

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Amendment No. 3 to  
Form SB-2  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MIRAGE HOLDINGS, INC.  
(Name of small business issuer in its charter)

<TABLE>  
<CAPTION>

<S>  NEVADA (State or other jurisdiction of incorporation or organization)	<C>  2335 (Primary Standard Industrial Classification Code Number)	<C>  95-4627685 (I.R.S. Employer Identification No.)
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</TABLE>

<TABLE>  
<CAPTION>

<S> 18638 Pioneer Boulevard Artesia, CA 90701 (310) 860-5556 (Address and telephone number of principal executive office)	<C> 18638 Pioneer Boulevard Artesia, CA 90701 (310) 860-5556 (Address of principal place of business)
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ParaCorp, Incorporated  
318 North Carson Street, Suite 208  
Carson City, NV 89701  
(888) 972-7273  
(Name, address and telephone number of agent for service)

COPIES TO:

Lawrence W. Horwitz, Esq. Horwitz & Beam Two Venture Plaza, Suite 350 Irvine, CA 92618 (714) 453-0300	Lawrence G. Nusbaum, Esq. Gusrae, Kaplan & Bruno 120 Wall Street New York, NY 10005 (212) 269-1400
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Approximate Date of Proposed Sale to the Public.

As soon as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933 (the "Securities Act"), please check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [X]

CALCULATION OF REGISTRATION FEE

<TABLE>  
<CAPTION>

<S>	<C>	<C>	<C>	<C>
TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	NUMBER OF SHARES OR WARRANTS TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE OR WARRANT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1) (2)	AMOUNT OF REGISTRATION FEE
<S> Shares of Common Stock, \$0.001 par value	<C> 500,000	<C> \$5.15	<C> \$ 2,575,000	<C> \$ 780.30
Warrants to purchase shares of Common Stock	1,000,000	\$0.10	\$ 100,000	\$ 30.30
Representative Warrants (3)	150,000	-----	-----	-----
Common Stock, \$0.001 par value, underlying Representative Warrants (4)	50,000	\$6.18	\$ 309,000	\$ 93.64

</TABLE>

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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	NUMBER OF SHARES OR WARRANTS TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE OR WARRANT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1) (2)	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Warrants Issuable Upon Exercise of Representative Warrants(5)	100,000	\$0.12	\$ 12,000	\$ 3.64
Common Stock Issuable Upon Exercise of Warrants Issuable Upon Exercise of Representative Warrants(6)	100,000	\$6.18	\$ 618,000	\$ 187.27
Common Stock, \$0.001 par value, issued in connection with bridge financing(7)	564,065	\$3.50	\$1,974,228	\$ 598.25
Common Stock, \$0.001 par value, underlying warrants issued in connection with bridge financing(8)	(pound) 444,500	(pound) \$0.75	(pound) \$ 333,375	(pound) \$ 101.02
Common Stock, \$0.001 par value, underlying options issued pursuant to Employee Stock Option Plan(9)	(pound) 500,000	(pound) \$0.01	(pound) \$ 5,000	(pound) \$ 1.52
Common Stock, \$0.001 par value, underlying options issued to a Consultant(10)	20,000	\$2.00	\$ 40,000	\$ 12.12
Total	3,328,565		\$5,966,603	\$1,808.06

</TABLE>

- (1) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457.
- (2) The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
- (3) Warrants issued to Platinum Equities, Inc., the Underwriter ("Representative Warrants").
- (4) Represents Common Stock issuable upon exercise of Representative Warrants.
- (5) Represents Warrants issuable upon exercise of Representative Warrants pursuant to Rule 416 promulgated under the Securities Act of 1933, this Registration Statement also covers any additional Common Shares which may become issuable by reason of the antidilution provisions of the Representative Warrants.
- (6) Represents Common Stock issuable upon exercise of Warrants included in Representative Warrants.
- (7) Represents Common Stock issued in connection with bridge financing to the Company.
- (8) Represents Common Stock issuable upon exercise of Warrants (the "Bridge Warrants") issued in connection with bridge financing to the Company. Pursuant to Rule 416 of the Securities Act, this Registration Statement also covers any additional common shares which may become issuable by reason of the antidilution provisions of the Bridge Warrants. Registration fee calculated to Rule 457(g) (1).
- (9) Registration fee calculated pursuant to Rule 457(h) (1).
- (10) Represents Common Stock issuable upon exercise of options issued to Manhattan West, Inc. as part of their Consulting Agreement with the Company. Registration fee calculated pursuant to Rule 457(g) (1).

MIRAGE HOLDINGS, INC.

CROSS REFERENCE SHEET

Pursuant to Item 501(b) of Regulations S-B

Showing Location in the Prospectus  
of Information Required by Items of Form SB-2

<TABLE>  
<CAPTION>

Form SB-2 Item Number and Caption	Prospectus
<S>	<C>
1. Forepart of Registration Statement and Outside Front Cover Page of Prospectus.....	Facing Page of Registration Statement: Outside Front Cover Page of Prospectus
2. Inside Front and Outside Back Cover Pages of Prospectus.....	Available Information; Incorporation of Certain

3. Summary Information; Risk Factors .....	Documents by Reference; Table of Contents
4. Use of Proceeds .....	Prospectus Summary; Risk Factors
5. Determination of Offering Price .....	Prospectus Summary; Business of the Company; Use of Proceeds
6. Dilution .....	Risk Factors; Underwriting
7. Selling Security Holders .....	Dilution
8. Plan of Distribution .....	Not Applicable
9. Legal Proceedings .....	Underwriting
10. Directors, Executive Officers, Promoters and Control Persons.....	Not Applicable
11. Security Ownership of Certain Beneficial Owners and Management.....	Management and Principal Shareholders
12. Description of Securities to be Registered.....	Management and Principal Shareholders
13. Interests of Named Experts and Counsel.....	Description of Securities
14. Disclosure of Commission Position on Indemnification for Securities Act Liabilities.....	Not Applicable
15. Organization Within Last Five Years.....	Indemnification of Directors and Officers
16. Description of Business.....	Business of the Company
17. Management's Discussion and Analysis of Plan of Operation.....	Business of the Company
18. Description of Property.....	Management's Discussion and Analysis of Financial Condition and Results of Operations
19. Certain Relationships and Related Transactions.....	Business of the Company (Properties)
20. Market for Common Equity and Related Stockholder Matters.....	Certain Transactions
21. Executive Compensation.....	Risk Factors; Underwriting
22. Consolidated Financial Statements.....	Total Executive Compensation
23. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.....	Consolidated Financial Statements
	Not Applicable

</TABLE>

SUBJECT TO COMPLETION, DATED DECEMBER 2, 1997

PROSPECTUS  
MIRAGE HOLDINGS, INC.  
UP TO 500,000 SHARES OF COMMON STOCK AND  
1,000,000 COMMON STOCK PURCHASE WARRANTS  
MINIMUM OFFERING: 250,000 SHARES

Mirage Holdings, Inc., a Nevada corporation ("the Company"), hereby offers for sale: (i) a minimum (the "Minimum Offering") of 250,000 shares of common stock, \$0.001 par value (the "Common Stock" or the "Shares"); and (ii) a maximum (the "Maximum Offering") of 500,000 shares of Common Stock and 1,000,000 Common Stock Purchase Warrants (the "Warrants.") The Common Stock and the Warrants offered hereby (sometimes referred to as the "Securities") will be separately tradeable immediately upon issuance and MAY BE PURCHASED SEPARATELY. The Common Stock and Warrants will be sold by the Underwriters to the public at the public offering prices set forth below. Each Warrant entitles the holder to purchase one share of Common Stock at an exercise price \$6.00 per share during the five year period commencing on the date of this Prospectus. See "Description of Securities."

Additionally, 564,065 shares of Common Stock (the "Private Placement Stock") and 444,500 shares of Common Stock underlying warrants (the "Private Placement Warrants") (collectively, the "Private Placement Securities") of the Company are being registered herein and will be sold from time to time by the shareholders described herein (the "Selling Shareholders") in transactions in the national over-the-counter market or otherwise at prices prevailing at the time of sale. The Company will not receive any of the proceeds from the sale of any Private Placement Securities by the Selling Shareholders. All expenses incurred in registering the Private Placement Securities are being borne by the Company, but all selling and other expenses incurred by the Selling Shareholders will be borne by the Selling Shareholders. See "Selling Shareholders."

The Private Placement Securities offered by the Selling Shareholders have been acquired by the Selling Shareholders from the Company in private transactions and are "restricted securities" under the Securities Act of 1933, as amended (the "Act"), prior to their sale hereunder. This Prospectus has been prepared for the purpose of registering the Private Placement Securities under the Act to allow for future resales by the Selling Shareholders to the public without restriction. To the knowledge of the Company, the Selling Shareholders have made no arrangement with any brokerage firm for the sale of the Private Placement Securities. The Selling Shareholders may be deemed to be "underwriters" within the meaning of the Act. Any commissions received by a broker or dealer in connection with resales of the Private Placement Securities may be deemed to be underwriting commissions or discounts under the Act. See "Plan of Distribution."

Prior to this offering, there has been no public market for the Company's securities. The public offering prices of the Common Stock and the Warrants have been determined by negotiation between the Company and Platinum Equities, Inc., the Managing Underwriter, and are not necessarily related to the Company's asset value, net worth, results of operations, or other established criteria of value. See "Underwriting." The Company is applying for quotation of the Common Stock and Warrants on the Over-the-Counter Bulletin Board ("OTC/BB") system under the symbols "MIRG" and "MIRGW," respectively. However, there can be no assurance that an active public trading market for such securities will be developed or sustained.

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK.  
SEE "RISK FACTORS" COMMENCING ON PAGE 4.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND

EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>  
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	Price to Public	Underwriting Commissions/1/	Proceeds to Issuer or Other Persons /2//3/
<S>	<C>	<C>	<C>
Per Share	\$5.15	\$0.515	\$4.635
Per Warrant	\$0.10	\$0.01	\$0.09
Minimum Offering/3/ (250,000 Shares)	\$1,287,500	\$128,750	\$1,158,750
Maximum Offering (500,000 Shares and 1,000,000 Warrants)	\$2,675,000	\$267,500	\$2,407,500

</TABLE>

- /1/ Does not include additional compensation to Platinum Equities, Inc. the form of a non-accountable expense allowance equal to 3% of the gross proceeds of the offering. See "Underwriting."
- /2/ Before deduction of estimated expenses of \$82,500 payable by the Company, not including the 3% non-accountable expense allowance. See "Underwriting":
- /3/ There is no assurance that all or any of the Securities offered hereunder will be sold. If the Company fails to receive subscriptions for a minimum of 250,000 Shares within 120 days from the date of this Prospectus (or 150 days if extended by the Company), the Offering will be terminated and any subscription payments received will be promptly refunded within 5 days to subscribers, without any deduction therefrom or any interest thereon. If subscriptions for at least the minimum amount are received within such period, funds will not be returned to investors and the Company may continue the Offering until such period expires or subscriptions for the Maximum Offering have been received, whichever comes first. The investment funds shall be held in an Escrow Account for up to 150 days. During this time, investors cannot demand the return of their investments. If the Company does not meet the required minimum number of securities to be sold (250,000 Shares), the investors will be refunded their investment in full without interest. Affiliates may purchase Securities in the Offering and no limits have been imposed in this regard, but no one has made any commitment to purchase any portion of the Offering in order to reach the minimum.

The Securities are being sold by the Company and offered by the Underwriters on a "best efforts, minimum/maximum" basis, subject to prior sale, when, as and if accepted by the Underwriters, and subject to certain conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that the certificates representing the Securities will be ready for delivery at the offices of Platinum Equities, Inc., 19 Rector Street, Suite 2301, New York, NY, 10006, within 10 business days after the date the Registration Statement is declared effective by the SEC.

PLATINUM EQUITIES, INC.

THE DATE OF THIS PROSPECTUS IS DECEMBER 2, 1997

In connection with this Offering, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Shares at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

#### PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the more detailed information and the Consolidated Financial Statements (including the notes thereto) appearing elsewhere in this Prospectus. Unless otherwise specifically referenced, all references to dollar amounts refer to United States dollars.

#### THE COMPANY

Mirage Holdings, Inc. (the "Company") was formed for the purpose of marketing unique fashions. The Company specializes in the marketing of fashions targeted toward the segment where discriminating customers are always looking for unique and innovative products. The origin of these designs is mainly from India and Pakistan but not limited to these countries. Management of the Company is continuously in search of new ideas, regardless of the ethnic background.

Management of the Company believed they could fill a niche in the apparel market by importing these fashions. The economic feasibility of this idea was studied by conducting a market research over a period of one year. The results were very encouraging. The study identified two main areas of profitability: the existing affluent market segments of Indian and Pakistani people living in the United States and Canada who are always thirsty for new fashions from their countries, as well as the growing demand in the mainstream American market for

unique, exotic fashion designs.

To explore the potential presented by these opportunities, the Company was formed with the goal to be the dominant supplier of fashionwear in these specialty market segments in the United States and Canada.

In the future, the Company may also pursue other business opportunities in the United States and Canada which arise out of its relationships with the Indian and Pakistan communities. See "Business of the Company--General."

As of September 1, 1997, the Company had 1,814,065 Common shares issued and outstanding and 444,500 warrants to purchase one share of Common Stock for \$0.75 outstanding. The Company will have 2,064,065 shares of Common Stock outstanding after the Offering if the minimum amount is sold hereunder and 2,314,065 Common shares outstanding if the maximum amount is sold hereunder, without giving effect to the exercise of any warrants. Assuming exercise of all warrants, including Warrants to be issued hereunder, the Company will have 2,508,565 shares of Common Stock outstanding after the Offering if the minimum amount is sold hereunder and 3,758,565 shares of Common Stock if the maximum amount is sold hereunder. The Company also has 500,000 common shares reserved for issuance under its stock option plan, of which 120,000 options have been issued.

From July 1, 1995 through June 30, 1997, the Company had aggregate revenues of \$412,202 from the sale of its products. The Company's cumulative loss from operations for the respective period was \$175,041. Successful development of the Company's products and successful implementation of the Company's marketing plan are necessary for the Company to commence generating substantial operating revenues or to achieve profitability.

Mirage Holdings, Inc. was incorporated under the laws of the State of Nevada on March 18, 1997. Mirage Collection, Inc., a wholly-owned subsidiary of Mirage Holdings, Inc., began business as a partnership July 1, 1995, and was reorganized into a corporation in the State of Nevada pursuant to Internal Revenue Code Section 351 on April 1, 1997. The address of the Company's principal executive offices is: 18638 Pioneer Boulevard, Artesia, CA, 90701. The Company's telephone number is (310) 860-5556.

Unless otherwise noted, the "Company" as used in this Prospectus, will refer to the consolidated entities described above.

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#### THE OFFERING

Securities Offered by the Company.....	A minimum of 250,000 shares of Common Stock and a maximum of 500,000 shares of Common Stock and 1,000,000 Warrants. Warrants may be purchased separately from the Common Stock. Each Warrant entitles the holder thereof to purchase one share of the Company's Common Stock at an exercise price of \$6.00 per share for a term of five years. See "Description of Securities.--"
Offering Price	
Common Stock.....	\$5.15 per Share.
Warrants.....	\$0.10 per Warrant.
Securities Offered by Selling Shareholders....	564,065 shares of Common Stock and 444,500 shares of Common Stock underlying warrants.
Common Stock Outstanding.	1,814,065 shares as of September 1, 1997; 2,064,065 shares if the minimum amount is raised hereunder; 2,314,065 shares if the maximum amount is raised hereunder. In addition, the Company has 444,500 warrants outstanding as of September 1, 1997, and will have an additional 1,000,000 Warrants outstanding if the maximum amount is raised hereunder. See "Description of Securities." The Company has 500,000 common shares reserved for issuance under its stock option plan, of which 120,000 options have been issued to date. See "Management--Employment and Related Agreements."
Proposed OTC/BB Symbol	
Common Stock.....	MIRG.
Warrants.....	MIRGW.
Use of Proceeds.....	The Company intends to apply the net proceeds of this Offering primarily to expand its sales force and advertising activities; increase inventory; establish distribution channels; enter the software industry of India/Pakistan; perform market research into the entertainment industry of India/Pakistan; and working capital. See "Use of Proceeds."
Risk Factors.....	The securities offered hereby involve a high degree of risk and immediate substantial dilution. See "Risk Factors."

