

Prospectus dated June 21, 2002

## OXFORD SOFTWARE DEVELOPERS, INC.

2,000,000 Common Shares

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We are offering 2,000,000 common shares for cash on a "best efforts" basis through our officers and directors. On March 7, 2002 we entered into an agreement with West America Securities Corp. West America agreed to act as Subscription Agent for the offering. See "Plan of Distribution".

Prior to this offering, there has been no public market for our common shares. The public offering price for the shares has been determined arbitrarily by the Company and does not necessarily bear any relationship to the Company's earnings, assets, book value, or any other recognized measure and may not bear any relationship to the market price of the shares, if any, after the offering. We expect to list our common shares on the Over the Counter Bulletin Board (OTCBB) in the United States under the symbol "OXSOFF".

**Our common shares are speculative and involve certain risks. See "Risk Factors" starting on page 6.**

	Per Share	Underwriting Discount and Commissions (1)	Total
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-			
Public Offering Price.....	\$1.00	-----	\$2,000,000
Proceeds to Oxford Software .....	\$0.93	-----	\$1,855,000

- (1) We have entered into an agreement with West American Securities Corp. to act as Subscription Agent. Pursuant to the agreement we will pay West America a fee of up to 5% in cash and up to 5% in common stock or up to \$100,000 and up to 100,000 shares of our common stock plus expenses up to \$5000. See "Plan of Distribution."
- (2) After deducting expenses of the offering payable by us, estimated to be \$40,000 for registration fees and legal, accounting and printing fees and other expenses and up to \$105,000 payable to West America upon completion of the offering.

Delivery of certificates evidencing the common shares will be made on or about July 21, 2002.

**Neither the Securities and Exchange Commission nor any State Securities Commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is June 21, 2002.

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**YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.**

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## PROSPECTUS SUMMARY

THIS SUMMARY HIGHLIGHTS INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS. THIS SUMMARY DOES NOT CONTAIN ALL OF THE INFORMATION THAT YOU SHOULD CONSIDER BEFORE INVESTING IN THE COMMON SHARES. YOU SHOULD READ THE ENTIRE PROSPECTUS CAREFULLY, INCLUDING THE CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES.

### OXFORD SOFTWARE DEVELOPERS INC.

We were incorporated in October 2000 with the objective of capitalizing on the growth of Internet gaming and entertainment — e-gaming. We hold a license to gaming software issued and operated by World Gaming, plc (formerly Starnet Communications International Inc.) pursuant to a gaming license issued by Curacao, Netherlands, Antilles. The World Gaming license allows us to operate a full-service casino and to also market sub-licenses of the gaming software. As of May 5, 2002, we had 62 sub-licensees of our World Gaming software, managed over 5,000 portals and provided advanced technology and gaming software through our license with World Gaming. In addition, we own and operate our own online casino. We also provide our sub-licensees with other services, including advertising, marketing, 24/7 technical and client support, site maintenance and secure financial processing.

We recently acquired our own proprietary software which we have customized and intend to sell to another vendor. Individuals who wish to license an Internet casino deposit funds with us using our secure electronic commerce software application. Each end-user has an electronic commerce account with us and all commerce transactions with licensed merchants are recorded in the end-users account. On a weekly and/or monthly basis, we transfer to our sub-licensees the net transaction revenues less licensing and support fees payable to World Gaming and/or to us. We generate revenues through such licensing fees, fees for software support of our Internet-based software and fees charged to end-users for electronic commerce services. All gaming transactions are processed through gaming services located in the jurisdiction in which the operator is licensed to conduct an Internet casino.

We are incorporated under the laws of Ontario, Canada. Our principal executive offices are located at 488 Huron Street, Toronto, Ontario, Canada M5R 2R3, and our telephone number is (416) 510-8351.

### THE OFFERING

We had 19,753,100 common shares outstanding as of May 5, 2002.

Common shares offered for cash.....	2,000,000 shares
Total:.....	<u>2,000,000 shares *</u>
Common shares to be outstanding after this offering.....	21,753,100 shares
Use of proceeds.....	For general corporate purposes, including working capital and potential acquisitions

\* In addition, pursuant to an agreement with West America Securities Corp. we may issue up to 100,000 additional shares of restricted stock as payment for fees under the agreement. See "Plan of Distribution."



## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following selected financial data for the period from inception on October 13, 2000 through December 31, 2000 and for the year ended December 31, 2001 is derived from our audited consolidated financial statements. The selected financial data, as well as the consolidated financial statements and accompanying notes, are prepared in accordance with accounting principles generally accepted in the United States. You should read the following selected consolidated financial data with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes and other financial information included elsewhere in this prospectus.

	From period of inception (October 13, 2000) through Year Ended December 31, 2000	Year Ended December 31, 2001
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<u>Statement of Operations Data:</u>		
Total revenues	\$ 112,172	\$ 401,793
Net Income/(Net Loss)	(100,896)	(2,117,900)
Basic and diluted net loss per share -	(0.01)	(0.12)
Weighted average number of Shares used in computing basic and Diluted net loss per share-	13,300,000	17,152,915
<u>Balance Sheet Data:</u>		
Cash and cash equivalents	\$ -0-	\$ 508
Total current assets	121,880	107,879
Total assets	187,578	523,488
Total current liabilities	176,865	525,774
Total liabilities	176,865	525,774
Total accumulated deficit	(100,896)	(2,218,796)
Total stockholders' equity (deficit)	10,713	(2,286)

## RISK FACTORS

**This offering involves a high degree of risk. You should carefully consider the risks described below and the other information contained in this prospectus before purchasing our common shares. Our most significant risks and uncertainties are described below; however, they are not the only ones we face. If any of the following risks occur, our business, operating results and financial condition could be materially adversely affected, the trading price of our common shares could decline and you may lose all or part of your investment.**

### RISK FACTORS RELATED TO OUR BUSINESS

#### **We Have a Limited Operating History so It May be Difficult for You to Evaluate Our Business and Its Future Prospects**

It may be difficult to evaluate our business and prospects because we have a limited operating history. We were incorporated in October 2000 and we launched our Internet e-gaming network in November 2000. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in

their early stage of development, particularly companies in new and rapidly evolving markets such as Internet software and services. The risks, expenses and difficulties that we expect to encounter include:

- implementing an evolving and unpredictable business model that relies, in large part, on sub-licensee growth and word-of-mouth publicity among the targeted audience;
- building our corporate brand to attract advertisers and affiliates, and our network brands to expand our audience;
- increasing content and service offerings on existing networks through internal development and affiliate partnerships;
- developing and integrating new networks addressing our target audience and advertiser base;
- diversifying our revenue sources by offering sponsorship, merchandise slotting and other marketing opportunities to content and e-commerce partners and by launching e-commerce initiatives across our networks;
- expanding our sales and marketing efforts to increase our affiliate and customer base and our reach within the e-gaming customer audience;
- attracting, retaining and motivating qualified personnel; and
- responding to competitive developments.

There can be no assurance that we will effectively address the risks we face, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations.

**We have a history of operating losses and a significant accumulated deficit, and we may not achieve or maintain revenue or profitability in the future.**

We have not been profitable since our inception in October 2000. As of December 31, 2001, we had an accumulated deficit of approximately \$2.2 million. We expect to continue to incur additional losses for the next fiscal year as a result of a high level of operating expenses, significant up-front expenditures and our marketing activities. While we have some revenues, we may never realize significant revenues from our core business or be profitable. Factors that will influence the timing and amount of our growth and profitability include:

- . the success of our sub-licensees' web site operations;
- . obtaining the necessary funding to grow our business; and
- . our ability to expand and grow our business.

**Our Ability to Continue as a Going Concern**

We face significant challenges in shifting from the development stage to the commercialization of our e-gaming web sites. Our business may fail if we do not achieve significant revenue growth or obtain sufficient funding. Our accountants have raised substantial doubts about our ability to continue as a going concern. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered in such a transition, and there can be no assurance that we will be successful or that we will ever achieve profitable operations.

**Our Rapid Growth May Strain Our Resources And Hinder Our Ability To Implement Our Business Strategy**

Our historical growth has placed, and any further growth is likely to continue to place, a significant strain on our limited resources. If we fail to manage our growth effectively, our business could be materially adversely affected. Our ability to achieve and maintain profitability will depend on our ability to manage our growth effectively, to implement and expand operational and customer support systems and to hire personnel worldwide. We may not be able to augment or improve existing e-gaming software, computer systems and controls or

implement new systems and controls to respond to any future growth. In addition, future growth may result in increased responsibilities for our management personnel, which may limit their ability to effectively manage our business.

## **Dependence On Key Licensor And Sub-Licensees**

Our license to gaming software is issued by World Gaming pursuant to a gaming license issued by Antigua during 2001 and Curacao beginning in November 2001. World Gaming is one of the few primary developers and operators of casino and other gaming software in the world. During the year ended December 31, 2001, 100% of our revenue from Internet gaming software was attributable to the World Gaming relationship. As part of the licensing agreement with World Gaming, we have the right to sublicense its software. World Gaming is our sole licensor, therefore the loss of the World Gaming relationship could have a material adverse effect on our business, revenues, operating results and financial condition. Although we expect to diversify risks associated with dependence on World Gaming by entering into arrangements with additional licensors there can be no assurance that such diversification will be successful or that we will be able to reduce our dependence on one or a small group of licensors.

The original term of our license agreement with World Gaming was for one year. In November 2001, we signed a three year license agreement with Starnet Systems N.V. doing business as World Gaming Systems. The terms of our license or sublicense agreements vary, although averaging ten-year terms and providing for automatic renewal periods of ten years. There is a risk that our license agreement with World Gaming or our sublicense agreements with sub-licensees, will not be renewed or will otherwise be terminated in accordance with the terms of such agreements. In addition, in the event that a sub-licensee chooses to operate a different casino, there can be no assurances that such new casino will be operated using our software.

The trademarks or trade names under which all of our sub-licensees operate are the property of the respective sub-licensees. Although we are entitled generally to cause the continued operation of a casino on termination of a license or sublicense agreement, in certain cases this entitlement is limited and it generally does not include the operation of the casino under the existing name. A change in the name of the casino may lead to a loss of goodwill as methods such as e-mail to prior customers or banner advertisements must be relied upon to direct customers to the new casino site.

## **Operational Risks**

Our revenue and operating results may fluctuate in future periods and we may fail to meet expectations, which may cause the price of our common stock to decline. As a result of our limited operating history and the emerging nature of the Internet markets in which we compete, we are unable to forecast our revenue with precision. We anticipate that the results of our operations may fluctuate significantly in the future as a result of a variety of factors, many of which are outside our control. Factors that may affect our results of operations include, but are not limited to:

- the addition or loss of sub-licensees, or our failure to add new sub-licensees;
- our ability and the ability of our sub-licensees to attract and retain a large audience by providing original and compelling content and services;
- our ability to attract and retain advertisers and sponsors;
- seasonal trends in Internet usage and advertising placements;
- the amount and timing of expenditures for expansion of our operations, including the acquisition of new affiliates, the hiring of new employees, capital expenditures and related costs;
- our ability to continue to enhance, maintain and support our networks and technology and avoid system downtime; and
- the introduction of new or enhanced offerings by our competitors.

## **Key Individuals**

Our future success will depend to a significant extent on the continued services of senior management and other key personnel, particularly Michael Donaghy, our founder, President and Chief Executive Officer and Victor DeLaet, our Vice President. Any loss of a key employee could have a detrimental effect on our business. Currently no key-man insurance is in place with respect to Mr. Donaghy or any of our other personnel.

Our success is also dependent on our ability to attract, retain and motivate highly skilled technical and other personnel. While we have been successful in doing so thus far, there are a limited number of persons who possess the necessary technical skills and understanding, and competition for their services is intense. A failure to recruit or retain personnel could have a material adverse effect on our business, financial condition and results of operations.

