DEATH AND DISMEMBERMENT PRODUCTS

First Year and Renewal Schedule	Commission Percentage
First \$15,000 of Annual Contract Charges:	10.0%
From \$15,001 to \$30,000 of Annual Contract Charges:	7.5%
From \$30,001 to \$50,000 of Annual Contract Charges:	5%
From \$50,001 to \$100,000 of Annual Contract Charges:	2%
From \$100,001 ofco \$250,000 of Annual Contract Charges:	1.0%
From \$250,001 to \$500,000 of Annual Contract Charges:	.5%
From \$500,001 to \$1,000,000 of Annual Contract Charges:	.5%
From \$1,000,001 to \$2,000,000 of Annual Contract Charges:	.25%
From \$2,000,001 to \$4,000,000 of Annual Contract Charges:	.125%
From \$4,000,001 to \$8,000,000 of Annual Contract Charges:	.0625%
Over \$8,000,001 of Annual Contract Charges:	Home Office

5

HEALTH PRODUCTS

BROKER COMMISSION LEVELS TO
THE BROKERAGE AGREEMENT
FORNEW AND RENEWAL BUSINESS
FOR ALL HEALTH PRODUCTS
WITH AN EFFECTIVE DATE OF SEPTEMBER, 1990
AND PRIOR TO THAT EFFECTIVS DATE.

Enrolling Units with less than 25 Eligible Employees:	10% Commission
Enrolling Units with 25 - 49 Eligible Employees:	7% Commission
Enrollind Units with 50 - 100 Eligible Employees:	5% Commission
Enrolling Units with 101+ Eligible Employees:	Negotiated

6

CARVER HOVEY & CO.
Certified Public Accountants

Steven L. Carver, CPA
Kathleen L. Hovey, CPA
Brent R. Florek, CPA
746 South Main o Layton, UT 84041 o Phone (801)546-3130 o Fax (801)546-5231
Member American Institute of Certified Public Accountants

Prime Resources, Inc.
1245 East Brickyard Road, Suite 590
Salt Lake City, UT 84106

RE: Use of Financials by Prime Resources, Inc.
in First Amended SB-2 Registration

Dear Board of Directors:

We consent to the use of our report and attached financial statements and notes incorporated herein, as amended, in the First Amended SB-2 Registration Statement filed by your company, and to the references to our firm under the heading "Interest of Experts and Counsel" in the prospectus.

/s/ CARVER HOVEY & CO.

CARVER HOVEY & CO.
Layton, Utah
October 11, 2002