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#### SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected historical financial data for the Company

derived from the Company's Consolidated Financial Statements. The historical financial data are qualified in their entirety by reference to, and should be read in conjunction with, the Consolidated Financial Statements and notes thereto of the Company, which are incorporated by reference into this Prospectus. The following data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements of the Company and the notes thereto included elsewhere in this Prospectus.

<TABLE>  
<CAPTION>

	Three Months Ended September 30		Period July 1, 1996 to June 30, 1997	Period July 1, 1995 to June 30, 1996
	1997	1996		
	(unaudited)			
<S>	<C>		<C>	<C>
STATEMENT OF OPERATIONS				
DATA:				
Revenue	\$55,605	\$ 73,140	\$ 212,972	\$ 199,230
Net loss	\$(39,239)	\$(49,538)	\$(289,891)	\$(62,295)
Net loss per share	\$(0.02)	\$(0.06)	\$(0.22)	\$ ---
	September 30, 1997		June 30, 1997	June 30, 1996
	(unaudited)			
BALANCE SHEET DATA:				
Current assets	\$ 127,646		\$ 141,549	\$ 70,749
Notes receivable	\$ 116,007		\$ 113,104	\$ ---
Total property and equipment, net	\$ 40,131		\$ 41,945	\$ 39,629
Investments	\$ 200,000		\$ 200,000	\$ ---
Other	\$ 43,730		-----	-----
Total assets	\$ 527,514		\$ 540,328	\$ 114,108
			=====	=====
Total current liabilities	\$ 159,141			\$ 104,842
Long term notes & loans	\$ 133,668			
	\$ ---			
Partner's equity	\$ ---		\$ 130,909	\$ 9,266
Total liabilities and partner's equity	\$ ---		\$ 135,475	-----
			\$ ---	\$ 114,108
			\$ ---	=====
Stockholders equity	\$ 234,705		\$ 273,944	
Total liabilities and stockholders equity	\$ 527,514		\$ 540,328	
	=====		=====	

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#### RISK FACTORS

AN INVESTMENT IN THE SECURITIES OFFERED IN THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE FOLLOWING FACTORS, IN ADDITION TO THE OTHER INFORMATION CONCERNING THE COMPANY AND ITS BUSINESS CONTAINED IN THIS PROSPECTUS, BEFORE PURCHASING THE SECURITIES OFFERED HEREBY.

**Limited Operating History.** The Company began operations on April 17, 1995, and first sold its product in April 1995. While the Company is generating some revenues, it has not generated net income since its inception. (See Operating Losses.) The Company's success is dependent upon the successful development and marketing of its products, as to which there is no assurance. Unanticipated problems, expenses, and delays are frequently encountered in establishing a new business and marketing and developing products. These include, but are not limited to, competition, the need to develop customer support capabilities and market expertise, setbacks in product development, market acceptance, sales, and marketing. The failure of the Company to meet any of these conditions would have a materially adverse effect upon the Company and may force the Company to reduce or curtail operations. No assurance can be given that the Company can or will ever operate profitably. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," "The Company--Marketing" and "--Competition."

**Dependence on Few Products.** The Company currently derives all of its sales revenue from the sale of its products. The Company expects that sales of such products will continue to represent a substantial portion of its sales revenue unless and until the Company fully develops and markets additional products. In the event the Company's introduction of new products is delayed or is eventually unsuccessful, the Company will be forced to rely upon revenues generated by the products. In the event revenues generated by any one of these products decline, the Company's financial condition could be adversely and materially effected. See "Business of the Company--Products."

**Operating Losses.** The Company has not been profitable since its inception. For the period beginning April 17, 1995 (date of inception) to June 30, 1995 and the period beginning July 1, 1995 to June 30, 1996, the Company incurred net operating losses of \$6,305 (unaudited) and \$62,295 (audited), respectively. For the year ended June 30, 1997, the Company incurred a net loss of \$289,891 (audited). For the three months ended September 30, 1997, the Company incurred a net loss of \$39,239 (unaudited) as compared to a net loss of \$49,538 (unaudited) for the three months ended September 30, 1996. The Company

expects to continue to incur losses at least through fiscal 1998, and there can be no assurance that the Company will achieve or maintain profitability or that its revenue growth can be sustained in the future. See Financial Statements.

**Future Capital Needs Could Result in Dilution to Investors; Additional Financing Could be Unavailable or Have Unfavorable Terms.** The Company's future capital requirements will depend on many factors, including cash flow from operations, progress in its research and development, competing market developments, and the Company's ability to market its proposed products successfully. Although the Company currently has no specific plans or arrangements for financing other than this Offering and no commitments for future financing, to the extent that the funds generated by this Offering are insufficient to fund the Company's activities, it may be necessary to raise additional funds through equity or debt financings. Any equity financings could result in dilution to the Company's then-existing stockholders. Sources of debt financing may result in higher interest expense. Any financing, if available, may be on terms unfavorable to the Company. If adequate funds are not obtained, the Company may be required to reduce or curtail operations. The Company anticipates that its existing capital resources, together with the net proceeds of this Offering, will be adequate to satisfy its operating expenses and capital requirements for at least 12 months after the Offering. However, such estimates may prove to be inaccurate. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business of the Company" and Financial Statements.

**Investors Could Be Without Funds and Securities for up to 150 Days.** The Units shall be held in an Escrow Account for up to 150 days. During this time, investors cannot demand return of their investments. If the Company does not meet the required minimum number of securities to be sold (250,000 Shares), the investors will be refunded their investment in full without interest. See "Underwriting."

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**Economic Conditions and Consumer Spending.** As with other retail businesses, the Company's results may be adversely affected by unfavorable local, regional or national economic conditions affecting disposable consumer income. There can be no assurance that consumer spending will not decline in response to economic conditions, thereby adversely affecting the Company's growth, net sales, and profitability. Currently, the Company has a limited customer base as its sales are focused in the Los Angeles, California region, with some sales targeted at national conventions for Indian and Pakistani professionals, such as doctors' and lawyers' conventions.

**Unpredictable Product Acceptance; Lack of Distribution Agreements.** There can be no assurance that the Company's marketing and/or sales strategies will be effective and that consumers will buy the Company's products. The failure of the Company to penetrate its markets would have a material adverse effect upon the Company's operations and prospects. Market acceptance of the Company's products will depend in part upon the ability of the Company to demonstrate the advantages of its products over competing products. In addition, the Company's sales strategy for its products contemplates sales to markets yet to be established. Also, the Company currently has no distribution agreements for any of its products in place. See "Business of the Company--Marketing" and "--Competition."

**Competition.** The retail apparel business is highly competitive and is expected to remain so despite consolidation in the industry. The Company competes primarily with other specialty retailers and to a lesser degree with department stores and other retailers and catalogers engaged in the retail sale of apparel. Most of these competitors have significantly greater financial, marketing and other resources than the Company. The Company believes that its emphasis on unique, ethnic fashions and its marketing focus on ethnic markets makes it less vulnerable to changes in fashion trends than many general apparel retailers; however, the Company's sales and profitability depend upon the continued demand for its unique styles. See "Business of the Company--Competition" and "--Marketing."

**Difficulty of Planned Expansion; Management of Growth.** The Company has expanded its operations rapidly, and it plans to continue to further expand its level of operations in all areas following the Offering. The Company's operating results will be adversely affected if net sales do not increase sufficiently to compensate for the increase in operating expenses caused by this expansion. In addition, the Company's planned expansion of operations may cause significant strain on the Company's management, technical, financial, and other resources. To manage its growth effectively, the Company must continue to improve and expand its existing resources and management information systems and must attract, train, and motivate qualified managers and employees. There can be no assurance, however, that the Company will successfully be able to achieve these goals. If the Company is unable to manage growth effectively, its operating results will be adversely affected.

**Dependence Upon Key Personnel.** The Company's success depends, to a significant extent, upon a number of key employees. The loss of services of one or more of these employees could have a material adverse effect on the business of the Company. The Company believes that its future success will also depend in part upon its ability to attract, retain, and motivate qualified personnel, and consequently has entered into employment agreements with certain key officers. Competition for such personnel is intense. There can be no assurance that the Company will be successful in attracting and retaining such personnel. The Company does not have "key person" life insurance on any of its key employees. See "Management."

**One Outside Director.** The Company's Board of Directors presently consists of three (3) directors: Najeeb U. Ghauri, President; Irfan Mustafa; and Gill Champion, Vice President. Therefore, the Company's Board of Directors has only one outside director (Mr. Mustafa) and, as they constitute a majority of the

directors, insiders may be able to control certain policies, actions, and decisions of the Company. While the Company has agreed that, upon completion of the Offering, the Board of Directors will increase its size to five, of which a majority shall be outside directors, there can be no assurance that the Company will be able to retain qualified outside directors. See "Management--Directors and Executive Officers."

Reliance on Independent Subcontractors for Design and Manufacture of the Company's Product Line. The Company does not maintain its own production facilities to design and manufacture the product line and does not intend to do so in the foreseeable future. The Company's products are designed and produced by independent companies. In

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the event the Company were to have difficulties with its present suppliers, the Company could experience delays in supplying products to its customers and potentially be forced to discontinue a product line. Any negative change in the Company's relationship with its suppliers could have a material adverse impact on the Company's business, financial condition and results of operations unless the Company could quickly find a replacement supplier. See "Business of the Company--Distribution."

Risks Associates with International Business. The Company purchases approximately 80% of its clothing line from suppliers located in India and Pakistan. Additionally, the Company owns 10% of the outstanding capital stock of Network Solutions (Pvt) Limited, a software development firm in Lahore, Pakistan. In the future, the Company may also pursue other business opportunities in the United States and Canada which arise out of its relationship with the Indian and Pakistan communities. The Company expects that international business will continue and will represent a substantial portion of the Company's business. International business is subject to a number of risks, including the following: agreements may be difficult to enforce through a foreign country's legal system; differing regulatory requirements; the requirement that the Company (or its customers) seek an import or export license; foreign countries could impose additional withholding taxes or otherwise further tax the Company's income, the imposition of tariffs or adoption of other restrictions on foreign trade; fluctuations in exchange rates, as well as changes in general political or economic conditions in one or more countries, could affect product demand; and the protection of intellectual property in foreign countries may be limited or more difficult to enforce. There can be no assurance that these and similar factors will not have a material adverse effect on the Company's future international business and, consequently, on the Company's domestic business and future prospects.

Potential Conflicts of Interest Between the Company and its Officers, Directors, and Shareholders. The interest of Investors and Shareholders may be inconsistent in some respects with the interests of the principals of the Company. The risk exists that such conflicts will not be resolved in the best interest of the Company. Further, the Company will rely on its Officers and Directors to manage the Company's business operations. All Officers and Directors will devote as much of their time to the business of the Company as, in their judgment, is reasonably necessary to operate the Company in a profitable manner. These individuals may engage for their own account, or the account of others in other business ventures for which the Company is not entitled to compensation. At some time in the future, the Company may compete for the management services of the Officers of the Company. As a result, these individuals may be placed in a position where their decision to favor other operations in which they are associated over those of the Company will result in a conflict of interest. In allocating their time, they will recognize their fiduciary obligations to the Company, the prevailing industry standards, and the financial situation of the Company. Further, the Company has accepted a loan from one of its officers and directors as well as a loan from the brother of one of its officers and directors. These situations create a potential conflict of interest situation where the officers and directors could act in the best interest of themselves and their families rather than the Company. The Company's management believes that the terms of these transactions are no less favorable to the Company than would have been obtained from an unaffiliated third party in similar transactions. All future transactions with affiliates will be on terms no less favorable than could be obtained from unaffiliated third parties, and will be approved by a majority of the disinterested directors. The Company has agreed with certain state regulatory authorities that so long as the Company's securities are registered in such states, or one year from the date of this prospectus, whichever is longer, the Company will not make loans to its officers, directors, employees, or principal shareholders, except for loans made in the ordinary course of business, such as travel advances, expense account advances, relocation advances, or reasonable salary advances. However, any of the relationships disclosed herein could result in a conflict of interest for the Company. See "Certain Transactions," and "Principal Shareholders."

Lack of Dividends. The Company has never paid any cash dividends on its Common Stock and does not anticipate paying any cash dividends in the future. The Company currently intends to retain future earnings, if any, to fund the development and growth of its business. See "Dividend Policy."

Dilution. Purchasers of shares of Common Stock in the Offering will experience immediate dilution of \$4.53 per share (88%) if the minimum amount is sold or \$4.08 per share (79%) if the maximum amount is sold (based on the initial public offering price of \$5.15 per share) in the net tangible book value of the shares from the initial public

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offering price. The shares sold by the Company in the Offering represent 12% of the total shares of Common Stock outstanding following the Offering if the minimum amount is sold or 22% of the total shares of Common Stock outstanding

following the Offering if the maximum amount is sold hereunder and represent a cash contribution of 82% of the aggregate book value or cash contributions to the Company if the minimum amount is sold or a cash contribution of 88% of the aggregate book value or cash contributions to the Company if the maximum amount is sold. See "Dilution."

**Control by Existing Shareholders.** Upon completion of this Offering, the Company's existing shareholders will beneficially own approximately 88% of the outstanding Common Stock if the minimum amount is sold or approximately 78% of the outstanding Common Stock if the maximum amount is sold. Of these shares, the Company's officers and directors, together with shareholders who beneficially own more than five percent of the outstanding stock of the Company, will beneficially own approximately 67% of the outstanding Common Stock if the minimum amount is sold or approximately 61% of the outstanding Common Stock if the maximum amount is sold hereunder. Investors purchasing shares pursuant to this Offering will beneficially own approximately 12% of the outstanding Common Stock if the minimum amount is sold or approximately 22% of the outstanding Common Stock if the maximum amount is sold. As a result, all or certain combinations of the Company's existing shareholders, acting in concert, will have the ability to control the Board of Directors and policies of the Company. See "Principal Stockholders" and "Certain Transactions."

**No Prior Public Market; Possible Volatility of Share Price.** No public securities market existed prior to this Offering for the Company's Securities. Although the Company has applied to have the Securities included on the OTC/BB System, there can be no assurance that an active public trading market for such securities will be developed or sustained. Accordingly, purchasers of the Securities may experience substantial difficulty selling such securities. The offering price of the Securities has been determined by negotiations between the Company and the Underwriter and are not necessarily related to the Company's existing market price, asset value, net worth, or other established criteria of value. Additionally, potential investors should be aware that the securities of the Company have recently sold at a substantial discount to the public offering price herein. The Company and the Underwriter considered the following factors in pricing the securities issued in the recent private placement of the Company at \$0.50 per share of Common Stock and \$0.10 per warrant versus the initial public offering price: at the time of the private placement the Company was still developing its business plan, the Company had minimal officer and director support, key personnel of the Company were not yet in place, the Company was in the process of structuring its public offering plan, the Company had not yet secured an underwriter for a public offering, and there could be no assurance of a public market for the securities. See "Underwriting."

**Shares Eligible for Future Sale.** Upon the closing of this Offering, 1,250,000 of the total of 1,814,065 shares of Common Stock outstanding prior to this Offering will be "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933 (the "Act"). All directors, officers, and holders of 5% or more of the existing shares of Common Stock (whether restricted or otherwise) have agreed not to sell any of their shares of Common Stock for a period of 12 months after the date of this Prospectus without the prior written consent of the Underwriter. At the end of that period, these shares will be eligible for sale, subject in the case of restricted securities to the holding period, volume limitations, and other conditions imposed by Rule 144. Ordinarily, under Rule 144, a person holding restricted securities for a period of one year may, every three months, sell in ordinary brokerage transactions or in transactions directly with a market maker an amount equal to the greater of one percent of the Company's then-outstanding Common Stock or the average weekly trading volume during the four calendar weeks prior to such sale. In addition, non-affiliates of the Company may sell unlimited amounts of restricted securities after a holding period of one year. Future sales of such shares could have an adverse effect on the market price of the Common Stock. See "Description of Securities" and "Underwriting."

**Risks Relating to Low-Price Stocks.** The Company has applied for inclusion of the Common Stock on the Over-the-Counter Bulletin Board ("OTC/BB") upon the completion of this Offering. As a result, an investor could find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, the Company's securities as compared to securities which are traded on the Nasdaq trading market or on an exchange. In addition, trading in the

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Securities would be covered by Rules 15c-1 through 15c-100 promulgated under the Securities Exchange Act of 1934 for non-Nasdaq and non-exchange listed securities. Under this rule, broker-dealers who recommend such securities must satisfy burdensome sales practice requirements, including a requirement that they make an individualized written suitability determination for the purchaser and receive the purchaser's written consent prior to the transaction. The Securities Enforcement and Penny Stock Reform Act of 1990 (the "Reform Act") also requires additional disclosure in connection with any trades involving a stock defined as a "penny stock" (generally, according to recent regulations adopted by the Commission, any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions), including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith, the requirement that a broker-dealer must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The regulations governing low-priced or penny stocks could limit the ability of broker-dealers to sell the Company's securities and thus the ability of the purchasers of this Offering to sell their securities in the secondary market.