### **Protection and Enforcement of Intellectual Property Rights**

We regard the protection of trademarks, copyrights and other proprietary rights as important to our success and competitive position. We do not have any patented technology that would prevent competitors from entering our market. Although we may seek to protect our trademarks, copyrights and other proprietary rights through confidentiality and “non-compete” agreements and common law precedents, these actions may be inadequate to protect them or to prevent others from claiming violations of their trademarks, copyrights and other proprietary rights. To date, we have not been notified that our services infringe on the proprietary rights of third parties, but third parties could claim infringement by us with respect to current or future services.

We currently license and may in the future license certain technologies from third parties, which may subject us to infringement actions based upon the technologies licensed from these third parties. Any of these claims, with or without merit, could subject us to costly litigation and divert the attention of our technical and management personnel. These third party technology licenses may not continue to be available to us on commercially reasonable terms. The loss of the ability to use such technology could require us to obtain the rights to use substitute technology, which could be more expensive or offer lower quality or performance, and therefore have a material adverse effect on our business.

### **Risks Associated With Foreign Operations**

It is anticipated that substantially all of our revenue will be derived from licensing or sublicensing and support fees in foreign countries. We and our sub-licensees are subject to the local laws and regulations in those jurisdictions in which we or they operate. While some jurisdictions have introduced regulations designed to restrict Internet gaming, other jurisdictions have demonstrated acceptance of such activities. As Internet gaming and its regulations are emerging, there remains a significant risk that participants in the industry, including us, our sub-licensees, may not be able to comply with such laws and regulations as they continue to develop. See also “Uncertainty as to the Legal Status of Internet Gaming” below.

In addition to uncertainty regarding the local legal status of Internet gaming in other jurisdictions, there are certain difficulties and risks inherent in doing business internationally, including the burden of complying with multiple and often conflicting regulatory requirements, foreign exchange controls, potential restrictions or tariffs on gaming activities that may be imposed, potentially adverse tax consequences and tax risks and political and economic instability. Changes in the political, regulatory and taxation structure of jurisdictions in which we operate and in which our sub-licensee customers are located could have a material adverse effect on our business, revenues, operating results and financial condition.

Likewise, our ability to expand our business in certain countries will require modification of our products, particularly domestic language support. Once a sub-licensee has posted its gaming site on the Internet, the site is available to users around the world. However, there can be no assurance that we will be able to sustain or increase revenue derived from international operations or that we will be able to penetrate linguistic, cultural or other barriers to new foreign markets. The failure to sustain or increase revenue from international operations could have a material adverse effect on our business, revenues, operating results and financial condition.

Our financial results are reported in United States currency which is subject to fluctuations in respect of the currencies of the countries in which we operate. Fluctuations in the exchange rate of the U.S. dollar and the Canadian dollar could have a positive or negative effect on our reported results. Given the constantly changing currency exposures and the substantial volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon future operating results. There can be no assurance that we will not experience

currency losses in the future which could have a material adverse effect on our business, revenues, operating results and financial condition.

### **Uncertainty of Enforcement of U.S. Laws and Judgments against Foreign Persons**

We and our wholly-owned subsidiaries through which we operate are organized under the laws of the Province of Ontario, Canada, St. Johns, Antigua and Curacao, Netherlands, Antilles, respectively; our executive offices are in Canada and we maintain an office in Antigua and Curacao, most of our directors and officers and certain of our advisers are residents of Canada, and a substantial portion of our assets and assets of those persons are located outside the United States. As a result, it may be difficult for you to initiate a lawsuit in the United States against us or these non-U.S. residents, or to enforce any judgment obtained in the United States against us or any of these persons. In addition, there is doubt as to the enforceability of:

- liabilities predicated on United States federal securities laws determined in original actions in the Province of Ontario or Antigua; and
- judgments of United States courts obtained in actions based upon the civil liability provisions of United States federal securities laws in the courts of the Province of Ontario or Antigua.

Consequently, you may be prevented from pursuing remedies under United States federal securities laws against us or other non-United States residents.

### **We Currently Depend On the Sale of a Single Product To Generate Most of Our Revenue**

We expect sales and customization of our web sites to constitute most of our revenue for the foreseeable future. If customers do not purchase our web sites, we do not currently offer any other products or services that would enable us to generate revenue or to become profitable.

### **Any Disruption of the Services Supported by Our Product due to Accidental or Intentional Security Breaches may Negatively Impact Our Business**

Because our activities involve the storage and transmission of proprietary information, such as credit card numbers and bank account numbers, if a third-party were able to steal a user's proprietary information, we could be subject to claims, litigation or other potential liabilities that could cause our expenses to increase substantially. In addition to purposeful security breaches, the inadvertent transmission of computer viruses could expose us to litigation or a significant loss of revenue. Although our sub-licensee agreements contain provisions which limit our liability relating to security, our sub-licensees or their customers may seek to hold us liable for any losses suffered as a result of unauthorized access to their communications. We may not have adequate insurance or resources to cover these losses.

Despite our efforts to maintain Internet security, we may not be able to stop unauthorized attempts to gain access to or disrupt transactions between our sub-licensees and their customers. Specifically, computer viruses, break-ins and other disruptions could lead to interruptions, delays, loss of data or the inability to accept and confirm the receipt of information. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to achieve secure transmission of confidential information. We cannot assure you that this technology or future advances in this technology or other developments will be able to prevent security breaches. We may need to expend further capital and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches.

### **We May Acquire Technologies or Companies in the Future and these Acquisitions Could Disrupt Our Business and Dilute Your Holdings in Our Company**

We may acquire technologies or companies in the future, especially to establish and strengthen our software development. Entering into an acquisition entails many risks, any of which could materially harm our business, including:

- diversion of management's attention from other business concerns;
- failure to effectively assimilate the acquired technology or company into our business;
- the loss of key employees from either our current business or the acquired business; and
- assumption of significant liabilities of the acquired company.

In addition, your holdings in our company will be diluted if we issue equity securities in connection with any acquisition.

**We May Not Have Sufficient Capital To Fund Our Operations And Additional Capital May Not Be Available On Acceptable Terms if At All.**

If we do not have sufficient capital to fund our operations, we may be forced to discontinue product development, reduce our sales and marketing efforts or forego attractive business opportunities. Any of these outcomes could adversely impact our ability to respond to competitive pressures and could have a material adverse effect on our business, financial condition and results of operations. We expect that the net proceeds from this offering and cash on hand will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. After that, we may need to raise additional funds which may not be available on acceptable terms, if at all. We may also require additional capital to acquire or invest in complementary businesses or products or obtain the right to use complementary technologies. If we issue additional equity securities to raise funds, your ownership percentage of our company will be reduced.

**Our Operating Results may be Impacted by Foreign Exchange Rates**

Substantially all of our revenue is expected to be earned in U.S. dollars. A significant portion of our expenses is incurred in Canadian dollars. Changes in the value of the Canadian dollar relative to the U.S. dollar may result in currency translation gains and losses and could adversely affect our operating results. To date, foreign currency exposure has been minimal. However, in the future we may consider hedging all or a significant portion of our annual estimated Canadian dollar expenses to minimize our Canadian dollar exposure.

**RISK FACTORS RELATED TO OUR INDUSTRY**

**Uncertainty As To The Legal Status Of Internet Gaming**

We and our sub-licensees as well as World Gaming are subject to applicable laws in the jurisdictions in which we or they operate. The ownership and operation of land-based gaming facilities in the United States, in particular, and elsewhere in the world is normally subject to extensive local, regional and federal government regulations. Due to the relatively recent development of casino gaming over the Internet, there are limited direct regulations that deal with this application and there is uncertainty as to the legal status of gaming over the Internet. While some jurisdictions, such as several Caribbean countries, have taken the position that Internet gaming is legal and have adopted or are in the process of reviewing and enhancing legislation to regulate Internet gaming, other jurisdictions have taken the opposite view and introduced legislation to attempt to restrict or prohibit Internet gaming. In addition, as companies and consumers involved in the Internet gaming market, including the end-users of our software and sub-licensees, are located around the globe, there is uncertainty regarding exactly which government has jurisdiction to regulate various aspects of the market. This uncertainty could affect us indirectly through the effect on our licensor, World Gaming or sub-licensees and their revenues and directly in the event that

we are restricted from conducting our activities. As a result, this could have a material adverse effect on our business, revenues, operating results and financial condition.

In 1997 and 1998, various bills were introduced in the United States Senate by Senator Jon Kyl and in the House of Representatives by others which, among other things, proposed to prohibit Internet gambling and penalize bettors, casinos and others associated with Internet gaming in the United States. None of these bills passed. On March 23, 1999, Senator Kyl introduced a revised proposal intended to prohibit and criminalize Internet gambling. At the end of 1999, the full Senate had approved the bill. On April 6, 2000, the Goodlatte bill, the companion bill in the House of Representatives, was approved by the House's Judiciary Committee. In December 2000, the Goodlatte bill failed to pass the House. There can be no assurance whether any such bill will become law in the future. Recently, New Jersey and Nevada state legislators have drafted bills aimed at legalizing and regulating online casinos. But to date, New Jersey and Nevada's efforts at passing such laws have not succeeded. In addition, certain states have passed or may pass legislation prohibiting or restricting Internet gaming.

In addition, on June 18, 1999 the National Gambling Impact Study Commission released its final report which recommended that the federal government prohibit Internet gambling not already authorized within the United States or among parties in the United States and any foreign jurisdiction. The effect of this or similar legislation, in the event that it becomes law, on government regulations in other jurisdictions and the impact of this legislation on our licensor, or sub-licensees, all of which are resident in and operate from jurisdictions other than the United States, and on us, is uncertain.

Existing Canadian law prohibits Internet gaming in Canada. While we do not permit transactions to originate in Canada on our websites and thereby comply with all applicable Canadian laws and regulations, there can be no assurance as to the possible impact of such laws on us, our licensor, sub-licensees or customers.

As well, existing legislation, including United States federal and state statutes, has been or could be construed to prohibit or restrict gaming through the use of the Internet and there is a risk governmental authorities may view us or our sub-licensees as having violated such statutes.

There is also a risk that criminal and civil proceedings, including class actions brought by or on behalf of public entities or private individuals could be initiated against us, our licensor, sub-licensees, Internet service providers, credit card processors and others involved in the Internet gaming industry. Legal proceedings relating to Internet gaming could involve substantial litigation expense, penalties, fines, diversion of the attention of key personnel, injunctions or other prohibitions being invoked against us or our licensor, sub-licensees or others. Such proceedings could have a material adverse effect on our business, revenues, operating results and financial condition.

Ongoing legislative or judicial developments in the United States may require us and our sub-licensees to determine whether it is necessary or advisable to discontinue processing gaming transactions originating in the United States. This would have a material adverse effect on our business, revenues, operating results and financial condition. All of our licensing and support fees are derived from sub-licensees domiciled outside of the United States. However, a substantial portion of our sub-licensees' revenue, from which we earn fees, is based on the Internet gaming of United States residents.

In any event, there can be no assurances that additional legislation or the burdens associated with complying with such legislation or regulations, which could have a material adverse effect on our business, revenues, operating results and financial condition, will not be proposed and passed in the United States or in other potentially relevant jurisdictions to regulate various aspects of the Internet or the Internet gaming industry.

### **Government Regulation Of Internet Commerce**

As electronic commerce on the Internet develops, it may be the subject of increasing government regulation. In this respect, there is a risk that well-established financial institutions and credit card companies will

be able to influence the development of regulations in a manner which prioritizes their interests over ours. In addition, much of the current legislation relating to commercial transactions pre-dates and may be incompatible with Internet electronic commerce. There can be no assurance that regulators will not choose to enact or enforce legislation in a manner that would restrict our operations and the operations of our sub-licensees and other aspects of the electronic commerce market. Any such developments could have a material adverse effect on our business, revenues, operating results and financial condition.