**Inexperienced Underwriter.** Platinum Equities, Inc. (the "Underwriter") has no experience in underwriting public offerings. This Offering is the first

public offering the Underwriter will underwrite. There can be no assurance that the Underwriter's lack of experience will not adversely affect the Offering or the market for the Company's Securities following the completion of the Offering. Accordingly, the market for the Company's Common Stock could be adversely affected if other firms are unwilling to make a market in the Common Stock.

Underwriter Will Not Make a Market in the Company's Securities. Pursuant to the terms of the Underwriter's Restriction Letter with the NASD, the Underwriter is prohibited from acting as a "market maker" in securities. As a result thereof, the Underwriter will not make a market in the Securities offered hereby. The Underwriter's inability to make such a market may have a material adverse effect on the liquidity of the Securities offered hereby, which could make it more difficult for investors in this Offering to purchase or sell such securities. See "Underwriting."

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#### DILUTION

Dilution is the difference between the public offering price of \$5.15 per share for the Common Stock offered herein, and the net tangible book value per share of the Common Stock immediately after its purchase. The Company's net tangible book value per share is calculated by subtracting the Company's total liabilities from its total assets less any intangible assets, and then dividing by the number of shares then outstanding.

The net tangible book value of the Company prior to this Offering, based on September 30, 1997 financial statements, was \$194,705. Prior to selling any shares in this Offering, the Company has 1,814,065 shares of Common Stock outstanding.

If the maximum Shares offered herein are sold, the Company will have 2,314,065 shares outstanding upon completion of the Offering. The post offering pro forma net tangible book value of the Company, which gives effect to receipt of the net proceeds from the Offering and issuance of additional Shares of Common Stock in the Offering, but does not take into consideration the Warrants sold in the Offering nor any other changes in the net tangible book value of the Company after September 30, 1997, will be \$2,439,455 or \$1.05 per share, approximately. This would result in dilution to investors in this Offering of \$4.10 per share or 80% from the public offering price of \$5.15 per Share. Net tangible book value per share would increase to the benefit of present shareholders from \$0.11 prior to the Offering to \$1.05 after the Offering, or an increase of \$0.94 per share attributable to the purchase of the Shares by investors in this Offering.

If only the minimum number of Shares is sold, the Company will have 2,064,065 shares outstanding upon completion of the Offering. The post offering pro forma net tangible book value of the Company will be \$1,232,330 or \$0.60 per share, approximately. This would result in dilution to investors in this Offering of \$4.55 per share or 88% from the public offering price of \$5.15 per Share. Net tangible book value per share would increase to the benefit of present shareholders from \$0.11 prior to the Offering to \$0.60 after the Offering, or an increase of \$0.49 per share attributable to the purchase of the Shares by investors in this Offering.

The following table sets forth the estimated net tangible book value per share after the Offering and the dilution to persons purchasing Shares based on the foregoing minimum and maximum offering assumptions

<TABLE>

<CAPTION>

	MINIMUM(1)		MAXIMUM(2)	
<S>	<C>		<C>	
Initial public offering price (per share)	\$	5.15	\$	5.15
Net tangible book value per share before the Offering	\$	0.11	\$	0.11
Increase per share attributable to payments by new investors	\$	0.49	\$	0.94
Pro forma net tangible book value per share after the Offering	\$	0.60	\$	1.05
Dilution per share to new investors	\$	4.56(88%)	\$	4.10(80)%

</TABLE>

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#### COMPARATIVE DATA

The following charts illustrate the pro forma proportionate ownership in the Company. Upon completion of the Offering under alternative minimum and maximum offering assumptions, of present shareholders and of investors in this Offering, compared to the relative amounts paid and contributed to capital of the Company by present shareholders and by investors in this Offering, assuming no changes in net tangible book value other than those resulting from the Offering.

<TABLE>

<CAPTION>

MINIMUM OFFERING	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	PERCENT		PERCENT		
<S>	<C>		<C>		<C>
Existing shareholders	1,814,065	88%	\$ 291,024/3/	18%	\$0.16

New investors	250,000	12%	\$1,287,500/4/	82%	\$5.15
Total	2,064,065	100%	\$ 1,578,524	100.0%	

MAXIMUM OFFERING	SHARES PURCHASED	TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE	
		PERCENT	PERCENT		
Existing shareholders	1,814,065	78%	\$ 291,024/3/	10%	\$0.16
New investors	500,000	22%	\$2,675,000/5/	90%	\$5.15
Total	2,314,065	100%	\$ 2,966,024	100.0%	

</TABLE>

- (1) Assumes \$1,037,625 net proceeds from sale of 250,000 Shares.
- (2) Assumes \$2,244,750 net proceeds from sale of 500,000 Shares and 1,000,000 Warrants
- (3) Based on capital contributions from inception to September 30, 1997 (net).
- (4) Assumes gross proceeds from offering of 250,000 Shares
- (5) Assumes gross proceeds from offering of 500,000 Shares and 1,000,000 Warrants

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#### USE OF PROCEEDS

The net proceeds to the Company (at an initial public offering price of \$5.15 per Share) and \$0.10 per Warrant from the sale of the Securities offered hereby (less commissions of 10%, the Underwriter's non-accountable expense allowance of 3% and expenses of this Offering (estimated at \$82,500)) are estimated to be approximately \$1,037,625 if the minimum amount is raised hereunder and \$2,244,750 if the maximum amount is raised, excluding any proceeds from the exercise of the Warrants.

<TABLE>  
<CAPTION>

	MINIMUM	PERCENT	MAXIMUM	PERCENT
<S>	<C>	<C>	<C>	<C>
Expansion of the Company's sales force and establishment of advertising and promotion activities	\$ 223,089	21.5%	\$ 406,300	18.1%
Increasing the variety of product by adding new designers and increasing the level of inventory or products	\$ 223,089	21.5%	\$ 406,300	18.1%
Establish import/export distribution channels	\$ 223,089	21.5%	\$ 368,139	16.4%
Market research to determine viability of entering entertainment industry	\$ 147,343	14.2%	\$ 365,894	16.3%
Market research to determine viability of increasing participation in software industry	\$ 147,343	14.2%	\$ 365,894	16.3%
Working capital	\$ 73,672	7.1%	\$ 332,223	14.8%
TOTALS	\$1,037,625	100%	\$2,244,750	100%

</TABLE>

The allocation of net proceeds set forth above represents the Company's current estimates based upon its current plans and upon certain assumptions regarding the progress of development of its products, changing competitive conditions, the ongoing evaluation and determination of the commercial potential of the Company's products and the Company's ability to enter into agreements. These assumptions include the facts that the Company's retail clothing line will continue to increase its sales in order to support an expansion of its sales force and establishment of advertising and promotional activities; the Company will be able to attract new designers and purchase additional inventory from such designers; the Company will be able to establish import/export distribution channels for its retail clothing line between the United States, India, and Pakistan. If any of these factors change, the Company may reallocate some of the net proceeds within or between the above-described categories. The Company believes that the funds generated by this Offering, together with current resources, will be sufficient to fund working capital and capital requirements for at least 12 months from the date of this Prospectus.

#### DIVIDEND POLICY

The Company has never paid any cash dividends on its Common Stock and does not anticipate paying any cash dividends in the future. The Company currently intends to retain future earnings, if any, to fund the development and growth of its business.

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#### CAPITALIZATION

The following table sets forth the capitalization of the Company as of September 30, 1997 and as adjusted to give effect to the sale by the Company

of a minimum of 250,000 Shares at an offering price of \$5.15 per Share and the application of the net proceeds of \$1,037,625 therefrom and as adjusted to give effect to the sale by the Company of a maximum of 500,000 Shares at \$5.15 per Share and 1,000,000 Warrants at \$0.10 per Warrant and the application of the net proceeds of \$2,244,750 therefrom.

<TABLE>

<CAPTION>

	September 30, 1997	Minimum As Adjusted	Maximum As Adjusted
	(unaudited)		
<S>	<C>	<C>	<C>
<b>Short-term debt:</b>			
Accounts payable and accrued expenses	\$ 25,055	\$ 25,055	\$ 25,055
Notes payable	\$ 134,086	\$ 134,086	\$ 134,086
Interest payable	\$ 5,202	\$ 5,202	\$ 5,202
	-----	-----	-----
Total short-term debt	\$ 159,141	\$ 159,141	\$ 159,141
	=====	=====	=====
Long term liabilities: loan payable and notes payable	\$ 133,668	\$ 133,668	\$ 133,668
<b>Stockholders' equity:</b>			
Common Stock, \$0.001 par value			
25,000,000 shares authorized,			
1,814,065 issued and outstanding,			
2,064,065 if minimum amount is sold,			
2,314,065 if maximum amount is sold	\$ 1,814	\$ 2,064	\$ 2,314
Additional paid-in capital	\$ 562,021	\$1,599,396	\$2,806,271
Accumulated deficit	\$ (329,130)	\$ (329,130)	\$ (329,130)
Total stockholders' equity	\$ 234,705	\$1,272,330	\$2,479,455
	=====	=====	=====

</TABLE>

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SELECTED FINANCIAL DATA

The following selected financial data are qualified by reference to, and should be read in conjunction with, the Financial Statements, related Notes to Financial Statements and Report of Independent Public Accountants, and Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. The following tables summarize certain selected financial data of the Company for the three months ended September 30, 1997 (unaudited) as compared to the three months ended September 30, 1996 (unaudited), the fiscal year ended June 30, 1996 (audited), and the fiscal year ended June 30, 1997 (audited). The data has been derived from Financial Statements included elsewhere in this Prospectus that were audited by Hoffski & Pisano, P.C. (June 30, 1996) and by Stonefield Josephson, Inc. (June 30, 1997). No dividends have been paid for any of the periods presented.

<TABLE>

<CAPTION>

	Three Months Ended September 30		Period July 1, 1996 to June 30, 1997	Period July 1, 1995 to June 30, 1996
	1997	1996		
	(unaudited)			
<S>	<C>	<C>	<C>	<C>
<b>STATEMENT OF OPERATIONS</b>				
<b>DATA:</b>				
Revenue	55,605	\$ 73,140	\$ 212,972	\$199,230
Net loss	(39,239)	\$ (49,538)	\$ (289,891)	\$ (62,295)
	\$ (0.02)	\$ (0.06)	\$ (0.22)	\$ ---

<CAPTION>

	September 30, 1997	June 30, 1997	June 30, 1996
	(unaudited)		
<S>	<C>	<C>	<C>
<b>BALANCE SHEET DATA:</b>			
Current assets	\$ 127,646	\$ 141,549	\$ 70,749
Notes receivable	\$ 116,007	\$ 113,104	\$ ---
Total property and equipment, net	\$ 40,131	\$ 41,945	\$ 39,629
Investments	\$ 200,000	\$ 200,000	\$ ---
	-----	-----	-----
Other	\$ 43,730		
Total assets	\$ 527,514	\$ 43,730	
	=====	\$ 540,328	
Total current liabilities	\$ 159,141	=====	\$104,842
Long term notes & loans	\$ 133,668		\$ ---
Partner's equity	\$ ---	\$ 130,909	\$ 9,266
Total liabilities and partner's equity	\$ ---	\$ 135,475	-----
	-----	\$ ---	\$114,108
	-----	-----	=====

Stockholders equity	\$	234,705	\$	273,944
		-----		-----
Total liabilities and stockholders equity	\$	527,514	\$	540,328
		=====		=====

</TABLE>

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

GENERAL

The Company was formed in April 1995 and incorporated on March 18, 1997 for the purpose of marketing and selling unique clothing. The Company has generated nominal revenues to date. It has accumulated losses from operations of \$358,491 since its initial inception in April 1995 through June 30, 1997.

Mirage Holdings, Inc. was incorporated under the laws of the State of Nevada on March 18, 1997. Mirage Collection, Inc., a wholly-owned subsidiary of Mirage Holdings, Inc., formally began business as a partnership July 1, 1995, and was reorganized into a corporation in the State of Nevada pursuant to Internal Revenue Code Section 351 on April 1, 1997. Therefore, this discussion and analysis and the financial statements included herein are based on a partnership entity for the year ended 1996. The year ended 1997 includes operations of the partnership and corporation.

RESULTS OF OPERATIONS

<TABLE>

<CAPTION>

	Three Months Ended		Year Ended	
	September 30		June 30	
	1997	1996	1997	1996
	-----		-----	
	(unaudited)			
<S>	<C>	<C>	<C>	<C>
Net sales	\$55,605	\$ 73,140	\$ 212,972	\$ 199,230
Cost of goods sold	\$32,099	\$ 50,808	\$ 149,501	\$ 160,350
Gross profit	\$23,506	\$ 22,332	\$ 63,471	\$ 38,880
Selling, general & administrative expenses	\$101,664	\$ 71,870	\$ 389,723	\$ 97,192
Net Loss	\$ (39,239)	\$ (49,538)	\$ (289,891)	\$ (62,295)

</TABLE>

THREE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO THE THREE MONTHS ENDED  
SEPTEMBER 30, 1996 (UNAUDITED)

Revenues:

The Company's sales for the three months ended September 30, 1997 were \$55,605 (average of \$18,535 per month) as compared to \$73,140 for the three months ended September 30, 1996 (average of \$24,380 per month).

Cost of goods sold and gross profit:

The Company's gross profit was approximately 42% for the three months ended September 30, 1997 as compared to 31% for the three months ended September 30, 1996.

Selling, general and administrative expenses:

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Selling, general, and administrative expenses for the three months ended September 30, 1997 were \$101,664 (average of \$33,888 per month) as compared to \$71,870 for the three months ended September 30, 1996 (average of \$23,957 per month).

FISCAL YEAR ENDED JUNE 30, 1997 COMPARED TO FISCAL YEAR ENDED JUNE 30, 1996  
(AUDITED)

Revenues:

The Company's sales for the year ended June 30, 1997 were \$212,972 (average of \$17,748 per month) as compared to \$199,230 for the fiscal year ended June 30, 1996 (average of \$16,603 per month). This increase is largely due to increased advertising and marketing efforts. The Company is also targeting a broader market by selling lower to middle end merchandise as well.

Cost of goods sold and gross profit:

The Company's gross profit was approximately 30% for the year ended June 30, 1997 as compared to 19.5% for the fiscal year ended June 30, 1996. The gross profit percentage has increased largely because the Company is able to purchase at a lower cost and sell its merchandise for a higher gross profit.

Selling, general and administrative expenses:

Selling, general, and administrative expenses for the year ended June 30, 1997 were \$212,578 (average of \$17,715 per month) as compared to \$97,192 for the

fiscal year ended June 30, 1996 (average of \$8,099 per month). The increase is, in part, due to opening of a new store in Diamond Bar.

#### LIQUIDITY AND CAPITAL RESOURCES

Since its inception, the Company has funded its capital requirements through partners' contributions of cash in the cumulative amount of \$165,738 since April 17, 1995 (inception) to December 31, 1996.

On February 26, 1997, the Company issued an unsecured note to Manhattan West, Inc. in exchange for loans in the principal amount of \$46,997. The note is due on February 26, 2000 and bears interest at the rate of 10% per annum. The note contains a conversion feature whereby Manhattan West, Inc. may, at any time, convert the balance due and owing to it into share of Common Stock of the Company at the rate of \$0.50 per share. As of the date of this Prospectus, the balance due on the note is \$37,678 plus accrued interest. See "Certain Transactions."

On April 10, 1997, the Company commenced a private placement (the "Private Placement") of 564,065 shares of the Company's common stock at a purchase price of \$0.50 per share (the "Private Placement Stock") and 445,500 warrants, each warrant to purchase one share of the Company's common stock at an exercise price of \$0.75 for a term of five years at a purchase price of \$0.10 per warrant (the "Private Placement Warrants"). The Private Placement was exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to the Private Placement were restricted securities as defined in Rule 144. The Private Placement Stock and the Common Stock underlying the Private Placement Warrants are being registered herein. The offering generated net proceeds of approximately \$290,000. The Company used the net proceeds of the private offering as follows: (1) \$200,000 for the acquisition of a 10% ownership interest of Network Solutions (PVT) Limited, a software development firm in Lahore, Pakistan ("NetSol") (see "Business of the Company--General"); (2) \$50,000 for the retainer fee for Horwitz & Beam, Inc. to prepare the Company's Registration Statement and to act as counsel to the Company in connection with the filing of the Registration Statement; and (3) \$40,000 for working capital.