Existing Canadian, United States and international laws or regulations specifically regulate communications or commerce; however, the application of such laws in the context of the Internet and electronic commerce is uncertain. Further, laws and regulations that address issues such as user privacy, pricing, online content regulation, taxation and the characteristics and quality of online products and services are under consideration by federal, provincial, state, local and foreign governments and agencies. Several telecommunications companies have petitioned the United States Federal Communications Commission to regulate Internet service providers and online service providers. Moreover, it may take years to determine the extent to which existing laws relating to issues such as intellectual property ownership and infringement, libel and personal privacy are applicable to the Internet. The United States Federal Trade Commission and government agencies in certain states of the United States have been investigating certain Internet companies regarding their use of personal information. We could incur additional expenses if any new regulations regarding the use of personal information are introduced affecting the way in which we do business or if these agencies choose to investigate our privacy practices. Any new laws or regulations relating to the Internet, or particular applications or interpretations of existing laws, could decrease the growth in the use of the Internet, decrease the demand for our electronic commerce services, increase the costs associated with providing such services or transmitting data over the Internet or otherwise materially adversely affect our business, revenues, operating results and financial condition.

## **Market Acceptance And Technological Changes**

### *Internet Gaming Software*

We are developing and expect to sell our own proprietary Internet electronic commerce and Internet software application. Substantially all of our revenues to date have been derived from the sub-licensing of World Gaming's Internet gaming products and the sale of its associated services. Since we have acquired our own Internet gaming software, we expect that if we release our software, an increasing amount of our revenue will be derived from such licensing activities. Our continued success will depend in large part upon the success of our e-gaming software licensing and sublicensing World Gaming's Internet gaming software. Accordingly, broad market acceptance by our customers of gaming products and services is critical to our future success, as is our ability to design, develop, test and support, on a timely basis, new products and enhancements that meet changing customer needs and respond to technological changes and evolving industry standards. The markets for these technologies for the Internet are characterized by rapid and significant technological changes in the computer, software and telecommunications industries, as well as rapid changes in consumer preferences. In addition, there can be no assurance that we will not experience difficulties that could delay or prevent the successful development, introduction and marketing of our software or new products and enhancements, or that our software or new products and enhancements will be introduced in a timely fashion or will adequately meet the requirements of the marketplace and achieve market acceptance.

### *Electronic Commerce*

As the marketplace for electronic commerce is in the development stage, it is subject to frequent and rapid technological changes. The use of the Internet for commercial transactions is at an early stage of development and is rapidly growing. As is typical for new and rapidly evolving industries, demand and market acceptance for recently introduced services and products are subject to a high level of uncertainty. Global commerce and the on-line exchange of information on the Internet and other similar open wide area networks are new and evolving and the Internet may not prove to be a viable commercial marketplace because of inadequate development of the necessary infrastructure, failure to develop enabling technology or complementary services and products and/or adopt protocols and standards on a timely basis, inadequate commercial support or concerns over fraud and privacy

and confidentiality issues. The success of our electronic commerce services will depend in large part on the widespread adoption of the Internet for commercial transactions.

The development of the Internet for commercial transactions will also depend on acceptance of certain technology, including electronic commerce by credit card processors and financial institutions. The success of our electronic commerce operations will similarly depend upon acceptance of our software. There can be no assurance that we will not experience difficulties that could delay or prevent the successful development, introduction and marketing of new products and enhancements, or that our new products and enhancements will be introduced in a timely fashion or will adequately meet the requirements of the marketplace and achieve market acceptance. The failure to achieve or maintain such market acceptance could have a material adverse effect on our business, revenues, operating results and financial condition. In addition, there can be no assurances that our involvement in other markets will not have a detrimental impact on acceptance of the our products in the electronic commerce marketplace.

### **Dependence On The Internet**

The Internet has experienced, and may continue to experience, significant growth in the number of users and amount of traffic. This growth has caused and may continue to cause frequent interruptions and delays in processing and transmitting data over the Internet. There can be no assurance that the Internet infrastructure will continue to be able to support the demands placed on it by its continued growth. In addition, the Internet could lose its viability due to delays in the development or adoption of new standards and protocols to handle increased levels of Internet activity or due to increased governmental regulation. Moreover, critical issues concerning the commercial use of the Internet (including security, reliability, cost, ease of use, accessibility and quality of service) remain unresolved and may negatively affect the growth of Internet use or the attractiveness of commerce and communication on the Internet. Any well-publicized compromise of security could deter more people from using the Internet or from using it to conduct transactions that involve the transmission of confidential information, including e-gaming transactions. If critical issues concerning the commercial use of the Internet are not favorably resolved, if the necessary infrastructure is not developed, or if the Internet does not continue as a viable commercial marketplace, our business, revenues, financial condition and operating results will be materially adversely affected.

### **Risks Associated With Information Disseminated Through Online Services**

The law relating to the liability of online services companies for information carried on or disseminated through their services is currently unsettled. It is possible that claims could be made against online services companies under both domestic and foreign law for defamation, libel, invasion of privacy, negligence, copyright or trademark infringement, or other theories based on the nature and content of the materials disseminated through their services. In addition, legislation has been or may be proposed that imposes liability for or prohibits the transmission over the Internet of certain types of information. The imposition upon us and other online services providers of potential liability for information carried on or disseminated through their services could require us to implement measures to reduce our exposure to such liability, which may require us to expend substantial resources and/or to discontinue certain service offerings. In addition, the increased attention focused upon liability issues as a result of any lawsuits and legislative proposals could impact the growth of Internet use and the growth of our business.

### **Risks Associated With Encryption Technology**

A significant barrier to electronic commerce and communication is the secure transmission of confidential information over public networks such as customer names, addresses, credit card and bank accounts. Our electronic commerce software uses encryption and authentication technology to provide the security and authentication necessary to effect secure transmission of confidential information. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other events or developments will not result in a compromise or breach of the algorithms we use to protect customer transaction data. If any such compromise of our security occur, it could have a material adverse effect on our business, revenues, operating results and financial condition.

## **RISK FACTORS RELATED TO THIS OFFERING**

### **Control By Existing Shareholders; Anti-Takeover Effects**

As of May 5, 2002, Michael Donaghy, indirectly through his spouse, beneficially owned 42 % of our outstanding common shares and our executive officers and directors, including Mr. Donaghy, in the aggregate beneficially owned approximately 63.30% of our outstanding common shares. As a result, these shareholders, if acting together, would be able to exert substantial influence over us and to influence most matters requiring shareholder approval, including the election of directors, thereby permitting these shareholders to control our affairs. The voting power of these shareholders under certain circumstances could have the effect of delaying or preventing a change in our control, the effect of which may be to deprive you of a control premium that might otherwise be realized in connection with our acquisition.

### **No Public Trading Market**

There is, at present, no public trading market for our common shares, nor is there any assurance that any such market will develop, or if developed, that such market will be sustained. If an active public market for our common shares does not develop, the liquidity of your investment may be limited, you may not be able to sell your shares, and our share price may decline below its initial public offering price. Our common shares therefore are not a suitable investment for persons who may have to liquidate their investment on a timely basis and are therefore only suitable for those investors who are able to make a long term investment in us or who are able to sustain a total loss.

### **Possible Volatility Of Stock Price**

Many factors could affect the market price of our common shares. These factors include but are not limited to:

- Variations in our operating results;
- Variations in industry growth rates;
- Actual or anticipated announcements of technical innovations or new products or product enhancements by us or our competitors;
- General economic conditions in the markets for our products and services;
- Divergence of our operating results from analysts' expectations; and
- Changes in earnings estimates by research analysts

In particular, the market prices of the shares of many companies in the technology and emerging growth sectors recently have experienced wide fluctuations that have often been unrelated to the operating performance of such companies. When the market price of a company's stock drops significantly, shareholders often institute securities class action lawsuits against that company. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of our management and other resources. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

### **We Will Have Broad Discretion in How We Use The Proceeds of This Offering and Our Use of Those Proceeds May Not Yield A Favorable Return**

We intend to use the proceeds from this offering for general corporate purposes, including working capital, and potential acquisitions. Accordingly, we will have broad discretion in using these proceeds. You will not have the opportunity to evaluate the economic, financial or other information that we may use to determine how we use these proceeds.

## **Our “Best Efforts” Self-Underwritten Offering may be Unsuccessful**

We cannot provide any assurance that this “best efforts” self-underwritten offering will be successful in generating the amount of working capital we require to develop and expand our business.

### **You Will Suffer Immediate And Substantial Dilution.**

The initial public offering price of our common shares will significantly exceed the net tangible book value per share of our common shares. Accordingly, if you purchase common shares in this offering, you will incur immediate and substantial dilution of your investment. See ‘Dilution.’”

Our common stock may trade in the over-the-counter market on the so-called "pink sheets" or, if available, the "OTC Bulletin Board." As a result, an investor may find it more difficult to dispose of, or to obtain accurate quotations as to the value of, our common stock. Because our common stock is subject to federal securities rules affecting penny stock, the market liquidity for our common stock may be adversely affected.

Our common stock could become subject to additional sales practice requirements for low priced securities. Our common stock could become subject to Rule 15c-9 under the Securities Exchange Act of 1934, which imposes additional sales practice requirements on broker-dealers that sell our shares of common stock to persons other than established customers and "accredited investors" or individuals with net worth in excess of \$1,000,000 or annual incomes exceeding \$200,000 or \$300,000 together with their spouses.

The rule:

Requires a broker-dealer to make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities and may affect the ability of our shareholders to sell any of our securities in the secondary market; generally define a "penny stock" to be any non-Nasdaq equity security that has a market price less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions; requires broker dealers to deliver, prior to a transaction in a penny stock, a risk disclosure document relating to the penny stock market.

Disclosure is also required to be made about compensation payable to both the broker-dealer and the registered representative and current quotations for the securities. In addition, the rule requires that broker dealers deliver to customers monthly statements that disclose recent price information for the penny stock held in the account and information on the limited market in penny stocks.

## **FORWARD-LOOKING STATEMENTS**

Statements under "Prospectus Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Business" and elsewhere in this prospectus about our future results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in our forward-looking statements. These factors include, among others, those listed under "Risk Factors" or described elsewhere in this prospectus.

In some cases, you can identify forward-looking statements by our use of words such as "may", "will", "should", "could", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "projects", "potential" or "continue" or the negative or other variations of these words, or other comparable words or phrases.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements or other future events. Moreover, neither we nor anyone else assumes responsibility for the accuracy and completeness of forward-looking

statements. We are under no duty to update any of our forward-looking statements after the date of this prospectus. You should not place undue reliance on forward-looking statements.

#### USE OF PROCEEDS

We expect to receive approximately \$1,855,000 in net proceeds from the sale of 2,000,000 common shares for cash in this offering after deducting \$40,000 for offering expenses (legal and accounting fees, registration fees and printing costs). We have also agreed to pay West America up to \$100,000 in cash plus expenses of up to \$5,000 to act as a Subscription Agent for the Offering. The principal purposes of this offering include obtaining additional working capital, creating a public market for our common shares and facilitating our future access to the public capital markets.

We intend to use the net proceeds of this offering for general corporate purposes, including working capital. In addition, we may use a portion of the net proceeds to fund acquisitions of, or investments in, businesses, products or technologies that enhance, expand, complement or are otherwise related to our current business. However, we have no present agreements or commitments with respect to any acquisition or investment. We have broad discretion in allocating the net proceeds of this offering. Pending these uses, we expect to invest the net proceeds in short-term, interest-bearing investment grade securities.

We will not receive any proceeds from the issuance of common shares in repayment of indebtedness, but our doing so will improve our balance sheet and the financial ratios that are derived from our balance sheet, such as working capital. See "Capitalization".

#### DIVIDEND POLICY

We have never declared or paid any cash dividends on our common shares. We currently intend to retain any future earnings to fund the development and growth of our business and we do not anticipate paying any cash dividends in the foreseeable future.

#### CAPITALIZATION

The table below describes our capitalization as of December 31, 2001 on an actual basis; on a pro forma basis as adjusted to give effect to the receipt of estimated net proceeds of \$1,855,000 from the sale of 2,000,000 common shares for cash to be sold in this offering based on the estimated public offering price of \$1.00 per share.