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At June 30, 1997, the Company had outstanding current liabilities of \$130,909. The Company anticipates satisfying its current liabilities in the ordinary course of business from revenues and notes receivable.

Capital expenditures during the period from inception through June 30, 1997 were \$55,976. Over the next 12 months, the Company plans to upgrade its management information system, telecommunications system, and office equipment to accommodate anticipated growth plans. The Company anticipates these upgrades and acquisitions may require estimated expenditures of approximately \$50,000 over the next 12 months. The Company anticipates financing these expenditures through revenues and working capital raised in this Offering.

The Company does not believe that inflation has had a significant impact on its operations since inception of the Company.

#### CHANGE IN AUDITING FIRM

The Company terminated Hoffski & Pisano as its principal accountant as of August 15, 1997. The principal accountant's report on the financial statements for either of the past two years contained no adverse opinion or a disclaimer of opinion, or was qualified nor modified as to uncertainty, audit scope, or accounting principles. The termination of the accountant was approved by the Board of Directors. During the Company's two most recent fiscal years and any subsequent interim period preceding such registration, declination, or dismissal, there were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The Company engaged Stonefield Josephson, Inc. ("Stonefield Josephson") as its principal accountants effective August 15, 1997. Stonefield Josephson's business address is 1620 26th Street, Suite 400 South, Santa Monica, California 90404-4002. Stonefield Josephson replaces Hoffski & Pisano. The decision to engage Stonefield Josephson was approved by the Board of Directors.

#### SEASONALITY

Like most retailers, the Company's business is subject to seasonable fluctuations, with an increase in sales and revenues occurring during the fourth quarter of each year, mostly due to holiday purchasing. Because of the seasonality of the Company's business, results for any quarter are not necessarily indicative of the results that may be achieved for the full year.

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#### BUSINESS OF THE COMPANY

##### GENERAL

The Company specializes in the marketing of fashions targeted towards the segment where discriminating customers are always looking for unique and innovative products. The origin of these designs is mainly from India and Pakistan but not limited to these countries. The management of the Company is continuously in search of new ideas regardless of the ethnic background.

The idea was to fill this niche in the apparel market by importing these fashions. The economic feasibility of this idea was studied by conducting a

market research over a period of one year. The market research consisted of documentary research into the income, affluence, and spending habits and preferences of the Company's target market (the Indian-Pakistani population living in the United States), some of which follows. Additionally, a series of fashion shows and exhibitions of the apparel were held at conventions around the country. The locations of these shows included St. Louis, Missouri; Chicago, Illinois; San Francisco, California; Seattle, Washington; Brea, California; and Fullerton, California. The shows and exhibitions indicated the level of interest and purchasing in certain lines of apparel in various areas around the country. The results were very encouraging. The study identified two main areas of profitability: the existing affluent market segment of Indian and Pakistani people who are always thirsty of new fashions from their countries, as well as the growing demand in the mainstream American market for unique, exotic fashion designs.

To explore the potential presented by these opportunities, Mirage Collection was formed with the goal to be the dominant supplier of fashionwear in these specialty market segments in the United States and Canada.

In the future, the Company may also pursue other business opportunities in the United States and Canada which arise out of its relationships with the Indian and Pakistan communities. India ranks as one of the ten largest emerging markets in the world, according to the U.S. Department of Commerce. India has been called the "Silicon Valley of the East" and houses many high-tech corporations, including Motorola and Hewlett Packard. (National Geographic, May 1997.) The Company anticipates that such opportunities may arise in the software and entertainment industries.

On March 30, 1997, the Company purchased 10% of the outstanding capital stock of Network Solutions (PVT) Limited, a software development firm in Lahore, Pakistan ("NetSol"), in exchange for the payment of \$200,000. The cash consideration of \$200,000 was paid by the Company from the net proceeds of the Private Placement. NetSol was incorporated in Pakistan on August 22, 1996, under the Companies Ordinance, 1984, as a private company limited by shares. The principal business of NetSol is the development and export of software. At June 30, 1997, NetSol had net assets of \$336,086, sales of \$258,282, and a net profit of \$45,853 for the period of August 22, 1996 (date of inception) through June 30, 1997. Through its 10% ownership interest in NetSol, the Company can assist NetSol in marketing its software development services to North American and European clients.

The Company has also identified a niche market existing in the entertainment industry in that, currently, there are no significant entertainment venues catering to the Indian/Pakistani communities in the United States. Management of the Company believes that a significant opportunity exists in the development of theme parks, virtual reality games, theme restaurants, and other entertainment venues to serve this market. However, the Company has yet to perform significant market research into this sector, no formal agreements have been reached, and there can be no assurance as to the terms of any such potential agreements nor that any agreements will ever be reached nor that the Company will ever enter into this market.

Mirage Holdings, Inc. was incorporated under the laws of the State of Nevada on March 18, 1997. Mirage Collection, Inc., a wholly-owned subsidiary of Mirage Holdings, Inc. which actively conducts the retail clothing business of the Company, began business as a partnership in July 1995, and was reorganized into a corporation in the State of Nevada pursuant to Internal Revenue Code Section 351 on April 1, 1997.

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#### OVERVIEW OF THE COMPANY'S MARKETS

The United States is India's largest single trading partner. Between 1987 and 1993, United States exports to India rose 11% annually, slightly faster than imports to the United States from India, which measured 10% a year. India's exports to the United States increased 15% in 1994 and management of the Company expects that India's exports will probably remain strong in subsequent years. In 1994, India's exports totaled \$24 billion, of which \$5.3 billion in goods was exported to the United States. Annual growth rates of 5% to 10% are expected between 1995 and 2000. (U.S. Global Trade Outlook: 1995 - 2000, U.S. Dept. of Commerce.)

Pakistan's single largest trading partner is also the United States. Pakistan's total exports in 1993 were \$6.7 billion. Both India's and Pakistan's exports include clothing. (1997 Information Please Almanac, Atlas, and Yearbook, Houghton Mifflin Company, Boston and New York, 1997.)

[GRAPH APPEARS HERE]

Estimated annual retail and wholesale sales of apparel and accessory stores in the United States were \$109.962 billion in 1995, a slight increase over 1994 sales of \$109.881 billion. Imports of clothing and footwear in the United States in 1995 were \$51.632 billion, an increase over 1994 imports of \$48.46 billion. (1997 Information Please Almanac, Atlas, and Yearbook, Houghton Mifflin Company, Boston and New York, 1997.)

The total Indian-Pakistani population in the United States (the "U.S. I-P population") has been estimated at 4 million. There are large populations in most major states with significant populations in New York, New Jersey, California, Illinois, Florida, Washington, D.C., Maryland, North Carolina, Pennsylvania, Connecticut, Texas, Massachusetts, Georgia, Ohio, Michigan, South Carolina, and Tennessee. The average annual household income of the U.S. I-P

population is \$80,000+. Thirteen percent earn more than \$100,000 per year; 46% have an annual income of \$75,000 or greater; and nearly half earn at least \$50,000 per year. Ninety percent of the U.S. I-P population own homes of which more than half (51%) own their homes outright. More than half (53%) own two cars and 12% own more than three cars. The U.S. I-P population is also educated as 70% have college degrees and 35% have advanced degrees (i.e., Master's, Ph.D.'s, etc.). Seventy-nine percent of the U.S. I-P population is employed in professional capacities (28%: executives or managers; 21%: doctors or dentists; 17%: engineers or scientists; and 13%: lawyers or accountants). (Zarposh International, Trabuco Canyon, California, January 1, 1997.) Therefore, management of the Company believes that its target market, the U.S. I-P population, can afford to purchase unique fashions.

Due to the large U.S. I-P population, there is a high demand for ethnic fashions. Most of these people are not able to travel to India or Pakistan often due to professional commitments. Even when they do travel, it is hard for them to find the right designers or boutiques. The Company conducted market research over a one-year period before the

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opening of its first store and is constantly reviewing opinions and needs of its customers to provide the products that best suit their needs.

Reasons for seeking ethnic fashions:

- . Desire of the I-P people to preserve and maintain their culture.
- . Social commitments such as community events and casual gatherings where the people like to wear the latest ethnic fashions.

#### BUSINESS STRATEGY

- . The Company is researching the feasibility of setting up a production facility in Pakistan. This can reduce costs and increase profit margins.
- . To explore new designers in India and Pakistan by traveling to these countries every quarter. This will also help the Company to stay in touch with the latest trends and fashions.
- . To work with existing designers for a product line of everyday wear and occasional wear to provide a variety to customers.
- . Research the potential of opening stores in other major cities highly populated by the I-P people such as Houston, Chicago, Atlanta, and New York.
- . To introduce the luxurious fabrics and intricate embroidered fashions to the "entertainment industry," an affluent market which requires a need for unique fashions due to social commitments.
- . To introduce a modified/modern version of the shalwar-qamiz (long shirt draped over loose palazzo-style pants) through department stores such as Bloomingdales and Nordstrom catering to the mainstream middle class and upper class.
- . To aggressively market our products to the younger generation of the ethnic market.

#### PRODUCTS

Most Indians wear light, loose clothing because of the hot climate. Bright colors and white are common. Most Indian women wear a sari, a straight piece of cloth draped around the body as a long dress. They place its loose end over the head or shoulder. Wealthy women in India wear saris made of silk, with borders of gold thread. Many of the women of northern India wear full trousers with a long blouse and veil. (World Book Encyclopedia, World Book, Inc., 1995.)

Traditional Indian fashions have evolved over the years to compete with western clothes which are also accessible to the younger generation of Indian people. Modern Indian fashions include the lengha/cholis (skirt and short top), and sarecs (six yards of fabric wrapped around the waist similar to a skirt with the loose end draped over the shoulder) worn in different ways from traditional to modern.

In Pakistan, the most common garment of both men and women is the shalwar-qamiz, which consists of loose trousers and a long overblouse. Women may wear a dupatta, a scarf, over their shoulders and head. Outside the home, women usually cover themselves with a tent-like garment called a burqa. (World Book Encyclopedia, World Book, Inc., 1995.)

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Pakistani fashions have also evolved over the years as designers who are exposed to western fashions have created traditional clothes in modern forms. The trend these days is influenced by the Moguls who ruled in regions of Afghanistan, Pakistan, and India from 1483 to 1739. The Mogul women adorn themselves with elaborate costumes and precious jewels. The designers display these traditions in the use of luxurious fabrics and intricate embroidery. The Company offers shararas, ghararas, and peshwaz - traditional fashions with contemporary hints, and shalwar/qamiz -traditional to modern versions.

The average retail price charged by the Company for one outfit is \$150, but prices range from under \$100 to over \$1,500. The Company also sells accessories and costume jewelry.

#### COMPETITION

The retail apparel business is highly competitive and is expected to remain so despite consolidation in the industry. The Company competes primarily with other specialty retailers and to a lesser degree with department stores and other retailers and catalogers engaged in the retail sale of apparel. Most of these competitors have significantly greater financial, marketing and other resources than the Company. The Company believes that its emphasis on unique, ethnic fashions and its marketing focus on ethnic markets makes it less vulnerable to changes in fashion trends than many general apparel retailers; however, the Company's sales and profitability depend upon the continued demand for its unique styles.

The Company's primary competitors are Yasmin which has four locations and its principal store at 18161 Pioneer Boulevard, Artesia, California; Memsahib, 18161 Pioneer Boulevard, Artesia, California; and Raaz, Inc., Chicago, Illinois. However, the Company's specific market is very fragmented and there may exist numerous other small and large competitors.

#### COMPETITIVE ADVANTAGES

- . The accessibility to top designers from both India and Pakistan.
- . Involvement of buyers working with designers to understand the U.S. market.
- . The customer comes first approach gives people a level of comfort and confidence which they may not find at other ethnic stores. This is especially appealing to the younger generation who is exposed to the western store concepts like greeting customers when they walk in.
- . Due to detailed designs such as type of fabric or type of embroidery, the Company trains the employees about the products so they are confident when the customers ask questions.

#### MARKETING

Management of the Company devised a marketing strategy aimed at achieving its goal of being the dominant supplier of fashionwear in the specialty market segments in the United States and Canada. The main focus of the strategy was to penetrate the market with products that have strong appeal to customers who enjoy exclusivity.

The following activities were carried out in order to accomplish the objectives:

1. Top designers were identified and agreements for exclusive supply to the Company were signed for representation in the local markets.
2. The Company identified Fashion Shows and Exhibitions to be effective distribution channels and thus hosted and participated in these events successfully.

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3. The Company opened its first showroom in October 1995 in the Los Angeles area. This showroom occupies an area of approximately 2,500 square feet. The decor was done to create the ambiance with a touch of class so that the customer can appreciate not only the products but the way they are presented and has proven to be successful in attracting the customers.

4. An advertising and promotion campaign was launched targeting the potential groups.

5. The Company made contacts with the designer boutiques in the mainstream market which cater to these selective customers.

In the future, the management plans to focus on the following areas:

1. Enhance the advertising and promotion activities in line with the expected growth in sales.
2. Increase the variety of product offering by adding new designers.
3. Provide custom tailoring to the customers. This area not only enhances sales, but provides another avenue of generating revenues.
4. Increase the sales and marketing activities by adding to the existing sales staff for developing contacts with the potential customers which includes a variety of parties including the film industry as well as high end boutiques.
5. Increase the product exposure by attending reputable designer shows.
6. Aggressive participation in medical conventions which provide an excellent sales opportunity as well as added exposure with the most affluent of the customers.
7. Increase the level of inventory of its products.
8. Establish a chain of Mirage stores in different metropolitan markets as well as studying the possibility of franchising the Mirage concept.
9. Introduce the Mirage catalogue for sales through mail order.

#### DISTRIBUTION

Currently, the Company purchases its products wholesale and sells them for retail at the Company's stores. The Company has one supplier in the U.S. which

imports products from India and Pakistan, Raaz Collection, Los Angeles, California. The Company obtains approximately 20% of all of its products from Raaz Collection. All of the Company's other suppliers are located in India and Pakistan. Representatives of the Company make approximately one trip per month to India and Pakistan to purchase products.

The Company anticipates that it will have a centralized distribution center in the future which will purchase products and distribute the products to the Company's stores for retail sale. However, such plan is dependent upon the Company raising sufficient capital, increasing its revenues, and opening more stores and therefore there can be no assurance that this plan for the Company will ever come to fruition.

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#### EMPLOYEES

As of the date of this Prospectus, the Company employed three full-time employees and one consultant. The Company hires independent contractors on an "as needed" basis only. The Company has no collective bargaining agreements with its employees. The Company believes that its employee relationships are satisfactory. The Company plans on hiring additional part-time sales staff in the immediate future. Long term, the Company will hire additional employees as needed based on its growth rate.

Mr. Ghauri will become employed by the Company as its President and Secretary upon completion of this Offering. Mr. Champion will become employed by the Company as its Chief Financial Officer and Vice President on May 15, 1997. See "Management--Directors and Executive Officers."

#### PROPERTIES

The Company leases a 2,500 square feet showroom and office in Artesia, California. The lease expires on August 31, 2000 and requires monthly payments of approximately \$3,200. The Company has an option to renew the lease for an additional five year term, beginning September 1, 2000 to August 31, 2005; the terms of such renewal shall be agreed upon prior to execution of the lease option.

The Company also leases a 1,150 square feet showroom in Diamond Bar, California. The lease expires on September 30, 2001 and requires monthly payments of approximately \$1,150. Prior to its termination, the Company has an option to renew the lease for an additional five year term at the then fair market value of the property.

#### LITIGATION

To the knowledge of management, there is no material litigation pending or threatened against the Company.

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#### MANAGEMENT

##### DIRECTORS AND EXECUTIVE OFFICERS

The directors and officers of the Company as of the date of this Prospectus are as follows:

<TABLE>  
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NAME	AGE	POSITION
<S>	<C>	<C>
Najeeb U. Ghauri	43	President, Secretary, Director of Mirage Holdings, Inc.; Chief Financial Officer of Mirage Collection, Inc.
Gill Champion	55	Vice President, Chief Financial Officer, Director of Mirage Holdings, Inc.
Irfan Mustafa	46	Director of Mirage Holdings, Inc.
Saima Khan	26	President, Secretary, Director of Mirage Collection, Inc.

The number of directors may be fixed from time to time by the Board of Directors. The Board of Directors presently consists of 3 directors. Each of the Company's directors hold office until their respective successors are elected at the next annual meeting of shareholders. Vacancies in the Board of Directors are filled by a majority vote of the remaining directors or by a shareholder vote called expressly for such purpose.