	As of December 31, 2001	
	Actual	Pro Forma
	-----	-----
Cash and cash equivalents.....	\$ 508	\$1,855,508
Working Capital:	(417,895)	1,437,105
Total assets.....	523,488	2,378,488
Total long term liabilities, net of current portion.	-0-	-0-
Accumulated deficit.....	(2,218,796)	(2,218,796)
	=====	=====

#### DILUTION

Persons who acquire common shares in this offering will experience immediate and substantial dilution. Net tangible book value (deficit) as of December 31, 2001 was (\$407,628) or (\$0.02) per share. Net tangible book value per share represents the amount of our total tangible assets less the amount of our total liabilities as of December 31, 2001, divided by the number of common shares outstanding. After giving effect to this offering, receipt of the net proceeds and the repayment of our indebtedness, the pro forma net tangible book value as of December 31, 2001 would have been \$1,586,060 or \$0.07 per share. This represents an immediate increase in net tangible book value of \$0.09 to existing shareholders and an immediate dilution of \$0.93 per share to persons who acquire common shares in the offering. The following table illustrates the per share dilution:

Public offering price per share.....	\$1.00
Net tangible book value per share before the offering.....	(0.02)
Increase in net tangible book value per share attributable to the offering.....	0.09
Pro forma net tangible book value per share as adjusted for the offering.....	0.07
Dilution in net tangible book value per share to new shareholders.....	0.93

The following table sets forth, on a pro forma basis, the difference between the current shareholders and the new shareholders in the offering with respect to the number of common shares purchased for cash or received in repayment of indebtedness, the total consideration paid/indebtedness repaid in connection with the offering and the average price per share paid.

	Shares Purchased		Average Total Consideration		Price Per Share
	Number	Percent	Amount	Percent	
Current shareholders	19,753,100	91%	\$2,296,855	53%	0.12
New shareholders	2,000,000	9%	\$2,000,000	47%	1.00
Total	21,753,100	100%	\$4,280,614	100%	

#### SELECTED CONSOLIDATED FINANCIAL DATA

The following selected financial data for the period of inception October 13, 2000 through December 31, 2000 and for the year ended December 31, 2001 is derived from our audited consolidated financial statements. The selected financial data, as well as the consolidated financial statements and accompanying notes, are prepared in accordance with accounting principles generally accepted in the United States. You should read the following selected consolidated financial data with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes in this Form F-1 and other financial information included elsewhere in this registration statement. The amounts set forth below are in United States dollars.

	From period of inception (October 13, 2000) through Year Ended December 31, 2000	Year Ended December 31, 2001
<hr/>		
<u>Statement of Operations Data:</u>		
Total revenues	\$ 112,172	\$ 401,793

Net Income/(Net Loss)	(100,896)	(2,117,900)
Basic and diluted net loss per share -	(0.01)	(0.12)
Weighted average number of Shares used in computing basic and Diluted net loss per share-	13,300,000	17,152,915

Balance Sheet Data:

Cash and cash equivalents	\$ -0-	\$ 508
Total current assets	121,880	107,879
Total assets	187,578	523,488
Total current liabilities	176,865	525,774
Total liabilities	176,865	525,774
Total accumulated deficit	(100,896)	(2,218,796)
Total stockholders' equity	10,713	(2,286)

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

You should read the following discussion in conjunction with our consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus.

Overview

Oxford Software Developers Inc., formerly International E Gaming Developers Ltd., was incorporated under laws of Ontario, Canada on October 13, 2000 as a holding company. International E Gaming Developers, Inc., our wholly-owned subsidiary through which we operate our business, was incorporated under the laws of Antigua and Barbuda, British West Indies on November 3, 2000. In November 2001, we incorporated a subsidiary, International E Gaming Developers N.V. under the laws of Curaco, Netherlands Antilles, through which we now have our license to conduct online e-gaming. We were incorporated with the objective of capitalizing on the growth of Internet gaming and entertainment - e-gaming. In April 2001, we acquired the assets of Suchow Holdings Ltd., a Bahamian-based company which provided back-end administrative software solutions for e-commerce driven websites. We anticipate becoming a leader in introducing innovative software products for the Internet gaming industry. We also intend to expand our market share of the Internet gambling market and become a leader in the Internet gaming industry.

The period from inception on October 20, 2000 to December 31, 2000 is not comparable to the fiscal year ended December 31, 2001 because we were just starting to engage in the operation and management of internet gaming sites in 2000. During the fiscal year ended December 31, 2001 we operated our own online casino, had 62 sub-licensees and managed over 5000 portals.

Our consolidated financial statements are prepared in accordance U.S. generally accepted accounting principles. Our functional currency is the Canadian dollar and our operating subsidiary's is the United States dollar. Our financial statements are reported in United States dollars.

Sources Of Revenue

Our product revenue consists of license and sub-license fees and web site customization fees. Our services revenue include amounts derived from hosting fees, royalties and revenue sharing arrangements on e-commerce transactions.

Revenue Recognition

Our licensing agreements contain multiple fee elements such as web customization, web hosting, licensing and marketing fees. Fees are allocated to the various components based on objective evidence of fair value, which includes the price charged as if the element was sold separately. We recognize revenue when there is persuasive evidence of an arrangement, such as a licensing agreement, when delivery has occurred, when there is a fixed or determinable fee and when collectibility is probable. When the fee is not fixed or determinable or when collectibility is not assured, the revenue is recognized when received. As amounts are collected, the appropriate revenue is recognized and deferred revenue is recorded for the annual amortizable portion as described below

Pursuant to our agreement with World Gaming, we are required to pay a decreasing monthly royalty fee of 25% to 10% based on net monthly revenues. According to the agreement, we must spend 15% of the net monthly casino revenues on advertising and marketing per month

We are subject to a 10% rolling reserve holdback on our revenue for a rolling six-month period by our credit card clearing company, World Gaming. A 10% six-month rolling reserve is a standard procedure in the e-gaming industry. We have received payments through September 2001.

#### Current Sources Of Revenue

##### License Fees

Our sub-licensees pay us up-front software licensing fees for the purchase of a web site. Licensing fees for e-gaming web sites are deferred and recognized throughout the first year of a sub-licensee's operation. Revenue from the sale of software sub-licenses to our related reseller is recognized upon sell-through to the unrelated third parties.

##### Web Site Customization Fees and Hosting Fees

Our existing customers require us, and our potential customers may require us to customize, host and manage the server infrastructure and software platform as part of the purchase of an e-gaming web site. Revenues from web site customization fees are recognized as sold to third parties. We provide hosting service for a monthly fee. The web hosting fees are deferred and recognized over a twelve month period. Revenue from the sale of software sub-licenses to our related reseller is recognized upon sell through to the unrelated third parties.

##### Royalties/Marketing

We earn monthly royalties and advertising revenue from casino operations. Revenue from casino operations, marketing and royalties are recognized monthly as earned.

#### *A. Operating Results*

The following is management's discussion and analysis of the our financial condition and results of its operations from the date of inception on October 13, 2000 to December 31, 2000 and for the fiscal year ended December 31, 2001. Because we are an emerging company the comparisons between the above financial statements may not be meaningful and may not necessarily be indicative of our future results of operation.

#### Fiscal Year Ended December 31, 2001

##### Revenues

For the fiscal year ended December 31, 2001, we reported a net loss of (\$2,117,900) or (\$0.12) per share. Revenues amounted to \$401,793, of which \$239,283 was from the sale of software licenses and casino operations, \$95,475 was from advertising, \$50,352 was from royalties from e-gaming activities and \$16,683 was from the sale of domain names.

### Cost of Revenues

Cost of revenues amounted to \$502,740 for the same period and consisted principally of casino operations (\$241,718) software amortization and expenses (\$55,785), commissions (\$109,904) and gaming license amortization (\$95,333).

### Selling, General and Administrative Expense

Selling, general and administrative expense ("SG&A") amounted to \$2,016,953 and consisted principally of consulting fees (\$1,626,767), professional fees (comprised of accounting, audit and legal) (\$187,725) other administrative and communication expenses (\$202,461).

SG&A expenses were due to our increased corporate activity, business development, sub-licensee acquisition, promotion and marketing. Professional accounting and legal expenses were attributable to our efforts to register as a public company with the Securities & Exchange Commission.

### Financial Condition, Liquidity and Capital Resources

At December 31, 2001, the Company had cash and cash equivalent assets of \$508 and total current assets of \$107,879 consisting principally of cash and cash equivalents, receivables of \$76,639 and prepaid license fees of \$35,732.

Operations used \$125,802 for the fiscal year ended December 31, 2001. Funds used in operations primarily relate to professional fees regarding the registering of the company with the Securities and Exchange Commission.

Investing activities used \$73,494 for the fiscal year ended December 31, 2001, funds used in investing activities consisted of purchases of software licenses to support operations.

Financing activities provided \$280,149 for the fiscal year ended December 31, 2001. Funds provided by financing activities were from the sale of 1,724,666 shares of our common stock.

We had no long-term debt at December 31, 2001.

### Inception October 20, 2000 to the Fiscal Year ended December 31, 2000

#### Revenues

For the fiscal year ended December 31, 2000, we reported a net loss of (\$100,896) or \$0.01 per share. Revenues amounted to \$112,172, of which \$75,138 was from the sale of software licenses, \$29,416 was from advertising, \$1,052 was from royalties from e-gaming activities and \$2,074 was from the sale of domain names.

#### Cost of Revenues

Cost of revenues amounted to \$89,324 for the same period and consisted principally of casino operations (\$34,092), software amortization and expenses (\$22,903), commissions (\$23,481) and gaming license amortization (\$8,848).

#### Selling, General and Administrative Expense

Selling, general and administrative expense ("SG&A") amounted to \$128,703 and consisted principally of advertising and marketing (\$34,208), consulting (\$51,649), professional fees (comprised of accounting, audit and legal) (\$28,587), communications, (\$6,903), travel (\$2,598) and other administrative expenses (\$4,758).

SG&A expenses were due to our increased corporate activity, business development, affiliate acquisition, promotion and marketing. Professional accounting and legal expenses were attributable to the our efforts to register as a public company with the Securities and Exchange Commission.

#### Financial Condition, Liquidity and Capital Resources

At December 31, 2000 we had no cash or cash equivalent and total current assets of \$121,880 consisting principally of receivables of \$18,429 and prepaid license fee of \$103,451. See "Certain Transactions." In addition, our e-commerce transactions are settled within 30 days following the month-end of the month of the transactions and outstanding fees remaining from sub-licensees for front-end design of casino web sites pursuant to sub-licensee agreements.

Operations used \$1,903 of cash for the fiscal year ended December 31, 2000. Funds used in operations primarily relate to increases in receivables and prepaid license, which were partially offset by increases in payables and by various non-cash charges to earnings.

Investing activities used \$67,634 for the fiscal year ended December 31, 2000. Funds used in investing activities consisted of purchases of software license and equipment to support operations.

Financing activities provided \$69,430 for the fiscal year ended December 31, 2000. Funds provided by financing activities were from the sale of 2,100,000 shares of our common stock.

We had no long-term debt at December 31, 2000.

## BUSINESS

### **Business Overview- The Company**

We were incorporated on October 20, 2000 with the objective of capitalizing on the growth of Internet gaming and entertainment -- e-gaming. We hold a license to gaming software issued and operated by World Gaming, plc (formerly, Starnet Communications International Inc.) pursuant to a gaming license issued by Curacao, Netherlands Antilles. Our World Gaming license allows us to operate a full-service casino and to also market sub-licenses of World Gaming software. As of May 5, 2002, we had 62 sub-licensees, managed over 5000 portals and provided advanced technology and gaming software through our license with World Gaming. In addition, we own and operate our own online casino. We also provide our sub-licensees with other services, including advertising, marketing, 24/7 technical and client support, site maintenance and secure financial processing.

In December 2000, we were approached by Victor DeLaet of International Gaming Consultants Inc. with a business opportunity to take on 17 new e-gaming customers who were formerly the customers of CyberGaming Entertainment Inc. We entered into a contract with International Gaming which in turn entered into a contract with each customer to provide each with a website and each customer received a discount on the cost of the website. We also extended credit to these new customers for 100% of the cost of the websites. In exchange, we received the right to monthly back-end revenues equal to 15% of the billings for credit clearing, together with 60% of the gross revenues generated on each customer's website, which would go to repaying the credit we extended to the individual gaming site. Thereafter we will receive an ongoing revenue stream of 15% of gross revenue generated from each casino site.

We recently acquired our own proprietary software which we intend to sell to another vendor. Individuals who wish to license an Internet casino deposit funds with us using our secure electronic commerce software application. Each end-user has an electronic commerce account with us and all commerce transactions with licensed merchants are recorded in the end-users account. On a weekly and/or monthly basis, we transfer to our sub-licensees the net transaction revenues less licensing and support fees payable to us. We generate revenues through such licensing fees, fees for software support of our Internet-based software and fees charged to end-users for electronic commerce services. All gaming transactions are processed through gaming services located in the jurisdiction in which the operator is licensed to conduct an Internet casino.

We are directing our activities primarily towards Internet software sub-licensing. Our principal focus is the development, licensing, sub-licensing and support of Internet-based software and electronic commerce software to the Internet gaming industry. Through a subsidiary, we currently license World Gaming software package to 62 Internet casino sub-licensees located in various countries. Each of our sub-licensees has represented and demonstrated to us that it is licensed or is in the process of being licensed by the relevant authorities in its jurisdiction to operate virtual casinos on the Internet. Initially, as part of the issuance of a software license, the sub-licensee generally pays us a one-time customization fee. This customization fee is for designing the casino as desired by the sub-licensee. Ongoing licensing and support fees payable to us pursuant to our licensing agreements with sub-licensees are calculated as a percentage of the sub-licensee's net transaction revenues.

Our Internet-based software and electronic commerce software products licensed to us by World Gaming are used by sub-licensees to create "virtual casinos." Our software package transfers the "front end" information (i.e., playing cards, roulette wheel, dice numbers, etc.) between the user and a remote server. Our software package utilizes each user's computer to generate the graphics of the virtual casino while the gaming server performs the "dealer" function, generating the random numbers of playing cards, roulette numbers and dice numbers, as applicable.

Among other things our software contains proprietary encryption features, which allow secure transmission of data. Our software generally does not require the transmission of graphical information over the Internet, which eliminates the long waits which users of other software products experience while graphics are redrawn as new hands are dealt. In addition, our proprietary Internet software package permits our sub-licensees to offer multi-player games, a 3D panoramic virtual casino floor and Internet browsing features and facilitates inter-player chatting.

Our objective is to become a leader in introducing innovative software products for the Internet gaming industry.

We also provide Internet-based electronic commerce support and technology to our sub-licensees and maintain electronic commerce accounts for both merchants of our electronic commerce software and their end-users. We reports and remit to the sub-licensees their respective share of the net transaction revenues less licensing and support fees payable to us (as outlined in the applicable licensing agreement). Utilizing our electronic commerce software, users can purchase electronic cash by credit card number, transfer from their bank account, wire transfer, money order or personal check and can either spend the cash with one of our third party business merchant partners or have the balance in their account returned through their credit card account or by check. Users of our electronic commerce software product are charged nominal fees for using this service.

We believe that Internet gaming is experiencing rapid expansion and, according to published reports, will grow to over US\$10 billion by 2002. As a result, we intend to be a significant gaming and marketing packager in this industry. On-line casinos enjoy a significant advantage over their land-based counterparts, in part, because real estate, payroll and operational expenses are considerably lower.

We expect to reach 50 million on-line gamblers forecasted to be playing online by 2002. We offer a suite of casino games from Blackjack and Red Dog to country-specific games such as Pachinko, Pai Gow Poker and Chuck-A-Luck, attaching global appeal to our related gaming sites. We offer multi-player games, on-line chat,

multi-language casino environments, tournament play and the ability to dynamically add new games, which assures sub-licensees of always having cutting-edge software to offer their customers.

Enhanced technology and networks, and a flow of both improved and new software products developed by us and/or licensed from World Gaming will complement a high level of marketing. This provides the gaming customer with the widest diversity of gaming experiences. Venues offered range from currently available casino games, sportsbooks and bingo, to the upcoming live horseracing paramutual web simulcasts, international lottery ticket brokerage and other live webcast events. We intend to make this type of diversified portfolio of gaming experiences available to our affiliates and so to their customers.

We offer both downloadable Windows client-based casino software and no-download Java games, to help reach the maximum customer base possible. With over 20 proprietary casino games, we have a large suite of on-line gaming products available.

### ***Business Strategy***

Operating within the online gaming industry, we developed a comprehensive business strategy designed to utilize our strengths and create a sustainable competitive advantage. The rapid development of the Internet has created opportunities to develop new, efficient and secure ways to deliver information and entertainment to customers. We intend to expand our market share of the Internet gambling market and become a leader in the Internet gaming industry.

Initially, we will derive our revenue from the following sources:

- Sale of e-gaming software licenses;
- Sale of e-gaming software sub-licenses;
- Provision of marketing services, support maintenance and consulting services to sub-licensees;
- Collection of royalty income produced from the net monthly income of our sub-licensees; and
- Ownership and operation of a full service e-gaming casino — AICasino.com.

Specifically, our key strategic objectives are to:

- Expand and continually improve our proprietary e-gaming software;
- Develop an integrated network of licensed Internet casinos;
- Develop our role as a leading provider of Internet gaming software and services;
- Expand geographically to other markets; and
- Selectively pursue opportunities that allow us to leverage our marketing and Internet competencies into other market segments.

We will employ a variety of strategies to achieve these objectives. These strategies include:

- Rapidly expanding our presence in Internet gaming markets;
- Obtaining rapid license sales and increasing market penetration *via* the provision of casino operation opportunities to competent sub-licensees/operators at a substantial discount from the cost of a stand-alone casino license and development of a solid marketable brand image;
- Promoting our brand name and driving traffic to sub-licensees' sites by combining traditional offline strategies, including public relations and print, with online marketing vehicles;
- Negotiating strategic partnerships with relevant web sites, together with registration of a proliferation of site names (URLs) for each casino site; and
- Accessing the customer base to generate a rapidly growing and potentially fertile source for marketing and promotional activities.

### ***Marketing Overview***

## *Casinos*

We are responsible for on-line marketing and promotion of all Internet casinos we license. Michael Donaghy, our President, has over 6 years experience in on-line promotion and website construction. The core requirement to ensure that online casinos and sportsbooks will be profitable is to get as much traffic to the sites as possible, in terms of the number of hits or unique visitors reaching the sites in a given day. Research and actual experience with other casino sites show a direct relationship between the number of unique visitors to the total amount wagered and to the corresponding net monthly revenue after costs. That is, profits from the casinos sites normally range from 4% to 6% of the total amount wagered, which is itself a direct result of the total number of unique visitors to the sites. The more money the casinos net, the higher the revenue we receive. Therefore, we collect monthly advertising amounts from our sub-licensees to ensure that they spend a minimum amount monthly on increasing traffic through the various methods described below.

One of the most economical methods of obtaining traffic to sites is to have a number of websites or URLs pointed to the main casino sites that have our software or World Gaming's software. Using this technique, we can submit all the website names through the search engines and thereby get multiple listings of the casinos. We recommend that each sub-licensee purchase at least 25 names to receive optimum exposure and successful casino operation. Correct search engine placement is generally considered to be of the utmost importance to proper indexing and placement of a website. According to published reports, there are an estimated 800 million websites currently on-line, containing more than 6 trillion characters. We currently have over 5,000 URL's pointed at our own casino, AICasino.com. A hit on our corporate website or any one of the URLs registered to us or our sub-licensees will result in immediate access to a gaming site.

Another method we use is to purchase traffic from other sites. Normally, the cost for this traffic is around \$.03 to \$.05 per visitor. We will negotiate purchases on behalf of our sub-licensees to get the highest quality traffic possible. Sub-licensees then pay only for the number of people reaching their sites and only for the actual cost of the advertising.

Finally, the placement of banner advertising, though time-consuming, is also very effective in generating traffic. Normally, website owners are paid 25% of the net monthly revenue from advertising.

Another form of promotion of the casino sites will be in the form of a newsletter. On each site, visitors will be allowed to leave their e-mail addresses. Then we will occasionally send out news releases to these past visitors inviting them to revisit the site. They can be reminded to bet on large sporting events such as World Cup Rugby, Super Bowl, Stanley Cup, or any other major world sporting event. Also, when new features are introduced to the sites, newsletters can be used to launch these features and invite visitors to try them out.

An unaffiliated consulting company has advised us that there is a large, untapped potential customer base that could be accessed through the inclusion of sites/casinos capable of using various languages. Therefore, in an effort to reach this larger potential client base, we have begun the process of converting our websites into a variety of languages, based on the Internet's usage statistics per country and language, beginning with Spanish. We are involved in a cross banner exchange program and we also utilize traditional advertising such as print media, flyers, matchbooks, etc. on a cost effective basis. We keep close watch on our competition to determine what they are offering and we also check to see where we are placed on search engines and we tailor our marketing plan accordingly to keep us competitive.

## *Sub-Licensees*

Through our arrangements with World Gaming, we are able to offer packages of World Gaming's software at a substantial discount to the normal cost to start up a casino, and can fund a portion of the purchase price internally by deducting it from operating revenues. We believe that a low introduction price into an integrated casino-marketing program is attractive to investors and that successful casino operations will contribute to sales of further e-gaming sites. Therefore, by ensuring that a portion of available funds is applied to a properly

structured, integrated marketing program that promotes the relevant websites, we will have a hand in the success of our sub-licensees' casinos and will not need to expend funds on marketing the sub-licensees themselves.

## **Operations and Technology**

Our agreement with World Gaming permits us to utilize its software and to market the software to sub-licensees who will operate under the auspices of our gaming license with World Gaming.

On-line revenues generated by sub-licensees casinos are processed through World Gaming, which use proprietary encryption processing technology to process credit card transactions via the Internet with ease and security. World Gaming then provides regular transactional reporting to us on a continuing basis, on-line. On a monthly basis World Gaming provides a reconciliation report, which we analyze and break down for reporting to individual affiliates. At the same time, we receive gaming activity funds from World Gaming, net of World Gaming 25% share, which we then divide and provide to our affiliates in accordance with their entitlements. All funds are held in a segregated trust account pending remittance.

World Gaming also provides custom database systems to manage customer accounts, marketing and consulting, 24-hour technical support for the affiliates and their customers, and an e-commerce gateway to facilitate on-line wagers and financial transactions. These services are all included in our annual license fees and World Gaming's 25% share of net gaming revenues.

### *The Industry*

The world's first virtual online casino commenced operation on August 15, 1995 with 18 different casino games and online access to the National Indian Lottery. Since then hundreds of gambling related sites have opened up on the Internet. Most of the companies operating these web sites are located offshore and are largely unregulated. Gaming technology is evolving rapidly, creating more accessible and more entertaining gaming sites.

### *Online Gaming*

There are many facets to the online gaming industry. These include Sports Books, Lotteries, Scratch Cards, Casinos, Bingo and Horse Racing. Web sites have been developed around each one of these gaming segments, either individually or in various combinations within a single site.

While a significant portion of gaming revenue is generated within the United States, European and Pacific Rim countries in particular are anticipated to experience the fastest growth of Internet gaming in the world. Hong Kong and Japan are believed to be the largest markets for certain forms of gaming such as horse racing. South America is also an important market, with a particularly high level of participation in Bingo and Soccer betting. We are presently exploring gaming opportunities in Thailand.

### *Competition*

As with any growing business, competition exists. With respect to the ownership and operation of A1Casino.com, as well as the operation of sub-licensee sites, there are an estimated 650 casino sites on the Internet and this number is continuing to expand. Adjusting for multiple site ownership, we believe that there are at least 250 actively managed casinos. However, we believe that individuals with little or no professional marketing or branding experience own many of these casinos.