**NAJEEB U. GHAURI** - Mr. Ghauri, President, Secretary, and Director of Mirage Holdings, Inc. and Chief Financial Officer of Mirage Collection, Inc., has an M.B.A. in Marketing Management from the Claremont Graduate School (1983) and a B.S. degree in Management/Economics from Eastern Illinois University (1980). Mr. Ghauri has been employed by Arco Petroleum Products Co. since 1987 and continuing through the present. His current position at Arco is Territory Manager. Mr. Ghauri is fluent in English, Urdu, and Indian languages and has a working knowledge of mid-eastern languages.

**IRFAN MUSTAFA** - Mr. Mustafa, a director of the Company, has an M.B.A. from IMD (formerly Imede), Lausanne, Switzerland (1975); an M.B.A. from the Institute of Business Administration, Karachi, Pakistan (1974); and a B.S.C. in Economics, from Punjab University, Lahore, Pakistan (1971). Mr. Mustafa has been employed by Pepsicola Company since 1990 and continuing through the present. His current position at Pepsicola is as a leader of the Executive Designate Program. He was

Area Vice President for Egypt and Sudan from 1994 through 1995 and Area Vice President for West Asia from 1990 through 1994. Mr. Mustafa is the Chairman and Founder Member of the Pepsi Education Foundation, Pakistan; Founder Member of the Market Research Society, Pakistan; and a member of the Board of Trustees of Educational and Charitable Organizations in Pakistan.

GILL CHAMPION - Mr. Champion, Vice President, Chief Financial Officer, and a director of Mirage Holdings, Inc., has a B.A. degree from New York University; attended Rutgers University; and attended the American Academy of Dramatic Arts. Mr. Champion was C.E.O. of American Cinema Stores, Inc., a public company, from 1990 through 1996 where he established domestic and international sales and marketing strategies and distribution channels for licensed entertainment products. He was Executive Vice President of Reel Treasures, Inc. from 1985 through 1989; Vice President of Gaylord Broadcasting from 1981 through 1984; and Vice President of Production of Producer Circle Co. from 1976 through 1981.

SAIMA KHAN - Ms. Khan, President, Secretary, and Director of Mirage Collection, Inc., the Company's wholly-owned subsidiary, is the original founder of Mirage Collection Inc., and commenced full-time employment at Mirage Collection in 1992 as its sole proprietor. Prior to that, Ms. Khan was employed in financial public relations.

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#### TOTAL EXECUTIVE COMPENSATION

The Company's Board of Directors authorized the compensation of several of its officers with restricted shares of the Company's Common Stock and options. The following officers of the Company receive the following annual cash salaries and other compensation:

#### SUMMARY COMPENSATION TABLE

<TABLE>

<CAPTION>

Name and Principal Position	Year	Annual Salary (1)	Awards (2)	
			Restricted Stock Awards (3)	Securities Underlying Options (4)
<S>	<C>	<C>	<C>	<C>
Najeeb U. Ghauri, President and Secretary of Mirage Holdings, Inc.	1997	\$33,500	200,000	50,000
Gill Champion, Vice President and Chief Financial Officer of Mirage Holdings, Inc.	1997	\$39,500	50,000	50,000
Saima Khan, President of Mirage Collection, Inc.	1997	\$24,000	5,000	-0-
All Officers as a Group (3 persons)	1997	\$97,000	255,000	100,000

</TABLE>

(1) No officers received or will receive any bonus or other annual compensation other than salaries during fiscal 1997. The table does not include any amounts for personal benefits extended to officers of the Company, such as the cost of automobiles, life insurance and supplemental medical insurance, because the specific dollar amounts of such personal benefits cannot be ascertained. Management believes that the value of non-cash benefits and compensation distributed to executive officers of the Company individually or as a group during fiscal year 1996 did not exceed the lesser of \$50,000 or ten percent of such officers' individual cash compensation or, with respect to the group, \$50,000 times the number of persons in the group or ten percent of the group's aggregate cash compensation.

(2) No officers received or will receive any long term incentive plan (LTIP) payouts or other payouts during fiscal 1997.

(3) All stock awards are shares of Common Stock of the Company.

(4) All securities underlying options are shares of Common Stock of the Company.

#### OPTION GRANTS IN LAST FISCAL YEAR

<TABLE>

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Name	Number of securities underlying options granted	Percent of total options granted to employees in fiscal year	Exercise price (\$/Sh)	Expiration date
<S>	<C>	<C>	<C>	<C>
Najeeb U. Ghauri	50,000	42%	\$0.01 per share	May 12, 2002
Gill Champion	50,000	42%	\$0.01 per share	May 12, 2002

</TABLE>

#### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The laws of the State of Nevada and the Company's Bylaws provide for indemnification of the Company's directors for liabilities and expenses that they may incur in such capacities. In general, directors and officers are indemnified with respect to actions taken in good faith in a manner reasonably believed to be in, or not opposed to, the

best interests of the Company, and with respect to any criminal action or proceeding, actions that the indemnitee had no reasonable cause to believe were unlawful.

The Company has been advised that in the opinion of the Securities and Exchange Commission, indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

#### EMPLOYMENT AND RELATED AGREEMENTS

##### INCENTIVE AND NONSTATUTORY STOCK OPTION PLAN

On April 1, 1997, the Company enacted an Incentive and Nonstatutory Stock Option Plan (the "Plan") for its employees and consultants under which a maximum of 500,000 options may be granted to purchase Common Stock of the Company. Two types of options may be granted under the Plan: (1) Incentive Stock Options (also known as Qualified Stock Options) which only may be issued to employees of the Company and whereby the exercise price of the option is not less than the fair market value of the Common Stock on the date it was reserved for issuance under the Plan; and (2) Nonstatutory Stock Options which may be issued to either employees or consultants of the Company and whereby the exercise price of the option is less than the fair market value of the Common Stock on the date it was reserved for issuance under the plan. Grants of options may be made to employees and consultants without regard to any performance measures. All options listed in the Summary Compensation Table were issued pursuant to the Plan. All options issued pursuant to the Plan vest over an 18-month period from the date of the grant per the following schedule: 33% of the Options vest on the date which is six months from the date of the grant; 33% of the Options vest on the date which is 12 months from the date of the grant; and 34% of the Options vest on the date which is 18 months from the date of the grant. All options issued pursuant to the Plan are nontransferable and subject to forfeiture. As of the date of this Prospectus, the Company had issued 120,000 Incentive Stock Options of which none have vested nor been exercised.

##### DIRECTORS COMPENSATION

Directors of the Company do not receive any cash compensation, but are entitled to reimbursement of their reasonable expenses incurred in attending Directors' Meetings. In addition, the Company has granted to its three directors 20,000 options to purchase common stock of the Company under the Company's Incentive and Nonstatutory Stock Option Plan each.

##### EMPLOYMENT AGREEMENTS

The Company entered into an Employment Agreement with Saima Khan, President of Mirage Collection, Inc. on July 1, 1996. Ms. Khan commenced her employment with the Company in July 1995. Pursuant to that Agreement, Ms. Khan receives a salary of \$2,000 per month, a \$500 monthly auto allowance, and is entitled to 20% of the net profits of Mirage Collection, Inc. on an annual basis. Ms. Khan shall also be granted stock options in the Company based on performance and profits generated at the discretion of the board of directors. To date, no such options have been granted. The Agreement is terminable at will by either party upon notice to the other and contains no severance provisions. An anti-competition clause is in effect for a period of six months after termination of the Agreement that Ms. Khan will not accept employment with any and all direct competitors of the Company. However, a court of competent jurisdiction could determine not to enforce or only partially enforce such non-competition clause. Ms. Khan devotes 100% of her working hours to serving Mirage Collection, Inc.

The Company entered into an Employment Agreement with Gill Champion, Vice President, and Chief Financial Officer of the Company on May 15, 1997. Mr. Champion commenced his employment with the company on May 15, 1997. Pursuant to his Employment Agreement, Mr. Champion receives initial compensation of \$4,000 per month for four months or until the Company successfully completes its IPO (whichever occurs first) (the "Initial Compensation

Term"), base compensation of \$5,500 per month after the Initial Compensation Term, an award of 30,000 options to purchase common stock under the Company's Incentive and Nonstatutory Stock Option Plan, and is entitled to participate in all insurance and benefit plans which may be adopted by the Company. Mr. Champion's Employment Agreement is for a term of one year with an automatic extension of one year thereafter, unless either party elects to terminate the Agreement at that time. The Agreement is terminable at will by Mr. Champion or for cause by the Company. The Agreement contains no severance or anti-competition provisions. Mr. Champion devotes 100% of his working hours to the Company.

The Company entered into an Employment Agreement with Najeeb U. Ghauri, President and Secretary of the Company on May 15, 1997. Mr. Ghauri commenced his employment with the company on May 15, 1997. Pursuant to his Employment Agreement, Mr. Ghauri receives initial compensation of \$2,000 per month for four months or until the Company successfully completes its IPO (whichever occurs first) (the "Initial Compensation Term"), base compensation of \$5,500 per month after the Initial Compensation Term, an award of 30,000 options to purchase common stock under the Company's Incentive and Nonstatutory Stock Option Plan, and is entitled to participate in all insurance and benefit plans which may be adopted by the Company. Mr. Ghauri's Employment Agreement is for a term of one year with an automatic extension of one year thereafter, unless either party elects to terminate the Agreement at that time. The Agreement is terminable at will by Mr. Ghauri or for cause by the Company. The Agreement contains no severance or anti-competition provisions. Mr. Ghauri currently devotes 50% of his working hours to the Company, however, if this Offering is successful (i.e.,

the minimum amount is raised hereunder), Mr. Ghauri has committed to devote 100% of his working time to the Company commencing at that time.

#### CERTAIN TRANSACTIONS

On February 13, 1997, the Company entered into a Consulting Agreement with Manhattan West, Inc. Under the Consulting Agreement, Manhattan West, Inc. shall provide business and financial consulting services to the Company in exchange for a maximum of 50,000 options to purchase common stock of the Company (20,000 options exercisable at \$2.00 per share for five years and, if the Company completes an initial public offering, 30,000 options exercisable at \$2.50 per share for five years) and reimbursement of expenses. The Consulting Agreement has a term of two years with automatic renewal after the termination of the two-year period on a month-to-month basis unless either party elects to terminate. Tariq Khan is the Managing Director of Manhattan West, Inc. and the brother of Saima Khan, President of Mirage Collection, Inc.

On February 26, 1997, Mirage Collection, Inc. issued an unsecured note to Manhattan West, Inc. in exchange for loans in the principal amount of \$46,997. The note is due on February 26, 2000 and bears interest at the rate of 10% per annum. The note contains a conversion feature whereby Manhattan West, Inc. may, at any time, convert the balance due and owing to it into share of Common Stock of the Company at the rate of \$0.50 per share. As of the date of this Prospectus, the balance due on the note is \$46,997 plus accrued interest. Tariq Khan is the Managing Director of Manhattan West, Inc. and the brother of Saima Khan, President of Mirage Collection, Inc. Manhattan West, Inc. is an "affiliate" of the Company in that Manhattan West, Inc. is the beneficial owner of more than 5% of the Company's outstanding common stock. See "Principal Shareholders."

In April 1996, Najeeb U. Ghauri loaned \$10,000 to Mirage Collection, Inc. This sum is repayable to Mr. Ghauri upon demand without interest. Mr. Ghauri is President, Secretary, and a Director of Mirage Holdings, Inc. and Chief Financial Officer of Mirage Collection, Inc.

The Company's management believes that the terms of these transactions are no less favorable to the Company than would have been obtained from an unaffiliated third party in similar transactions. All future transactions with affiliates will be on terms no less favorable than could be obtained from unaffiliated third parties, and will be approved by a majority of the disinterested directors.

The Company has agreed with certain state regulatory authorities that so long as the Company's securities are registered in such states, or one year from the date of this prospectus, whichever is longer, the Company will not make

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loans to its officers, directors, employees, or principal shareholders, except for loans made in the ordinary course of business, such as travel advances, expense account advances, relocation advances, or reasonable salary advances.

#### CONFLICTS OF INTEREST

Other than as described herein, the Company is not expected to have significant further dealings with affiliates. However, if there are such dealings, the terms of such transactions will be no less favorable to the Company than would have been obtained from an unaffiliated third party in similar transactions. All future transactions with affiliates will be on terms no less favorable than could be obtained from unaffiliated third parties, and will be approved by a majority of the disinterested directors.

A director of the Company owes fiduciary duties to the Company which may conflict with other interests. The Company has not entered into any noncompete, confidentiality, or similar agreements with its directors. The fiduciary duties that directors owe to a Company include the duty not to withhold from the Company, or appropriate, any corporate opportunity which the Company may be able to exploit, the duty not to use for their personal benefit or the benefit of any other individual or entity any information not generally known which they acquire through their association with the Company, and in short, the duty to deal fairly with the Company. The Company's current director intends to submit to the Company any potential business they become aware of which may constitute a corporate opportunity to the Company. The Company's policy is that all transactions between the Company and any affiliates be on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

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#### PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock, as of September 1, 1997 and as adjusted to reflect the sale of the Shares offered hereby by (i) each shareholder known by the Company to be the beneficial owner of more than five percent of the outstanding Common Stock, (ii) each director of the Company, (iii) each officer of the Company, and (iv) all directors and officers as a group. Unless otherwise indicated, the address for each stockholder is 18638 Pioneer Boulevard, Artesia, CA, 90701.

<TABLE>  
<CAPTION>

PERCENTAGE BENEFICIALLY OWNED/14/

NAME	NUMBER OF SHARES/1/	BEFORE	AFTER MINIMUM	AFTER MAXIMUM
------	------------------------	--------	------------------	------------------

	OFFERING	OFFERING	OFFERING
<S> Whittington Investments, Ltd./ (2) / Suite M2 Charlotte House P.O. Box N4825 Nassau, Bahamas	<C> 895,000	<C> 49.3%	<C> 43.4%
Najeeb U. Ghauri / (3) /	250,000/4/	13.4%	11.8%
Manhattan West, Inc., a California corporation/ (5) / 233 Wilshire Blvd., Ste. 930 Santa Monica, CA 90401	142,856/6/	7.9%	6.5%
Irfan Mustafa/ (7) /	120,000/8/	6.6%	5.8%
Damson Investments Limited/ (9) / P.O. Box N8318 Nassau, Bahamas	113,600/10/	6.3%	5.2%
Gill Champion/ (11) /	100,000/12/	5.5%	4.7%
Saima Khan/ (13) /	5,000	*	*
All officers and directors as a group (4 persons)	475,000	26.1%	21.8%

</TABLE>

\* Less than one percent

- (1) Except as otherwise indicated, the Company believes that the beneficial owners of Common Stock listed below, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of Common Stock subject to options or warrants currently exercisable, or exercisable within 60 days, are deemed outstanding for purposes of computing the percentage of the person holding such options or warrants, but are not deemed outstanding for purposes of computing the percentage of any other person.
- (2) The principals of Whittington Investments, Ltd. are: John King, President and Director; and Niaz Ahmad Khan, Sole Shareholder.
- (3) Mr. Ghauri is the President, Secretary, and a Director of the Company (see "Management") and is married to Aiesha Ghauri. Ms. Ghauri is an employee of Manhattan West, Inc. Manhattan West, Inc. has a Consulting Agreement with the Company. See "Certain Transactions."
- (4) Includes 50,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.
- (5) The principals of Manhattan West, Inc. are: Tariq S. Khan, Director; David F. Bahr, President; and Manhattan West, Intl., a B.V.I. corporation, Sole Shareholder. Manhattan West, Inc. has a Consulting Agreement with the Company. See "Certain Transactions."
- (6) Includes approximately 75,356 shares which could be issued pursuant to the conversion feature of Manhattan West, Inc.'s unsecured note with the Company having a current balance of \$37,678 and convertible at \$0.50 per share; 47,500 Bridge Warrants; and 20,000 options each to purchase one share of common stock for \$2.00 pursuant to its Consulting Agreement with the Company.
- (7) Mr. Mustafa is on the Board of Directors of the Company. See "Management."
- (8) Includes 20,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.
- (9) The principals of Damson Investments Limited are: Akin Shackelford, President, Director, and Majority Shareholder; Dellareese Dorsett, Secretary and Director.