Many of the casino/gaming sites operated by competitors have achieved a high level of success. However, we believe that such success is generally identified with a single site. Such sites do not generally utilize brand marketing strategies to co-promote their sites with others or to help build an integrated, homogeneous profile that will cause gamers to develop confidence in the operator's name and methods beyond that confidence resulting from

the individual player's personal experience. We plan to address these issues and create a level of tradename identification that will communicate to the player the highest possible standards of play in all our sites.

A number of other groups market software and/or licensing opportunities to prospective casino/gaming site operators. Such brand identification as may exist relates almost exclusively to software. We plan to bring forward the best available software to our affiliates at a reasonable cost. It is our corporate vision to ultimately offer a number of different software packages that can be properly administrated. We also believe that a primary opportunity exists in creating a sophisticated marketing plan that focuses on providing a wide variety of playing opportunities that meet a uniformly high standard of integrity that is inextricably identified with our tradename and is available through a number of sites.

We offer a product that is very price competitive with other casino site marketers. In addition to the advantages that are offered relating to branding and playing confidence, we also provide access to an experienced and sophisticated marketing group. This group will actively participate in the promotion of each affiliate's site.

E-gaming is a marketing business similar to the land-based casino business. Land-based casinos are constantly developing new marketing strategies to attract players and keep them. The majority of e-gaming sites are devoid of a strategic marketing plan, either because of inexperience or a lack of capital.

We have studied the industry and identified our major competitors, including Global Interactive, Tropika International Limited, GIC Global Entertainment Corp. and IGN Internet Global Network, Inc. World Gaming and Cryptologic Inc. are also technology providers to such competitors.

#### *Research and development, patents and licenses, etc.*

On January 25, 2001, we entered into a software licensing agreement with World Gaming and also paid World Gaming a one-time, non-refundable software development fee for our own virtual casino. Pursuant to our agreement with World Gaming, we are required to pay a decreasing monthly royalty fee of 25% to 10% based on net monthly revenues. According to the agreement, we must spend 15% of the net monthly casino revenues on advertising and marketing per month. The term of the license agreement is for one year with automatic one-year extensions. The license allows us to assign sub-licenses.

We are subject to a 10% rolling reserve holdback on our revenue for a rolling six-month period by our credit card clearing company, World Gaming. A 10% six-month rolling reserve is a standard procedure in the e-gaming industry. We have received payments through September 2001.

On November 20, 2001, through a subsidiary, in an agreement with World Gaming, we acquired a three-year gaming license from the Curacao Chamber of Commerce and Industry.

#### *Trend Information*

##### *The Internet*

The Internet continues to grow at a high rate in terms of the number of users online, the total revenue being generated online and the speed at which communications can be carried. All of these factors contribute to a parallel growth in the number and value of online gaming transactions globally.

According to published reports, the popularity of the Internet and the continuing increase in the on-line population has established it as one of the fastest growing communications mediums in history, reaching an estimated 50 million users worldwide within only 5 years since its establishment for business and personal use.

Comparably, radio did not reach the same level of exposure for 38 years, television for 13 years and cable for 10 years.

The intense increase in Internet penetration is due to several major factors, the first and foremost relating to PC penetration. Most PCs are equipped with some form of Internet access, and most homes have telephone lines. Once a PC is inside a home, the Internet is a natural part of its use. Second, technology advances in personal computers for the home and office, as well as those that help connection speed, encourage the use of the Internet. Most product developments, such as computers that offer Internet access by the touch of a button, make the Internet experience more enjoyable and, therefore, consumers are drawn to it. Lastly, the content on the Internet is self-enforcing. Advertising on the Internet directs consumers go to other websites, thus extending the average time that users spend on the web. North America has dominated the development of the Internet, but the greatest growth potential is outside that region.

### *The Economy*

We believe that significant opportunities exist for e-gaming and Internet entertainment activities. Specifically, we believe that e-gaming purchases and activity will continue to increase as we focus on providing a wide variety of gaming opportunities. We expect such increases to occur primarily as a result of a marketing plan and the development of relationships with various sub-licensees.

### *Forward Looking Information*

*We are projecting positive cash flow.*

We are projecting positive cash flow for the fiscal year ending December 31, 2002, but anticipate increased expenses. It is expected that these expenses will be caused primarily by:

- costs for software and related applications
- startup, including personnel and office costs
- marketing costs
- sub-licensee acquisition costs
- legal and accounting costs

*We are in the emerging stage.*

We have a limited operating history since our operations began in November 2000. Consistent with other software development and e-gaming related companies, expenditures are heavily weighted in favor of our software development, marketing, customer acquisition and sub-licensee acquisition efforts. We realize that these expenditures are necessary in order to compete for customers more effectively and to develop a profitable Internet e-gaming company capable of surviving and prospering well into the future.

We expect to continue developing our sub-licensee relationships by adding new sub-licensees to our network of online casino sites and improving functionalities based on customer needs, requests and requirements. In the event that we target an appropriate acquisition or licensing candidate, which we currently have not, we may require additional funding to consummate such a relationship.

We do not currently have sufficient financial resources to meet the funding requirements referenced above. Accordingly, in addition to this offering we are currently seeking funding from outside sources. At the date hereof, we have no firm commitments from anyone to provide additional funding. If this offering is successfully consummated, our balance sheet will improve because we will have more working capital.

EMPLOYEES

As of December 31, 2001, we had a total of 16 full-time employees: 11 in Toronto, Ontario, 3 in Calgary, Alberta, 1 in Regina, Saskatchewan and 1 in Bangkok, Thailand. None of our employees are covered by any collective bargaining agreement. We believe that our relations with our employees are good.

#### LEGAL PROCEEDINGS

We are not currently subject to any material legal proceedings.

#### FACILITIES

Our registered office and principal executive offices are located in the City of Toronto, in the Province of Ontario, Canada, at 488 Huron Street, Toronto, Canada M5R 2R3. The registered office and principal executive offices of our Antigua subsidiary are located at No. 6 Temple Street, St. John's, Antigua, at our Antigua counsel's office, without any lease or charge. Our Curacao office is located at Landhais Joonchi, c/o Richard J. Beaujon z/n, P.O. Box 837 in Curacao, Netherland Antilles.

We lease 1200 square feet of office space at 22 King Street, Oshawa, Canada from an unaffiliated party. The office space provides us with the necessary office and development space. The term of the lease is three years beginning April 1, 2000, with rent of \$1,000 per month.

We occupy the office space at No. 6 Temple Street, St. John's Antigua, without lease or charge, from our Antigua counsel. The office space provides us with the necessary office and development space.

#### MANAGEMENT

##### DIRECTORS AND EXECUTIVE OFFICERS

Set forth below are particulars respecting our current directors and officers as of December 31, 2001, and the business experience of each such person:

<u>Name</u>	<u>Business Address</u>	<u>Position</u>
Michael Donaghy Officer,	488 Huron Street  Toronto, Ontario Canada M5R 2R3	Chief Executive  President and Director
Victor DeLaet	250-480 Broad Street Regina, Saskatchewan S4R IX3	Vice President and Director
Thomas Sheppard	488 Huron Street Toronto, Ontario Canada M5R 2R3	Secretary
Philip Head	2217 Sealy Galveston, Texas 77550 S4R IX3	Director

Brent Pickles

1235-7<sup>th</sup> Avenue S.W.  
Suite 207  
Calgary, Alberta T2T 0C2

Director

*Michael Donaghy, President.* Mr. Donaghy, age 41, has been our President, since inception. From February 2000 to October 2000 he served as Interim President of Zaurak Capital Corp., an e-gaming holding company. In 1999 he formed and was named President and Chief Executive Officer of CyberGaming Inc., a company engaged in the business of Internet e-gaming sub-licensing, website creation and hosting. Mr. Donaghy resigned as President and CEO of CyberGaming Inc. in September 2000, just prior to joining us. Mr. Donaghy is also President of Citywebsites.com, a website design company, since March 1995.

*Victor DeLaet, Vice President.* Mr. DeLaet, age 47, has been our Vice President and Director since inception. He has been the President of DeLaet Financial Services from April 1990 to present. From May 2000 to September 2000, Mr. DeLaet was a consultant to International Gaming Consultants, Inc., for marketing and selling on-line casinos.

*Thomas Sheppard, Secretary.* Mr. Sheppard, age 52, has been our Secretary since December 2001. He has been practicing law since 1978 in the areas of corporate-commercial law, securities law and real estate, with a particular emphasis on financing transactions. He is experienced in counseling emerging companies in the early stages of financing, helping them to identify merger targets and joint venture partners, and guiding them through the Initial Public Offering process in Canada and the United States. Mr. Sheppard is a director of a number of corporations and not-for-profit organizations in Canada. Mr. Sheppard received a B.A. from York University and an L.L.B. from the University of Ottawa

*Philip Head, Director.* Mr. Head has been our Director since July 2001. Since 1997, he has been the Chief Executive Officer and president of Guardian Group of America, an organization that caters to the needs of senior citizens. Mr. Head is a Master Certified Estate Planner, Certified Wealth Transfer Practitioner and a Certified Senior Advisor.

*Brent Pickles, Director.* Mr. Pickles, age 29 has been a Director since November 2001. Prior to joining us, he was a partner/owner of a General Motors Canada, Ltd automobile dealership for ten years. Mr. Pickles was one of the top business managers in Canada's automotive industry.

#### Committees Of The Board Of Directors

Our board does not currently have any committees. However, we plan to establish a stock option committee to administer any future stock option plans, a compensation committee to review and make recommendations to the board on compensation matters and an audit committee to oversee the retention, performance and compensation of our independent auditors, and the establishment and oversight of our systems of internal accounting and auditing controls.

#### Executive Compensation

*Compensation.* Mr. Donaghy received a salary of \$6,800 during the fiscal period ended December 31, 2000 and \$78,500 for the fiscal year ended December 31, 2001, as the Company's President and Chief Executive Officer. Mr. DeLaet received a salary of \$0 during the fiscal period ended December 31, 2000 and \$93,894 during the fiscal year ended December 31, 2001, as the Company's Vice President. No other compensation was paid to our executive officers.

#### COMPENSATION OF DIRECTORS

We do not presently pay any cash compensation to directors for serving on our board, but we do reimburse directors for out-of-pocket expenses for attending board meetings.

#### EMPLOYMENT CONTRACTS

We have employment agreements with our president and vice president, as discussed more fully below.

We entered into a three -year employment agreement with Michael Donaghy dated July 1, 2001 to serve as our President and also as the general manager of our wholly-owned subsidiary International E Gaming Developers Inc. Mr. Donaghy is entitled to receive an annual salary of \$125,000 (Canadian) plus customary vacation, medical, dental and life insurance benefits and reimbursement of certain business expenses. We may terminate the employment agreement for “cause” which includes, (i) failure by Mr. Donaghy to perform his duties in accordance with the employment agreement; (ii) Mr. Donaghy’s conviction for a criminal offense involving fraud, misappropriation of monies, property or rights of the Company or an act of moral turpitude; (iii) Mr. Donaghy’s willful malfeasance or willful gross misconduct; (iv) a breach of certain provisions of the employment agreement; and (v) for any reason permitted by law that would allow the Company to terminate the agreement without notice or for payment in lieu of notice.

We may also terminate the employment agreement prior to the end of the term by payment to Mr. Donaghy of a lump sum equal to his compensation and benefits payable under the agreement.

We entered into a three -year employment agreement with Victor DeLaet dated July 1, 2001 to serve as our Vice President. Mr. DeLaet is entitled to receive an annual salary of \$100,000 (Canadian) plus customary vacation, medical, dental and life insurance benefits and reimbursement of certain business expenses. We may terminate the employment agreement for “cause” which includes, (i) failure by Mr. DeLaet to perform his duties in accordance with the employment agreement; (ii) Mr. DeLaet’s conviction for a criminal offense involving fraud, misappropriation of monies, property or rights of the Company or an act of moral turpitude; (iii) Mr. DeLaet’s willful malfeasance or willful gross misconduct; (iv) a breach of certain provisions of the employment agreement; and (v) for any reason permitted by law that would allow the Company to terminate the agreement without notice or for payment in lieu of notice.