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- (10) Includes 102,000 Bridge Warrants.
- (11) Mr. Champion is the Vice President and C.F.O. and a Director of the Company. See "Management."
- (12) Includes 50,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.
- (13) Ms. Khan is the President of the Company's wholly-owned subsidiary, Mirage Collection, Inc. (see "Management."). Ms. Khan is the sister of Tariq Khan, Managing Director of Manhattan West, Inc. Manhattan West, Inc. has a Consulting Agreement with the Company. See "Certain Transactions."
- (14) Following is the beneficial ownership of each principal shareholder giving effect to the sale of all of the securities held by the Selling Shareholders (see "Selling Shareholders"):

<TABLE>

<CAPTION>

NAME	NUMBER OF SHARES	PERCENTAGE BENEFICIALLY OWNED	
		AFTER MINIMUM OFFERING AND SALE BY SELLING SHAREHOLDERS	AFTER MAXIMUM OFFERING AND SALE BY SELLING SHAREHOLDERS
<S> Whittington Investments, Ltd. Suite M2 Charlotte House	<C> 796,600	<C> 26.0%	<C> 24.0%

P.O. Box N4825  
Nassau, Bahamas

Najeeb U. Ghauri	250,000/i/	8.0%	7.4%
Manhattan West, Inc., a California corporation 233 Wilshire Blvd., Ste. 930 Santa Monica, CA 90401	95,356/ii/	3.0%	2.8%
Irfan Mustafa	120,000/iii/	3.9%	3.6%
Damson Investments Limited P.O. Box N8318 Nassau, Bahamas	-0-	-0%	-0%
Gill Champion	100,000/iv/	3.2%	3.0%
Saima Khan	5,000	*	*
All officers and directors as a group (4 persons)	475,000	14.9%	13.8%

</TABLE>

\* Less than one percent

- (i) Includes 50,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.
- (ii) Includes approximately 75,356 shares which could be issued pursuant to the conversion feature of Manhattan West, Inc.'s unsecured note with the Company having a current balance of \$37,678 and convertible at \$0.50 per share; and 20,000 options each to purchase one share of common stock for \$2.00 pursuant to its Consulting Agreement with the Company.
- (iii) Includes 20,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.
- (iv) Includes 50,000 options issued under the Company's stock option plan exercisable at \$0.01 for five years from May 12, 1997.

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#### SELLING SHAREHOLDERS

The following table sets forth the number of shares of Common Stock which may be offered for sale from time to time by the Selling Shareholders. The shares offered for sale constitute all of the shares of Common Stock known to the Company to be beneficially owned by the Selling Shareholders. To the best of management's knowledge, none of the Selling Shareholders has or have any material relationship with the Company, except as otherwise set forth below.

NAME OF SELLING SHAREHOLDER	SHARES OF COMMON STOCK OFFERED/(1)/
Horwitz & Beam, Inc., a California corporation/(3)/	9,500
Horwitz & Beam, Inc., a California corporation/(3)/	2,500/(2)/
Normaco Capital, Inc., a corporation	10,000
Clarence W. Coffey, an individual	20,000
Frederick T. Hull, an individual	20,000
Rockspitz Stiftung	9,500
Rockspitz Stiftung	5,000/(2)/
Richard Houlihan, an individual	20,000
Clearweather Investments	98,065
Clearweather Investments	259,500/(2)/
Ian R. Hendry, an individual	15,000
Damson Investments Limited, a corporation	11,600
Damson Investments Limited, a corporation	102,000/(2)/
John C. Accetta, an individual	8,000
Manhattan West, Inc., a corporation/(4)/	47,500/(2)/
Harold Mendoza and Donna Mendoza, JTWROS	20,000
Bernard Collura and Stella Collura, JTWROS	4,000
Dennis R. Johnson, an individual	5,000
Trinalta Group, LLC	20,000
Graham Thorogood, an individual	3,000
Richard D. David, Esq.	10,000
Ronald W. Tupper TTEE of the Winthrop Trust	40,000
Stanley Decker, an individual	40,000
Sean Kelly, an individual	6,000
Moncrieff Capital Corporation, a corporation	10,000
Whittington Investments, Ltd.	75,400
Whittington Investments, Ltd.	23,000/(2)/
Damask International, Ltd.	9,500
Damask International, Ltd.	2,500/(2)/
Hawk's Nest Investments, Ltd.	9,500
Hawk's Nest Investments, Ltd.	2,500/(2)/
Winthrop Venture Fund, Ltd.	50,000
Equitrade Securities Corp.	10,000
Noreen S. Khan, an individual/(5)/	10,000
Abdul S. Khan, an individual/(6)/	20,000
Total	1,008,565

- (1) All of these Shares are currently restricted under Rule 144 of the 1933 Act.
- (2) Represents Shares underlying Private Placement Warrants.

- (3) Legal counsel to the Company. Horwitz & Beam, Inc. acquired the securities in the Private Placement as an investor on April 24, 1997 pursuant to a subscription agreement and the payment of \$5,000.
- (4) Manhattan West, Inc., a California corporation, has a Consulting Agreement with the Company. See "Certain Transactions."
- (5) Noreen Khan is the mother of Tariq Khan, who is the Managing Director of Manhattan West, Inc. Manhattan West, Inc. has a Consulting Agreement with the Company. See "Certain Transactions."
- (6) Abdul Khan is the father of Tariq Khan, who is the Managing Director of Manhattan West, Inc. Manhattan West, Inc. has a Consulting Agreement with the Company. See "Certain Transactions."

#### PLAN OF DISTRIBUTION

The Shares will be offered and sold by the Selling Shareholders for their own accounts. The Company will not receive any of the proceeds from the sale of the Shares by the Selling Shareholders pursuant to this Prospectus. The Company will pay all of the expenses of the registration of the Shares, but shall not pay any commissions, discounts, and fees of underwriters, dealers, or agents.

The Selling Shareholders may offer and sell the Shares from time to time in transactions in the over-the-counter market or in negotiated transactions, at market prices prevailing at the time of sale or at negotiated prices. The Selling Shareholders have advised the Company that they have not entered into any agreements, understandings, or arrangements with any underwriters or broker-dealers regarding the sale of their Shares, nor is there an underwriter or coordinating broker acting in connection with the proposed sale of Shares by the Selling Shareholders. Sales may be made directly or to or through broker-dealers who may receive compensation in the form of discounts, concessions, or commissions from the Selling Shareholders or the purchasers of the Shares for whom such broker-dealers may act as agent or to whom they may sell as principal, or both (which compensation as to a particular broker-dealer may be in excess of customary commissions).

The Selling Shareholders and any broker-dealers acting in connection with the sale of the Shares hereunder may be deemed to be "underwriters" within the meaning of Section 2(11) of the Act, and any commissions received by them and any profit realized by them on the resale of Shares as principals may be deemed underwriting compensation under the Act.

Under the Exchange Act and the regulations thereunder, any person engaged in a distribution of the Shares offered by this Prospectus may not simultaneously engage in market making activities with respect to the Common Stock of the Company during the applicable "cooling off" periods prior to the commencement of such distribution. In addition, and without limiting the foregoing, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M, which provisions may limit the timing of purchases and sales of Common Stock by the Selling Shareholders.

Selling Shareholders may also use Rule 144 under the Act to sell the Shares if they meet the criteria and conform to the requirements of such Rule.

#### DESCRIPTION OF SECURITIES

The authorized capital stock of the Company consists of twenty-five million shares of Common Stock, \$0.001 par value. The Company's Transfer Agent is American Securities Transfer & Trust, Inc., 1825 Lawrence Street, Suite 444, Denver, Colorado, 80202.

The following summary of certain terms of the Company's securities does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the Company's Articles of Incorporation and Bylaws, which are included as exhibits to the Registration Statement of which this Prospectus is a part, and the provisions of applicable law.

#### COMMON STOCK

As of the date of this Prospectus, there are 1,814,065 shares of Common Stock outstanding, and after completion of this Offering, 2,064,065 shares of Common Stock will be issued and outstanding if the minimum amount hereunder is sold and 2,314,065 shares of Common Stock if the maximum amount hereunder is sold (without giving effect to the exercise of any warrants). Holders of Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders. At all elections of directors of the Company, each holder of stock possessing voting power is entitled to as many votes as equal to the number of his or her shares of stock multiplied by the number of directors to be elected, and he or she may cast all of such votes for a single director or may distribute them among the number to be voted for or any two or more of them, as he or she may see fit (cumulative voting). Subject to preferences that may be applicable to any then outstanding Preferred Stock, holders of Common Stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available therefor. See "Dividend Policy." In the event of a liquidation, dissolution or winding up of the Company, holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding Preferred Stock. Holders of Common Stock have no right to convert their Common Stock into any other securities. The Common Stock has no preemptive or other subscription rights. There are no redemption or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are, and the Common Stock to be outstanding upon completion of this Offering will be, duly authorized, validly issued, fully paid and nonassessable.

## WARRANTS

As of the date of this Prospectus, there are 444,500 warrants outstanding (the "Private Placement Warrants"). These warrants were issued by the Company to private individuals in connection with the Company's Private Placement Bridge Financing commenced on April 10, 1997. The Private Placement Warrants are each exercisable for one share of Common Stock of the Company at \$0.75 per share. The term of the Private Placement Warrants is five years from the date of issuance.

The Company is also offering hereunder a maximum of 1,000,000 warrants (the "Warrants"). The Warrants are each exercisable for one share of Common Stock of the Company at \$6.00 per share. The term of the Warrants is five years from the date of issuance.

If the minimum amount is raised hereunder, the Company will have a total of 444,500 warrants outstanding (the Private Placement Warrants). If the maximum amount is raised hereunder, the Company will have a total of 1,444,500 warrants outstanding (the Private Placement Warrants plus the Warrants issued hereunder).

## SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this Offering, the Company will have outstanding 2,064,065 shares of Common Stock if the minimum amount is sold hereunder and 2,314,065 shares if the maximum amount is sold hereunder (without giving effect to the exercise of any warrants). All shares acquired in this Offering, other than shares that may be acquired by "affiliates" of the Company as defined by Rule 144 under the Securities Act, will be freely transferable without restriction or further registration under the Securities Act.

All of the 1,814,065 shares outstanding prior to this offering were shares issued by the Company and sold by the Company in private transactions in reliance on an exemption from registration. Accordingly, such shares are "restricted shares" within the meaning of Rule 144 and cannot be resold without registration, except in reliance on Rule 144 or another applicable exemption from registration.

In general, under Rule 144 as currently in effect, a person (or persons whose shares are required to be aggregated), including any affiliate of the Company, who beneficially owns "restricted shares" for a period of at least one year is entitled to sell within any three-month period, shares equal in number to the greater of (i) 1% of the then outstanding shares of Common Stock, or (ii) the average weekly trading volume of the Common Stock during the four

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calendar weeks preceding the filing of the required notice of sale with the Securities and Exchange Commission. The seller also must comply with the notice and manner of sale requirements of Rule 144, and there must be current public information available about the Company. In addition, any person (or persons whose shares are aggregated) who is not, at the time of the sale, nor during the preceding three months, an affiliate of the Company, and who has beneficially owned restricted shares for at least two years, can sell such shares under Rule 144 without regard to notice, manner of sale, public information or the volume limitations described above.

The Private Placement Stock and the shares underlying the Private Placement Warrants are being registered herein. Therefore, 564,065 shares of stock and 444,500 shares of stock issuable upon exercise of warrants will be freely tradeable upon the effective date hereof.

## UNDERWRITING

The Company has entered into an Underwriting Agreement with Platinum Equities, Inc. ("Underwriter"). Pursuant to the Underwriting Agreement, the Company has retained the Underwriter as its exclusive agent and the Underwriter has agreed to use its best efforts to offer the Securities to the public. The Securities are offered on a "best efforts 250,000 share minimum -- 500,000 share and 1,000,000 Warrant maximum" basis. There is no minimum number of Warrants that must be sold. The price of the Shares is \$5.15 per Share and the price of the Warrants is \$0.10 per Warrant. The Underwriter does not intend to sell the Securities to any accounts for which they exercise discretionary authority.

The Underwriter shall receive 10% commission for the sale of the Securities.

The Company has agreed to pay to the Underwriter at the closing of the Offering a non-accountable expense allowance of 3% of the aggregate public offering price to cover expenses incurred by the Underwriter in connection with this Offering. The Company has also agreed to issue the Underwriter at the closing of the Offering warrants (the "Representative Warrants") to purchase common stock of the Company at an exercise price of 120% of the public offering price in an amount equal to 10% of the number of Shares actually sold herein.

The Underwriter has the right to offer the Securities through members of the National Association of Securities Dealers, Inc. ("NASD"), and will pay such dealers a concession out of its commissions of \$0.2575 per Share and/or \$0.005 per Warrant for any Securities sold by it.

The Company has agreed with the Underwriter that, without the Underwriter's consent (which may not be unreasonably withheld), it will not issue any additional Common Stock between the effective date of this Offering and the

expiration of 12 months thereafter if such issuance would cause any provision made in the Registration Statement to be materially misleading or would otherwise subject the Underwriter to any reasonable likelihood of liability under the Act.

The directors, officers, and employees of the Company who are also shareholders of the Company have entered into a contractual agreement with Platinum Equities, Inc. that restricts, for a period of 12 months from the effective date of the registration statement for the Units being offered hereby, their ability to sell the Common Stock beneficially owned by them including stock registered pursuant to any Form SB-2 Registration Statement.

Prior to this Offering, there was no public securities market for the Company's Securities and the price of such securities may be volatile to a degree that might not occur in securities that are more widely held or more actively traded. The initial public offering price was negotiated by the Company and the Underwriter. In determining the offering price, the Underwriter considered, among other things, the business potential and earning prospects of the Company and prevailing market conditions. Additionally, potential investors should be aware that the securities of the Company have recently sold at a substantial discount to the public

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offering price herein. The Company and the Underwriter considered the following factors in pricing the securities issued in the recent private placement of the Company at \$0.50 per share of Common Stock and \$0.10 per warrant versus the initial public offering price: at the time of the private placement the Company was still developing its business plan, the Company had minimal officer and director support, key personnel of the Company were not yet in place, the Company was in the process of structuring its public offering plan, the Company had not yet secured an underwriter for a public offering, and there could be no assurance of a public market for the securities.

The Company has agreed to indemnify the Underwriters, any controlling person of an Underwriter, and other persons related to the Underwriters and identified in the Underwriting Agreement, against certain liabilities, including liabilities arising (i) under the Securities Act, (ii) out of any untrue statement or material fact contained in the Registration Statement, this Prospectus, any amendments thereto, and certain other documents, or (iii) out of any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, unless the statement or omission is made in reliance upon and in conformity with written information furnished to the Company or on behalf of the Underwriters for use in the document in which it was used. However, the Company has been advised that in the opinion of the Securities and Exchange Commission, indemnification for liabilities arising under the Securities Act is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

There is no assurance that all or any of the Securities will be sold. If the Company fails to receive subscriptions for a minimum of 250,000 Shares within 120 days from the date of this Prospectus (or 150 days if extended by the Company), the Offering will be terminated and any subscription payments received will be promptly refunded within 5 days to subscribers, without any deduction therefrom or any interest thereon. If subscriptions for at least the minimum amount are received within such period, funds will not be returned to investors and the Company may continue the Offering until such period expires or subscriptions for all 500,000 Shares and 1,000,000 Warrants have been received, whichever comes first.

Subscribers should make their subscription checks payable to "American Securities Transfer & Trust Corporation, Escrow Agent - Mirage Holdings, Inc." All funds received as subscriptions for the Securities will be immediately deposited in an escrow account (the "Escrow Account") with American Securities Transfer & Trust Corporation ("Escrow Agent") by noon of the next business day after receipt. The investment funds may be held in the Escrow Account for up to 150 days. During this time, investors cannot demand the return of their investments. If the Company does not meet the required minimum number of Securities to be sold (250,000 Shares), the investors will be refunded their investment in full without interest.

Pursuant to the terms of the Underwriter's Restriction Letter with the NASD, the Underwriter is prohibited from acting as a "market maker" in securities. As a result thereof, the Underwriter will be prohibited from making a market in the Securities offered hereby. The Underwriter's inability to make such a market may materially affect the liquidity of the Securities offered hereby, which could make it more difficult for investors in this Offering to purchase or sell their Securities. The Underwriter, however, may execute buy and sell orders for its customers in the Common Stock offered hereby on an agency basis. See "Risk Factors -- Underwriter Will Not Make a Market in the Company's Common Stock."

The Issuer has agreed with the California Department of Corporations that it will offer and sell the Securities only to investors who meet the following suitability standards: (1) The investor (either alone or with his or her spouse) has a net worth of not less than \$250,000 (exclusive of home, home furnishings, and automobile) plus at least \$65,000 gross annual income; or (2) not less than \$500,000 net worth (exclusive of home, home furnishings, and automobile); or (3) not less than \$1,000,00 net worth (inclusive of home, home furnishings, and automobile); or (4) not less than \$200,000 gross annual income.