We may also terminate the employment agreement prior to the end of the term by payment to Mr. DeLaet of a lump sum equal to his compensation and benefits payable under the agreement.

#### STOCK OPTION PLANS

We presently do not have any stock option plans although we intend to establish one in the near future.

#### DIRECTORS' AND OFFICERS' INDEMNIFICATION

Under the Ontario Business Corporations Act, we are permitted to indemnify our directors and officers and former directors and officers against costs and expenses, including amounts paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which they are made parties because of their position as directors or officers, including an action against us. In order to be entitled to indemnification under this Act, the director or officer must act honestly and in good faith with a view to our best interests, and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the director or officer must have reasonable grounds for believing that his or her conduct was lawful.

Under our by-laws, we may indemnify our and our subsidiaries' current and former directors and our and our subsidiaries' current and former officers, employees and agents. Our by-laws also provide that, to the fullest extent permitted by the Ontario Business Corporations Act, we are authorized to purchase and maintain insurance

on behalf of our and our subsidiaries' current and past directors, officers, employees and agents against any liability incurred by them in their duties.

We believe that the provisions of our by-laws are necessary to attract and retain qualified persons as directors and officers. Currently, there is no pending litigation or proceeding where a current or past director, officer or employee is seeking indemnification, nor are we aware of any threatened litigation that may result in claims for indemnification.

#### CERTAIN TRANSACTIONS

We have a sub-licensee agreement with International Gaming Consultants, Inc., a company owned and controlled by Victor DeLaet, an officer and director. International Gaming has in turn entered into sublicense agreements with 17 third parties unaffiliated with us. The sublicense agreement between us and International Gaming are on the same terms as the sublicense agreements between us and unaffiliated third parties.

International Gaming does not own or operate a gaming web site. The cost per site for each of the sites referred to us by International Gaming is approximately \$45,000, which the sub-licensees are paying to us on a monthly basis from revenues generated by the websites. In addition, we have the right to receive recurring revenue of 15% of the revenue generated from each such casino site on a monthly basis. See "Business-The Company."

Full disclosure of this transaction was made to World Gaming and World Gaming consented to this sublicensing arrangement.

As of December 31, 2001, we owed Messrs. Donaghy and DeLaet \$121,068 and \$50,061, respectively for consulting services, for funds advanced to us and for other expenses paid on our behalf.

#### PRINCIPAL SHAREHOLDERS

The following table sets forth information relating to the beneficial ownership of the our common stock as of the date of this prospectus, and as adjusted giving effect to the offering, by those persons who beneficially own more than 5% of our common stock and by all of our directors and executive officers as a group, as of December 31, 2001. All officer and director addresses are c/o the Company at 488 Huron Street, Toronto, Ontario M5R2R3.

<u>Name and Address of Beneficial Owner</u>	<u>Position with the Company</u>	<u>Number of Shares Owned</u>	<u>Percent</u>
Michael Donaghy*	Chief Executive Officer	8,300,000	42.0%
Victor DeLaet**	Vice President and Director	2,251,833	11.40%
Thomas Sheppard	Secretary	500,000	0.025%
Philipp Head	Director	1,000,000	0.05%
Brent Pickles	Director	440,000	0.02%

All Officers and Directors as a Group (5 Persons)	12,491,833	63.3%
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\* Mr. Donaghy beneficially owns these shares indirectly through his spouse.

\*\* Mr. DeLaet beneficially owns 462,333 shares indirectly as a controlling shareholder of International Gaming Consultants, Inc. and 500,000 indirectly through his spouse.

#### DESCRIPTION OF SHARE CAPITAL

##### Authorized And Issued Share Capital - Common Shares

Our authorized share capital consists of an unlimited number of common shares, no par value, of which 19,753,100 were issued and outstanding as of May 5, 2002. Holders of common shares are entitled to one vote per share on all matters to be voted on at all meetings of shareholders and to receive dividends as and when declared by our board of directors. Upon the voluntary or involuntary liquidation, dissolution or winding up of our company, the holders of common shares are entitled to share ratably in our remaining assets available for distribution, after payment of liabilities. A holder of common shares has no preemptive, redemption or conversion rights upon completion of this offering.

#### REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for our common shares is Holladay Stock Transfer, Inc., 2939 North 67th Place, Scottsdale, Arizona 85251.

#### SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the offering, a total of 21,753,100 common shares will be outstanding. We expect to apply for inclusion of our common stock for quotation on the Over-the-Counter Bulletin Board; however, there can be no assurance that the National Association of Security Dealers, Inc. ("NASD") will approve our application. Prior to the effective date of this offering, our common stock was not quoted or traded.

All of our common shares issued prior to this offering, 19,753,100 shares, are "restricted securities" as defined under Rule 144, in that such shares were issued in transactions not involving a public offering. Restricted securities may not be sold in the United States in the absence of registration or an available exemption, such as Rule 144. In general, under Rule 144, any of our officers or directors or any person (or persons whose shares are aggregated in accordance with Rule 144) who has beneficially owned common shares treated as restricted securities for at least one year is entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of our outstanding common shares (approximately 217,531 shares based upon the number of common shares expected to be outstanding after the offering) or the reported average weekly trading volume in our common shares during the four weeks preceding the date on which notice of such sale was filed under Rule 144. Sales under Rule 144 are also subject to manner of sale conditions and notice requirements and to the availability of current public information concerning our Company. In addition, our officers, directors and principal shareholders (more than 10%) of our Company must comply with the restrictions and requirements of Rule 144 (other than the one-year holding period requirement) in order to sell common shares that are not restricted securities (such as common shares acquired in market transactions). Furthermore, if a period of at least two years has elapsed from the date restricted securities were acquired directly from us or from one of our affiliates, a holder of these restricted securities who is not an affiliate at the time of the sale and who has not been an affiliate for at least three months prior to such sale would be entitled to sell the shares immediately without regard to the volume, manner of sale, notice and public information requirements of Rule 144.

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Troutman Sanders LLP has advised that the following summary fairly describes the material United States Federal Income Tax consequences of the ownership and disposition of the Company's common shares. It is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the applicable Treasury Regulations promulgated and proposed thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. This summary applies only to U.S. Holders (as defined below) that are beneficial owners of the common shares and that will hold such common shares as "capital assets" (within the meaning of Section 1221 of the Code). This discussion does not address tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules such as banks, holders subject to the alternative minimum tax, tax-exempt organizations, persons that have a functional currency other than the U.S. dollar, persons holding Common shares in a tax-deferred or tax-advantaged account, persons who are partners, shareholders or beneficiaries of an entity that holds common shares, insurance companies, non-United States persons or entities, dealers in securities or currencies, persons that will hold common shares as a position in a hedging transaction, "straddle" or "conversion transaction" for tax purposes, persons deemed to sell common shares under the constructive sale provisions of the Code, or persons who actually or constructively own 10% or more of our Common shares.

For purposes of this summary, "U.S. Holders" generally include (i) individual citizens or residents of the United States, (ii) corporations, partnerships or other entities created or organized in or under the laws of the United States or of any political subdivision thereof (unless, in the case of a partnership, Treasury Regulations otherwise provide); (iii) estates, the incomes of which are subject to United States federal income taxation regardless of the source of such income; or (iv) trusts subject to the primary supervision of a United States court and the control of one or more United States persons or trusts that have elected to be treated as a United States person under applicable Treasury Regulations.

The Company has not sought any ruling from the Internal Revenue Service with respect to the statements made and the conclusions reached in the following summary. Accordingly, there can be no assurance that the IRS will not challenge such statements and conclusions or that a court will not sustain such a challenge. This summary does not consider the effect of the federal estate or gift tax laws or the tax laws of any applicable foreign, state, local or other jurisdiction.

INVESTORS WHO ARE "U.S. HOLDERS" CONSIDERING THE PURCHASE OF COMMON SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

### *Sale of Common Shares*

Subject to the passive foreign investment company ("PFIC") rules discussed below, upon the sale or exchange of common shares a U.S. Holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash proceeds and the fair market value of any property received upon the sale or exchange and (ii) such holder's adjusted tax basis in the common shares, which is usually the cost of such shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the common shares is more than one year at the time of the sale or exchange. Long-term capital gains recognized by certain non-corporate U.S. Holders, including individuals, will generally be subject to a maximum rate of tax of 20%. Capital gain realized by non-corporate U.S. Holders, including individuals, that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to limitations. Such gain or loss will be treated as income or loss from within the United States for United States foreign tax credit purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met.

### *Dividends*

Subject to the PFIC rules discussed below, distributions, if any, made on the Common Shares generally will be included in the income of a U.S. Holder as ordinary dividend income to the extent of our current and accumulated earnings and profits, calculated pursuant to United States tax principles. A corporate U.S. Holder will not be entitled to the dividends received deduction generally available upon the receipt of dividends distributed by United States corporations. Distributions in excess of our current and accumulated earnings and profits will be treated as a return of capital to the extent of the U.S. Holder's basis in the Common Shares and thereafter as capital gain. If a taxable dividend is paid in a currency other than the U.S. dollar, generally the amount includible in gross income will be the U.S. dollar value of such dividend, calculated by reference to the exchange rate in effect on the date of the dividend is includable in income under the U.S. Holder's method of accounting, regardless of whether the payment is actually converted into U.S. dollars. Gain or loss, if any, realized as a result of currency exchange fluctuations during the period from the date of inclusion of the dividend payment in income to the date of conversion of the payment into U.S. dollars will be treated as ordinary income or loss. This gain or loss generally will be from sources within the United States for United States foreign tax credit purposes. U.S. Holders should consult their own tax advisor concerning the possibility of foreign currency gain or loss if any such currency is not converted into U.S. dollars on the date of receipt. Dividends will be treated as income from outside the United States, but generally will be treated as "passive income" or "financial services income", for United States foreign tax credit purposes.

In the event of withholding or other payment of any Canadian tax on such distribution the U.S. Holder may be entitled to either (i) a United States foreign tax credit that, subject to certain limitations, can be applied against United States federal income tax, or (ii) a deduction for such foreign income taxes.

### *Passive Foreign Investment Company Status*

Special U.S. federal income tax rules apply to U.S. persons owning shares of a PFIC.

A non-U.S. corporation generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying relevant look-through rules with respect to the income and assets of subsidiaries, either:

- at least 75% of its gross income is "passive income"; or
- on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, passive income generally includes, among other things, dividends, interest, rents, royalties, gains from the disposition of passive assets and gains from commodities transactions, other than gains derived from "qualified active sales" of commodities and "qualified hedging transactions" involving commodities, within the meaning of applicable Treasury regulations (the "Commodity Exception"). Based on certain estimates of our gross income and gross assets, we believe that we may be a PFIC.

If we are treated as a PFIC for any taxable year during which a U.S. Holder held Common Shares, certain adverse consequences could apply to the U.S. Holder (see discussion below). For this reason, if we are treated as a PFIC for any taxable year, a U.S. Holder of our Common Shares may desire to make an election to treat us as a "qualified electing fund" (a "QEF") with respect to such U.S. Holder. Generally, a QEF election should be made on or before the due date for filing the electing U.S. Holder's U.S. federal income tax return for the first taxable year in which our Common Shares are held by such U.S. Holder and we are treated as a PFIC.

If a timely QEF election is made, the electing U.S. Holder will be required to annually include in gross income in any year that the U.S. Holder owns Common Shares and we are a PFIC (i) as ordinary income, a pro-rata share of our ordinary earnings, and (ii) as long-term capital gain, a pro-rata share of our net capital gain, in

either case whether or not distributed by us. An electing U.S. Holder that is a corporation will not be eligible for the dividends received deduction in respect of such income or gain. In addition, in the event that we incur a net loss for a taxable year, such loss will not be available as a deduction to an electing U.S. Holder, and may not be carried forward or back in computing our ordinary earnings and net capital gain in other taxable years.