The validity of the securities offered hereby will be passed upon for the Company by Horwitz & Beam, Irvine, California. Certain legal matters in connection with this Offering will be passed upon for the Underwriters by Gusrae, Kaplan & Bruno. Horwitz & Beam, Inc., a California corporation, is the owner of 9,500 shares of

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Private Placement Stock and 2,500 Private Placement Warrants. Horwitz & Beam, Inc. acquired securities in the Private Placement as an investor on April 24, 1997 pursuant to a subscription agreement and the payment of \$5,000.

#### EXPERTS

The Financial Statements of the Company for the fiscal year ended June 30, 1996 and the fiscal year ended June 30, 1997 included herein and elsewhere in the registration statement, have been included herein and in the registration statement in reliance on the reports of Hoffski & Pisano, P.C. and Stonefield Josephson, Inc., appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

#### ADDITIONAL INFORMATION

The Company is not presently subject to the reporting requirements of the Securities Exchange Act of 1934. The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form SB-2 (together with all amendments and exhibits thereto, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act") with respect to the securities offered hereby. This Prospectus, which constitutes a part of the Registration Statement, omits certain information contained in the Registration Statement on file with the Commission pursuant to the Securities Act and the rules and regulations of the Commission thereunder. The Registration Statement, including the exhibits thereto, may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Copies of such material may be obtained by mail at prescribed rates from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Such material may also be accessed electronically by means of the Commission's home page on the Internet at <http://www.sec.gov>.

This Prospectus contains a complete summary of the terms of the contracts or other documents filed as exhibits to the Registration Statement which the Company believes are material to an investor. However, statements contained in this Prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

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#### MIRAGE HOLDINGS, INC.

#### CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997

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[LETTERHEAD OF STONEFIELD JOSEPHSON, INC.]

Board of Directors  
Mirage Holdings, Inc.  
Santa Monica, California

We have audited the accompanying consolidated balance sheet of Mirage Holdings, Inc. as of June 30, 1997, and the related consolidated statement of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 consolidated 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 consolidated financial position of Mirage Holdings,

Inc. as of June 30, 1997, and the results of its consolidated operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in note 2, certain factors are present which raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments to the financial statements that might be necessary should the Company be unable to continue as a going concern.

/s/ STONEFIELD JOSEPHSON, INC.

CERTIFIED PUBLIC ACCOUNTANTS

Santa Monica, California  
August 26, 1997

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MIRAGE HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

ASSETS	September 30, 1997	June 30, 1997
	----- (unaudited) -----	----- ----- -----
<S>	<C>	<C>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 21,274	\$ 33,079
Accounts receivable	4,258	4,009
Loan receivable	57,116	-
Inventory	31,411	46,891
Marketable securities	13,587	57,570
	-----	-----
Total current assets	127,646	141,549
	-----	-----
NOTE RECEIVABLE	116,007	113,104
	-----	-----
PROPERTY, PLANT AND EQUIPMENT	40,131	41,945
	-----	-----
<b>OTHER ASSETS:</b>		
Investment	200,000	200,000
Deferred offering costs	40,000	40,000
Deposits	3,730	3,730
	-----	-----
Total other assets	243,730	243,730
	-----	-----
	\$ 527,514	\$ 540,328
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 25,055	\$ 38,630
Current maturities of notes payable	134,086	92,279
	-----	-----
Total current liabilities	159,141	130,909
	-----	-----
LOAN PAYABLE, RELATED PARTY	116,007	113,104
	-----	-----
NOTES PAYABLE, less current maturities	17,661	22,371
	-----	-----
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock; \$.001 par value, 25,000,000 shares authorized, 1,814,065 shares issued and outstanding	1,814	1,814
Additional paid-in capital	562,021	562,021
Accumulated deficit	(329,130)	(289,891)
	-----	-----
Total stockholders' equity	234,705	273,944
	-----	-----
	\$ 527,514	\$ 540,328
	=====	=====

</TABLE>

See accompanying independent auditors' report and notes to financial statements.

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MIRAGE HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>  
<CAPTION>

	Three months ended ended September 30,		Year ended June 30, 1997
	1997	1996	----- ----- -----
	(unaudited)	(unaudited)	----- (unaudited) -----
<S>	<C>	<C>	<C>
NET SALES	\$ 55,605	\$ 73,140	\$ 212,972
	-----	-----	-----
COST OF SALES	32,099	50,808	149,501

GROSS PROFIT	23,506	22,332	63,471
OPERATING EXPENSES	101,664	71,870	389,723
OTHER INCOME	38,919	-	36,361
NET LOSS	\$ (39,239)	\$ (49,538)	\$ (289,891)
NET LOSS PER SHARE	\$ (.02)	\$ (.06)	\$ (.22)
WEIGHTED AVERAGE SHARES OUTSTANDING	1,814,065	895,000	1,297,005

</TABLE>

See accompanying independent auditors' report and notes to financial statements.

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MIRAGE HOLDINGS, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

	Common stock		Additional paid-in capital	Deficiency	Total stockholders' equity
	Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>
Balance at July 1, 1996	895,000	\$ 895	\$ 9,266	\$ -	\$ 10,161
Capital contributions			86,400	-	86,400
Issuance of common stock for cash	564,065	564	244,760	-	245,324
Issuance of common stock, non-cash	355,000	355	177,145	-	177,500
Issuance of warrants for cash (convertible to common stock)	-	-	44,450	-	44,450
Net loss	-	-	-	(289,891)	(289,891)
Balance at June 30, 1997	1,814,065	1,814	562,021	(289,891)	273,944
Net loss for the three months ended September 30, 1997	-	-	-	(39,239)	(39,239)
Balance at September 30, 1997	1,814,065	\$1,814	\$562,021	\$ (329,130)	\$ 234,705

</TABLE>

See accompanying independent auditors' report and notes to financial statements.

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MIRAGE HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

	Three months ended ended September 30,		Year ended
	1997	1996	June 30, 1997
	(unaudited) <C>	(unaudited) <C>	<C>
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Net loss	\$ (39,239)	\$ (49,538)	\$ (289,891)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Depreciation and amortization	1,814	2,645	7,254
Gain on sale of marketable securities	(38,919)	-	(36,219)
Non-cash compensation expense	-	-	177,500
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE) DECREASE IN ASSETS:			
Accounts receivable	(249)	5,180	4,040
Loan receivable	(57,116)	-	-
Inventory	15,480	(5,965)	15,724
INCREASE (DECREASE) IN LIABILITIES - accounts payable and accrued expenses	(13,575)	(8,082)	27,254
Total adjustments	(92,565)	(6,222)	195,553
Net cash used for operating activities	(131,804)	(55,760)	(94,338)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES:			
(Purchase) sale of investments	79,999	(200,000)	(334,455)
Purchase of property, plant and equipment	-	(227)	(9,570)

Net cash provided by (used for) investing activities	79,999	(200,227)	(344,025)
<b>CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES:</b>			
Issuance of common stock and warrants, net	-	289,774	289,774
Proceeds from note payable	40,000	3,602	135,183
Deferred offering costs	-	(40,000)	(40,000)
Capital contributions	-	25,862	86,400
Net cash provided by financing activities	40,000	279,238	471,357
NET INCREASE (DECREASE) IN CASH	(11,805)	23,251	32,994
CASH AND CASH EQUIVALENTS, beginning of period	33,079	85	85
CASH AND CASH EQUIVALENTS, end of period	\$ 21,274	\$ 23,336	\$ 33,079

</TABLE>

**NON-CASH FINANCING ACTIVITY:**

During the year ended June 30, 1997, the Company issued 355,000 shares of common stock at a value of \$177,500 for services rendered.

See accompanying independent auditors' report and notes to financial statements.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997

(1) GENERAL:

Mirage Holdings, Inc. was incorporated under the laws of the State of Nevada on March 18, 1997. Mirage Collection, Inc., a wholly-owned subsidiary of Mirage Holdings, Inc., began business as a partnership July 1, 1995, and was reorganized into a corporation in the State of Nevada pursuant to Internal Revenue Code Section 351 on April 1, 1997. Accordingly, the accompanying consolidated financial statements have been presented as though the acquisition of Mirage Collection, Inc. occurred at the beginning of the period (July 1, 1996).

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**BUSINESS ACTIVITY:**

The operating subsidiary of the Company was formed for the purpose of marketing unique fashions. The subsidiary Company specializes in the marketing of fashions targeted toward the segment where discriminating customers are always looking for unique and innovative products.

**PRINCIPLES OF CONSOLIDATION:**

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiary, Mirage Collection, Inc. All material intercompany accounts have been eliminated in consolidation.

**USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FAIR VALUE:**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments, none of which are held for trading purposes, approximate carrying values of such amounts.

**REVENUE RECOGNITION:**

Revenues for the Company are recognized upon the sale of the merchandise to the customer.

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

**CASH EQUIVALENTS:**

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months

or less which are not securing any corporate obligations.

**EARNINGS PER SHARE:**

Earnings per share have been calculated based upon the weighted average number of shares outstanding during the period. Shares issued for services are treated as outstanding for earnings per share purposes for all periods. Common stock equivalents have been excluded since their effect would be anti-dilutive.

The Financial Accounting Standards Board (FASB) has issued a new statement recently (FASB No. 128) which requires companies to report "basic" earnings per share, which will exclude options, warrants and other convertible securities. The accounting and disclosure requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 1997, with earlier adoption encouraged. Management does not believe that the adoption of this pronouncement will have a material impact on the financial statements.

**REALIZATION OF ASSETS:**

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles which contemplates continuation of the Company as a going concern. However, the Company has incurred a net loss of \$289,891 for the year ended June 30, 1997 and has been dependent on proceeds from its private common stock offerings (see note 12) to finance its operating needs. Management believes continuation as a going concern is dependent upon maintaining sufficient cash flow from the sale of its common stock as part of an initial public offering.

**ACCOUNTING FOR STOCK-BASED COMPENSATION:**

During October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, which applies the fair-value method of accounting for stock-based compensation plans. In accordance with this recently issued standard, the Company expects to continue to account for stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Proforma information regarding net income and earnings per share under the fair-value method has not been presented as the amounts are immaterial.

See accompanying independent auditors' report.

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**MIRAGE HOLDINGS, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED JUNE 30, 1997**

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

**INCOME TAXES:**

Deferred income taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

**IMPAIRMENT OF LONG-LIVED ASSETS AND LONG-LIVED ASSETS TO BE DISPOSED OF:**

On April 1, 1997, the Company adopted the provision of FASB No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair values of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement did not have a material impact on the Company's financial position, results of operations or liquidity.

**INVENTORY:**

Inventory, consisting principally of finished goods, is valued at the lower of cost (first-in, first-out) or market.

**INTERIM FINANCIAL STATEMENTS (UNAUDITED):**

The accompanying unaudited condensed financial statements for the interim periods ended September 30, 1997 and 1996 have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Regulation SB.

Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 1997 are not necessarily indicative of the results that may be expected for the year ending June 30, 1998.

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(3) BASIS OF PRESENTATION:

On April 1, 1997, the Company entered into an acquisition agreement whereby the Company acquired 100% of the outstanding capital stock of Mirage Collection, Inc. ("Collection"), a Nevada Corporation. In full consideration and exchange for the Collection stock, the Company issued and delivered 895,000 shares of its restricted common stock. Accordingly, the accompanying financial statements present the combined operating results of both entities for the entire year accounted for as a reorganization of businesses under common control in a manner similar to pooling of interest accounting.

Upon completion of the merger and acquisition agreement, Collections' stockholder became a director and stockholder of the Company.

(4) STOCK SUBSCRIPTION RECEIVABLE:

Proceeds relating to stock subscription receivable at June 30, 1997 were received totaling \$20,316 prior to August 26, 1997 from the issuance of stock relating to the private placement (Note 12). Accordingly, the balance sheet and the statement of cash flows present this transaction as part of cash and cash equivalents at June 30, 1997.

(5) NOTE RECEIVABLE:

The note receivable is a bridge loan to a product development company and is unsecured and bears interest at 10% per annum. The note is due the earlier of the development company's completion of an initial public offering or March 19, 1999. The purpose of the loan is to provide bridge financing to an unrelated company. In the event of default there will be no obligation to repay the note payable referred to in note 9. The product development company is not a related party to the loan payable holder.

(6) PROPERTY AND EQUIPMENT:

A summary is as follows:

Leasehold improvements	\$43,277
Machinery and equipment	6,381
Furniture and office equipment	6,368
	-----
	56,026
Less accumulated depreciation	14,081
	-----
	\$41,945
	=====

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(7) ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

A summary is as follows:

<TABLE>

<S>	<C>
Fees relating to private offering	\$ 15,474
Accrued interest	8,675
Month end bills	8,417
Sales tax	6,064
	-----
	\$ 38,630
	=====

</TABLE>

(8) NOTES PAYABLE:

A summary is as follows:

<TABLE>	<S>	<C>
	Note payable, unsecured, payable on demand, with interest at approximate Prime Base Rate (8.25%).	\$ 37,500
	Note payable, unsecured, payable on demand, with interest at approximate Prime Base Rate (8.25%) to a stockholder and unsecured to all notes of Mirage Holdings, Inc.	10,000
	Note payable, unsecured, payable on demand, with interest at approximate Prime Base Rate (8.25%).	8,272
	Note payable, unsecured, payable on demand, with interest at approximate Prime Base Rate (8.25%) to a party related to a stockholder of Mirage Holdings, Inc.	21,200
	On February 26, 1997, Mirage Collection, Inc. issued an unsecured note to a related party. The note is due on February 26, 2000 and bears interest at the rate of 10% per annum. The note contains a conversion feature whereby the holder of the note may, at any time, convert the balance due and owing to it into shares of common stock of the Company at the rate of \$0.50 per share. The holder of the note is a related party to a stockholder of Mirage Holdings, Inc.	37,678
		-----
		114,650
	Less current maturities	92,279
		-----
		\$ 22,371
		=====

</TABLE>

Interest on these obligations amounted to \$5,202 for the year ended June 30, 1997.

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(9) LOAN PAYABLE, RELATED PARTY:

The loan payable, related party is secured by, and due upon payment of the bridge loan receivable from the product development company (referred to in note 5) and bears interest at 10% per annum. Knightrider Investments, Ltd., a related party through a common stockholder, is the holder of the loan.

(10) COMMITMENTS:

The Company leases a 2,500 square feet showroom in Artesia, California. The lease expires on August 31, 2000 and requires monthly payments of approximately \$3,200. The Company has an option to renew the lease for an additional five year term, from September 1, 2000 to August 31, 2005. The terms of such renewal shall be agreed upon prior to execution of the lease option.

The Company also leases a 1,150 square feet showroom in Diamond Bar, California. The lease expires on September 30, 2001 and requires monthly payments of approximately \$1,150. Prior to its termination, the Company has an option to renew the lease for an additional five year term at the then fair market value of the property.

The following is a schedule by years of future minimum rental payments required under operating leases that have noncancellable lease terms in excess of one year as of June 30, 1997:

Year ending June 30,	
1998	\$ 52,200
1999	52,200
2000	39,400
2001	10,350
	-----
	\$154,150
	=====

Rent expense amounted to \$46,759 for the year ended June 30, 1997.

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(11) INCENTIVE AND NONSTATUTORY STOCK OPTION PLAN:

On April 1, 1997, the Company adopted an Incentive and Nonstatutory Stock Option Plan (the "Plan") for its employees and consultants under which a maximum of 500,000 options may be granted to purchase common stock of the Company. Two types of options may be granted under the Plan: (1) Incentive Stock Options (also known as Qualified Stock Options) which may only be issued to employees of the Company and whereby the exercise price of the option is not less than the fair market value of the common stock on the date it was reserved for issuance under the Plan; and (2) Nonstatutory Stock Options which may be issued to either employees or consultants of the Company and whereby the exercise price of the option is less than the fair market value of the common stock on the date it was reserved for issuance under the plan. Grants of options may be made to employees and consultants without regard to any performance measures. All options listed in the summary compensation table ("Securities Underlying Options") were issued pursuant to the Plan. An additional 20,000 Incentive Stock Options were issued to a non-officer-stockholder of the Company. All options issued pursuant to the Plan vest over an 18 month period from the date of the grant per the following schedule: 33% of the options vest on the date which is six months from the date of the grant; 33% of the options vest on the date which is 12 months from the date of the grant; and 34% of the options vest on the date which is 18 months from the date of the grant. All options issued pursuant to the Plan are nontransferable and subject to forfeiture. As of June 30, 1997, the Company has issued 120,000 Incentive Stock Options with an exercise price of \$0.01 per share, of which 39,600 have vested but have not been exercised.