If we are treated as a PFIC, for any taxable year during which a U.S. Holder held our Common Shares, we will provide to a U.S. holder, upon written request, all information and documentation that the U.S. Holder is required to obtain in connection with its making a QEF election for U.S. federal income tax purposes.

As an alternative to the QEF election, a U.S. Holder of “marketable stock” in a PFIC may make a “mark-to-market” election, provided the PFIC stock is regularly traded on a “qualified exchange.” If the mark-to-market election is made, the electing U.S. Holder generally would (i) include in gross income, entirely as ordinary income, an amount equal to the difference between the fair market value of the PFIC stock as of the close of such taxable year and its adjusted basis, and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the PFIC stock over its fair market value at the end of the taxable year, but only to the extent of the amount previously included in income as a result of the mark-to-market election. Basis in the Common Shares is increased to the extent amounts are included in gross income and decreased to the extent of a loss deduction.

The mark-to-market election is made with respect to marketable stock in a PFIC on a shareholder-by-shareholder basis and, once made, can only be revoked with the consent of the IRS. Special rules would apply if the mark-to-market election is not made for the first taxable year in which a U.S. person owns stock of a PFIC.

In general, if a U.S. Holder of Common Shares fails to make a timely QEF election or mark-to-market election, the U.S. federal income tax consequences to such U.S. Holder will be determined under the so-called “interest charge” method. Under such regime, (i) any gain derived from the disposition of PFIC stock (possibly including a gift, exchange in a corporate reorganization or grant as security for a loan), as well as any “excess distribution” that is received from the PFIC (*i.e.*, a distribution that exceeds 125% of the average distributions from the shorter of the prior three years, or the U.S. Holder’s holding period for the common stock), would be treated as ordinary income that was earned ratably over each day in the U.S. Holder’s holding period for the common stock, (ii) the portion of such gain or distribution that is allocable to prior taxable years, other than any year before we became a PFIC, would be subject to U.S. federal income tax at the highest rate applicable to ordinary income for the relevant taxable years, regardless of the tax rate otherwise applicable to the U.S. Holder, and (iii) an interest charge would be imposed on the resulting U.S. federal income tax liability as if such liability represented a tax deficiency for the past taxable years, other than any year before we became a PFIC. In addition, a step-up in the tax basis of the PFIC stock may not be available upon the death of an individual U.S. Holder.

#### *Backup Withholding Tax*

A “backup” withholding tax may apply to certain payments of dividends as well as proceeds from a sale or exchange of Common Shares made to certain non-corporate U.S. Holders if certain information reporting requirements are not met. Backup withholding tax, if any, would be credited against a U.S. Holder’s United States federal income tax liability. U.S. Holders should consult their own tax advisors as to their qualification for exemption from any backup withholding tax and the procedure for obtaining such exemption.

THE PRECEDING DISCUSSION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR UNITED STATES FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF COMMON SHARES. TAX ADVISORS SHOULD ALSO BE CONSULTED AS TO THE UNITED STATES ESTATE AND GIFT TAX CONSEQUENCES AND THE FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF COMMON SHARES

AS WELL AS THE CONSEQUENCES UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

#### PLAN OF DISTRIBUTION

We plan to sell shares for cash on a “best efforts” basis through our officers and directors, none of whom will receive any compensation in connection with any sale of shares, although we will reimburse them for expenses incurred. Because we will sell the shares on a “best efforts” basis, any or all shares being registered for sale may remain unsold. We will not place the funds raised from this offering in an escrow account; therefore, all funds will be available for immediate utilization. The termination date of the offering will occur no later than 6 months from the date this registration statement is declared effective by the Securities and Exchange Commission.

There is no minimum number of shares that must be purchased by each prospective purchaser and the maximum number of shares we will sell is 2,000,000. You may purchase shares by completing and manually executing a subscription agreement attached hereto and delivering it to our office at 488 Huron Street, Toronto, Ontario, Canada M5R 2R3 with your payment in full for all shares, you wish to purchase. Your subscription shall not become effective until accepted by us and approved by our counsel. We reserve the right, in our sole discretion, to accept or reject a subscription, in whole or in part.

On March 7, 2002 we entered into an agreement with West America Securities Corp. Pursuant to the Agreement West America agreed to act as Subscription Agent for the offering and to advise us on the structure, format and manner of consummation of the offering. West America will not engage in any selling efforts in connection with the offering.

We are offering and selling shares for cash. We will bear the expenses of this offering, estimated to be \$40,000 for legal, accounting and registration fees and printing costs. We have also agreed to pay West America up to \$100,000 in cash and up to 100,000 shares of our common stock plus expenses of up to \$5,000 to act as a Subscription Agent for the Offering.

In November 2001, West America Securities Corp. and Robert Kay, its President, submitted a Letter of Acceptance, Waiver, and Consent to the National Association of Security Dealers in which they were fined \$51,371, jointly and severally. In addition, with certain exceptions, the firm was suspended from engaging in any penny stock business for one year, commencing November 5, 2001. Mr. Kay was suspended from association with any NASD member as a general securities principal for 30 days. Without admitting or denying the allegations, the respondents consented to the described sanctions and to the entry of findings that the firm, acting through Mr. Kay, failed to comply with all of the provisions of the SEC’s Penny Stock Rules as a result of the firm’s failure to establish and maintain a supervisory system that was reasonably designed to achieve compliance with the Penny Stock Rules.

There presently is no established trading market for our shares and there can be no assurance that one will develop or, if developed, one can be sustained. We expect to apply to the NASD for authority to have quotations for our common shares entered on the Over-the-Counter Bulletin Board; however, there can be no assurance that the NASD will approve our application.

#### Determination of Offering Price

Before this offering, there has been no public market for our common shares. We have arbitrarily determined the initial public offering price of the common shares.

The public offering price of the shares does not necessarily bear any relationship to established valuation criteria based upon assets, revenues or net income or other measures and may not be indicative of prices that may prevail at any time or from time to time in the public market for the common stock. Therefore, you cannot be sure

that a public market for any of our securities will develop and continue or that the shares will ever trade at a price at or higher than the offering price in this offering.

The common shares will be ready for delivery in Toronto, Ontario on or about June 15, 2002.

#### LEGAL MATTERS

Certain legal matters relating to this offering will be passed upon on behalf of the Company by Sheppard, Shalinsky and Brown, Toronto, Ontario and by Troutman Sanders LLP, McLean Virginia.

#### EXPERTS

The audited financial statements from inception October 20, 2000 to the year ended December 31, 2000 and for the year ended December 31, 2001 included in this prospectus (constituting part of this registration statement) have been prepared by and filed with the consent of Williams & Webster, P.S., Certified Public Accountants, Bank of America Financial Center, W.601 Riverside, Suite 1940, Spokane, WA 99201, and have been included in reliance upon their expertise in accounting and auditing.

#### WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form F-1, of which this prospectus is a part, covering the common shares being offered and sold in this offering. We have not included in this prospectus all of the information contained in the registration statement, as permitted by the rules, and you should refer to the registration statement and its exhibits for further information. Any statement regarding any contract or other document referred to in this prospectus is not necessarily complete. If the contract or document is filed as an exhibit to the registration statement, the contract or document is deemed to modify the description contained in this prospectus. You must review the exhibits themselves for a complete description of the contract or document.

You may review a copy of the registration statement, including exhibits and schedules filed with it, at the Commission's public reference facilities in Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C., 20549. You may also obtain copies of such materials from the Public Reference Section of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C., 20549, at prescribed rates. You may call the Commission at 1-800-SEC-0330 for further information on the public reference room. These Commission filings are also available to the public from commercial document retrieval services.

We are required to file annual reports and other information with the Commission under the United States Securities Exchange Act of 1934.

You are invited to read and copy any reports, statements or other information that we file with the Commission at its public reference room. We file with the Commission annual reports on Form 20-F and furnish to our shareholders an annual report and a proxy statement prior to each of our annual meetings of shareholders. Our annual reports will include consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States or reconciled to such accounting principles. These financial statements will be examined by our independent auditors. We also may make available quarterly reports containing condensed unaudited financial information for each of the first three quarters of each fiscal year, and, from time to time, furnish other reports and information.

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

*Oxford Software Developers Inc.*  
*Consolidated Financial Statements*  
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Board of Directors  
Oxford Software Developers Inc.  
North York, Ontario  
CANADA

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying consolidated balance sheet of Oxford Software Developers Inc. (an Ontario corporation) as of December 31, 2001 and 2000, and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2001 and for the period from October 13, 2000 (inception) through December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oxford Software Developers, Inc., as of December 31, 2001 and 2000, and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2001 and for the period from October 13, 2000 (inception) through December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has generated insufficient revenue to cover expenses and therefore has suffered recurring losses from operations resulting in an accumulated deficit of \$2,218,796 at December 31, 2001. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding this issue are also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.  
Certified Public Accountants  
Spokane, Washington  
April 26, 2002

**Oxford Software Developers, Inc.**

**Subscription Agreement**

**HOW TO SUBSCRIBE**

To subscribe for Common Shares, you must fill out the Subscription Agreement.

Directions for the Subscription Agreement are as follows:

1. Be sure to provide your correct name and address as this information will appear on the official records of the Company.
2. Sign and be sure that you have checked the appropriate type of ownership.
3. Forward the following:
  - (a) Completed Subscription Agreement; and
  - (b) A check or money order in the amount of your subscription or by wire transfer (see below).

**Payment Instructions**

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**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

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Oxford Software Developers, Inc.

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**MAIL TO:**

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Oxford Software Developers, Inc., 488 Huron Street, Toronto, Ontario, Canada M5R 2R3.

**WIRE TRANSFER INSTRUCTIONS:**

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**Address**

ABA No. \_\_\_\_\_

Account No. \_\_\_\_\_

Account Name: \_\_\_\_\_

For further credit to:

Account Name: \_\_\_\_\_

Account No. \_\_\_\_\_

The undersigned is subscribing to a total of \$ \_\_\_\_\_ (\_\_\_\_ Common Shares at \$1.00 per Share) by:

\_\_\_\_ \$ \_\_\_\_\_ (\_\_\_\_ Common Shares) paid by check, and/or  
\_\_\_\_ \$ \_\_\_\_\_ (\_\_\_\_ Common Shares) paid by money order, and/or  
\_\_\_\_ \$ \_\_\_\_\_ (\_\_\_\_ Common Shares) paid by wiring funds.

Print name(s) in which Common Shares are to be registered:

**Individual:**

NAME:(1) \_\_\_\_\_  
Soc. Sec. or Tax I.D. No.: \_\_\_\_\_

NAME:(2) \_\_\_\_\_  
Soc. Sec. or Tax I.D. No.: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The investment is to be held as follows (check one):

- (a) \_\_\_\_\_ Husband & Wife, as community property
- (b) \_\_\_\_\_ Joint Tenants
- (c) \_\_\_\_\_ Tenants in Common
- (d) \_\_\_\_\_ Individual

**Partnership:**

NAME: \_\_\_\_\_  
Authorized Partner: \_\_\_\_\_  
Tax I.D. No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

**Corporation:**

NAME: \_\_\_\_\_  
Authorized Officer: \_\_\_\_\_  
Tax I.D. No.: \_\_\_\_\_  
Address: \_\_\_\_\_

Acknowledged and Agreed:

DATED: \_\_\_\_\_ 2002, at \_\_\_\_\_

if individual:

X \_\_\_\_\_ X \_\_\_\_\_

if partnership:

X \_\_\_\_\_ X \_\_\_\_\_

Authorized Partner

if corporation:

X \_\_\_\_\_ X \_\_\_\_\_

Authorized Officer

NOTE: If Common Shares are to be registered in more than one name, all subscribers must sign.

**Oxford Software Developers Inc. reserves the right, in its sole discretion, to accept or reject any subscription in whole or in part.**

Acceptance of Subscription

Accepted by Oxford Software Developers, Inc.  
as of \_\_\_\_\_, 2002.

By: \_\_\_\_\_  
Michael Donaghy - President