Proforma net income and earnings per share, as if the fair value method of accounting were used, has not been presented because the amounts are immaterial for the period presented. The period for which related employee services are to be rendered in connection with the stock options granted is largely related to the fiscal year end June 30, 1998.

(12) PRIVATE PLACEMENT:

On April 10, 1997, the Company commenced a private placement (the "Private Placement") of 564,065 shares of the Company's common stock at a purchase price of \$0.50 per share (the "Private Placement Stock") and 444,500 warrants, each warrant to purchase one share of the Company's common stock at an exercise price of \$0.75 for a term of five years at a purchase price of \$0.10 per warrant (the "Private Placement Warrants"). The Private Placement was exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to the Private Placement were restricted securities as defined in Rule 144. The offering generated gross proceeds of approximately \$326,500.

See accompanying independent auditors' report.

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MIRAGE HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 1997

(13) INVESTMENT:

On March 30, 1997, the Company purchased 10% of the outstanding capital stock of Network Solutions (PVT) Limited, a software development firm in Lahore, Pakistan ("NetSol"), in exchange for the payment of \$200,000. The cash consideration of \$200,000 was paid by the Company from the net proceeds of the Private Placement (note 12). NetSol was incorporated in Pakistan on August 22, 1996, under the Companies Ordinance 1984, as a private company limited by shares. The principal business of NetSol is the development and export of software. A stockholder of the Company is a related party to the officers of NetSol.

(14) DEFERRED ACQUISITION COSTS:

The Company is in the registration process of a proposed public offering. Deferred stock offering costs of \$40,000 will be charged against the proceeds of the proposed public offering when, and if, it becomes effective.

See accompanying independent auditors' report.

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[LETTERHEAD OF AMIN, MUDASSAR & CO.]

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Network Solutions (Pvt) Limited as at June 30, 1997 and the related statements of income, stockholders' equity and cash flows for the period August 22, 1996 (inception) to June 30, 1997. We conducted our audit in accordance with International Standards on Auditing which are comparable in all respects with U.S. generally accepted auditing standards and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that:

(a) in our opinion, proper books of account have been kept by the company

as required by the Companies Ordinance, 1984;

(b) in our opinion:

- (i) the balance sheet and income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
- (ii) the expenditure incurred during the year was for the purpose of Company's business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income statement, statement of stockholders' equity and cash flow statement, together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 1997 and of the income and the cash flows for the period August 22, 1996 (inception) to June 30, 1997 in accordance with International Accounting Standards which are similar in all material respects to U.S. generally accepted accounting principles, and

(d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

/s/ Amin Mudassar  
 CHARTERED ACCOUNTANTS  
 Lahore, Pakistan:  
 Dated: July 23, 1997

NETWORK SOLUTIONS (PVT) LIMITED

AMIN MUDASSAR & CO.

NETWORK SOLUTIONS (PVT) LIMITED  
 BALANCE SHEET AS AT JUNE 30, 1997

<TABLE>  
 <CAPTION>

<u>&lt;S&gt;</u>	NOTE	1997 RUPEES <C>	1997 US DOLLARS <C>
<b>TANGIBLE FIXED ASSETS</b>			
Property and equipment, Net	4	3,562,010	87,818
Assets under capital lease	5	744,000	18,343
		-----	-----
Long Term Deposits and Deferred Cost	6	4,306,010 226,200	106,161 5,577
<b>CURRENT ASSETS</b>			
		-----	-----
Accounts receivable	7	948,742	23,390
Advances, prepaid expenses and other receivables	8	845,646	20,849
Cash and bank balances	9	12,405,880	305,856
		-----	-----
		14,200,268	350,095
<b>LESS: CURRENT LIABILITIES</b>			
		-----	-----
Current portion of obligations under capital lease	12	272,606	6,721
Short term borrowing	10	3,288,128	81,066
Accrued and other liabilities	11	829,454	20,449
Provision for taxation		104,762	2,583
		-----	-----
		(4,494,950)	(110,819)
		-----	-----
		9,705,318	239,276
<b>NET CURRENT ASSETS</b>			
		-----	-----
		14,237,528	351,014
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
<b>LESS: OBLIGATIONS UNDER CAPITAL LEASE</b>			
	13	(605,093)	(14,918)
		-----	-----
<b>NET ASSETS</b>			
		13,632,435	336,096
		=====	=====
<b>REPRESENTED BY</b>			
<b>STOCKHOLDERS' EQUITY</b>			
Share Capital and Reserve			
Authorised capital			
20,000 ordinary shares of Rs. 100 each		2,000,000	49,308
		=====	=====
Issued, subscribed and paid up capital			

400 ordinary shares of Rs. 100 each fully paid in cash		40,000	986
Retained earnings		1,859,847	45,853
		-----	-----
		1,899,847	46,839
DEPOSIT FOR SHARES	14	11,732,588	289,257
		-----	-----
		13,632,435	336,096
		=====	=====

</TABLE>

The annexed notes from 1 to 22 form an integral part of these accounts.

/s/ ILLEGIBLE  
Chief Executive

/s/ ILLEGIBLE  
Director

NETWORK SOLUTIONS (PVT) LIMITED

AMIN, MUDASSAR & CO.

NETWORK SOLUTIONS (PVT) LIMITED  
INCOME STATEMENT  
FOR THE PERIOD AUGUST 22, 1996 (INCEPTION) TO JUNE 30, 1997

<TABLE>

<CAPTION>

	NOTE	AUGUST 22, 1996 TO JUNE 30, 1997	
		RUPEES	US DOLLARS
<S> SALES	<C> 15	<C> 10,476,209	<C> 258,282
Operating Expenses			
Administration and selling	16	7,542,381	185,951
		-----	-----
Operating income		2,933,828	72,331
Other income	17	165,704	4,085
		-----	-----
		3,099,532	76,416
		-----	-----
Financial charges	18	92,139	2,272
Expenses prior to incorporation	19	1,042,784	25,709
		-----	-----
		1,134,923	27,981
		-----	-----
income before taxation		1,964,609	48,436
Provision for taxation	20	104,762	2,583
		-----	-----
Retained earnings carried forward		1,859,847	45,853
		=====	=====

</TABLE>

The annexed notes from 1 to 22 form an integral part of these accounts.

/s/ ILLEGIBLE  
Chief Executive

/s/ ILLEGIBLE  
Director

NETWORK SOLUTIONS (PVT) LIMITED

AMIN, MUDASSAR & CO.

NETWORK SOLUTIONS (PVT) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD AUGUST 22, 1996 (INCEPTION) TO JUNE 30, 1997

1. THE COMPANY AND NATURE OF BUSINESS

Network Solutions (Pvt) Limited was incorporated in Pakistan on August 22, 1996 under the Companies Ordinance, 1984 as a private company limited by shares. The principal business of the Company is development and export of software.

2. COMPLIANCE WITH IAS

The accounts comply with international Accounting Standards which are comparable in all material respect to U.S. General Accepted Accounting Principles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention.

### 3.2 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation.

Depreciation is charged by applying reducing balance method to write off the cost over the remaining useful life of the assets. Rates of depreciation are stated in note 4.

Full annual rate of depreciation is applied on the cost of additions while no depreciation is charged on assets deleted during the year.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Gain and losses on disposal of assets, if any, are included in the income.

NETWORK SOLUTIONS (PVT) LIMITED (2) AMIN, MUDASSAR & CO.

### 3.3 ASSETS UNDER CAPITAL LEASE

Assets acquired under finance leases are capitalized and are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of the leases are accounted for as liabilities.

Assets acquired under finance leases are amortised over the useful life of the assets on a reducing balance method at the rates given in note 5.

### 3.4 TAXATION

The income of the company from export of computer software and its related services developed in Pakistan is exempt from tax as per clause 179 of the Second Schedule to the Income Tax Ordinance, 1979. The export proceeds shall, however, be liable to deduction of tax at source under section 80CC of the Income Tax Ordinance, 1979 in accordance with the rates prescribed in Eight Schedule to the Ordinance.

### 3.5 DEFERRED COSTS

Expenses, the benefits of which is expected to spread over several years, are deferred and amortised/written off over their useful life not exceeding five years commencing from the year in which the costs were incurred.

### 3.6 FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the balance sheet date except those covered under forward exchange contract which are translated at cover rate. Exchange differences are included in current income.

### 3.7 REVENUE RECOGNITION

Revenue is recognised on issue of sale invoices.

NETWORK SOLUTIONS (PVT) LIMITED (3) AMIN, MUDASSAR & CO.

## 4. PROPERTY AND EQUIPMENT

The following is the statement of property and equipment:

<TABLE>

<CAPTION>

PARTICULARS	RUPEES		US DOLLARS		
	Cost	DEPRECIATION	Net book	Net book	
	To June 30, 1997	Rate % Charge for the period	To June 30, 1997	value as at June 30, 1997	value as at June 30, 1997
<S>	<C>	<C>	<C>	<C>	<C>
Computers	1,828,655	10	182,866	1,645,789	40,576
Air conditioners	510,907	10	51,091	459,816	11,336
Furnitures, carpets and telephones	1,119,427	10	111,943	1,007,484	24,839
Electric fittings	211,690	10	21,169	190,521	4,697
Vehicles	323,000	20	64,600	258,400	6,371
	3,993,679		431,669	3,562,010	87,818

</TABLE>

The depreciation charge on operating assets has been allocated to administration expenses as referred to in note 16.

5. ASSETS UNDER CAPITAL LEASE

The following is the statement of leased assets:

<TABLE>  
<CAPTION>

PARTICULARS	Cost		AMORTIZATION		RUPEES	US DOLLARS
	To June 30, 1997	Rate %	Charge for the period	To June 30, 1997	Net book value as at June 30, 1997	Net book value as at June 30, 1997
<S> Vehicles	<C> 930,000	<C> 20	<C> 186,000	<C> 186,000	<C> 744,000	<C> 18,343
	930,000		186,000	186,000	744,000	18,343

</TABLE>

The amortisation charge on leased assets has been allocated to administration expenses referred to in note 16.

NETWORK SOLUTIONS (FVT) LIMITED (4) AMIN, MUDASSAR & CO.

<TABLE>  
<CAPTION>

6. LONG TERM DEPOSITS AND DEFERRED COST	1997	
	RUPEES	US DOLLARS
<S> Long term deposits	<C> 226,200	<C> 5,577
Deferred costs		
Preliminary expenses	49,315	1,216
Less: written off during the year - charged to administration expenses note 16	(49,315)	(1,216)
	0	0
	226,200	5,577

Deferred cost is being fully written off during the year.

7. ACCOUNTS RECEIVABLE

These are unsecured but considered good.

8. ADVANCES, PREPAID EXPENSES AND OTHER RECEIVABLES

Advances - considered good		
Employees	27,340	674
Due from directors and associates	606,970	14,964
Prepayments	211,336	5,210
	845,646	20,849

9. CASH AND BANK BALANCES

These balances were held

At banks		
on deposit accounts		
US\$ 160,000 note 9.1	6,467,120	159,441
on current accounts including		
US\$ 13,948 and (L)31,935 respectively	3,088,360	76,141
on saving accounts including		
US\$ 62,727 and (L)4,768 respectively	2,850,400	70,274
	12,405,880	305,856

</TABLE>

9.1 The foreign currency deposit account is under lien with Citibank N.A. against credit facility given to the company by the bank as referred to in note 10.

NETWORK SOLUTIONS (PVT) LIMITED (5) AMIN, MUDASSAR & CO.

<TABLE>

<S> Significant terms and condition are as under:	<C>	<C>
Principal and finance charges	1,122,732	27,680
Installment payment rest	monthly	monthly
Each installment (Rs.)	31,187	769
No. of installments	36	36

Commenced from	May 13, 1997	May 13, 1997
Applicable rate of interest	13.45% p.a.	13.45% p.a.

</TABLE>

The future minimum lease payments to which the company is committed as at June 30, 1997 are as under:

<TABLE>

<CAPTION>

<S>	Year ending June 30,	1997	1997
		RUPEES	US DOLLARS
		<C>	<C>
	1998	374,244	9,227
	1999	374,244	9,227
	2000	311,870	7,689
		-----	-----
		1,060,358	26,142
	Less: Financial charges allocated to future periods	(182,659)	(4,503)
		-----	-----
		877,699	21,639
		=====	=====

14. DEPOSIT FOR SHARES

Sponsors	3,648,688	89,955
Foreign investment against 10% shareholding BO Miraj Holding Inc. USA	8,083,900	199,302
	-----	-----
	11,732,588	289,257
	=====	=====

This represents deposit against the further issue of shares of the company.

</TABLE>

NETWORK SOLUTIONS (PVT) LIMITED (7) AMIN, MUDASSAR & CO.

<TABLE>

<CAPTION>

15. SALES	<S>	AUGUST 22,	AUGUST 22,
		1996	1996
		TO JUNE 30,	TO JUNE 30,
		1997	1997
		RUPEES	US DOLLARS
	<C>	<C>	<C>
	Export of Software	10,476,209	258,282
		-----	-----
		10,476,209	258,282
		=====	=====

16. ADMINISTRATION AND SELLING EXPENSES

ADMINISTRATION

Directors remuneration	762,000	18,786
Staff salaries and benefits	2,991,256	73,747
Staff training	249,443	6,150
Rent, rates and taxes	206,150	5,082
Electricity charges	50,667	1,249
Telephone charges	348,885	8,601
Printing and stationery	196,909	4,855
Staff teas and refreshment	79,815	1,968
Computer maintenance	27,852	687
Fee and subscription	6,400	158
Insurance	21,402	528
Vehicle running expenses	201,640	4,971
Repairs and maintenance	9,859	243
Legal and professional charges	15,000	370
Auditors' remuneration	25,000	616
Depreciation	note 4 431,669	10,642
Amortization on leased assets	note 5 186,000	4,586
Deferred costs written off	note 6 49,315	1,216
Miscellaneous expenses	229,600	5,661
	-----	-----
	6,088,862	150,116

SELLING

Travelling and conveyance	1,191,645	29,379
Guest house expenses	200,074	4,933
Advertisement	61,800	1,524
	-----	-----
	1,453,519	35,835
	-----	-----
	7,542,381	185,951
	=====	=====

</TABLE>

17. OTHER INCOME

This represents the net exchange fluctuation gain arises on conversion of assets and liabilities, to Pak Rupees on the balance sheet date.

NETWORK SOLUTIONS (PVT) LIMITED (8) AMIN, MUDASSAR & CO.

<TABLE>  
<CAPTION>

	AUGUST 22, 1996 TO JUNE 30, 1997 RUPEES <C>	AUGUST 22, 1996 TO JUNE 30, 1997 US DOLLARS <C>
18. FINANCIAL CHARGES		
Interest on short term secured finance	32,038	790
Central excise duty on short term secured finance	3,860	95
Interest on liabilities under finance lease	10,073	248
Frontend fee and lease processing charges	15,486	382
Bank charges	30,682	756
	-----	-----
	92,139	2,272
	=====	=====

<CAPTION>

	MARCH 01, 1996 TO JULY 31, 1996 RUPEES <C>	MARCH 01, 1996 TO JULY 31, 1997 US DOLLARS <C>
19. EXPENSES PRIOR TO INCORPORATION		
Staff salaries and benefits	530,642	13,083
Rent, rates and taxes	64,500	1,590
Electricity charges	4,891	121
Telephone charges	26,739	659
Printing and stationery	21,025	518
Travelling and conveyance	174,354	4,299
Staffing tea and refreshment	9,961	246
Computer maintenance	6,450	159
Vehicle running	44,017	1,085
Advertisement	83,630	2,062
Miscellaneous expenses	76,575	1,888
	-----	-----
	1,042,784	25,709
	=====	=====

</TABLE>

20. TAXATION

Rate of deduction of tax on export sales of computer software has not been prescribed in Eighth Schedule to the Income Tax Ordinance, 1979. However, provision of tax at the maximum rate of 1% of export sales has been provided in the accounts under section 80CC.

NETWORK SOLUTIONS (PVT) LIMITED (9) AMIN, MUDASSAR & CO.

<TABLE>  
<CAPTION>

	1997 RUPEES <C>	1997 US DOLLARS <C>
21. CASH AND CASH EQUIVALENTS		
These comprise of		
Cash and bank balances	12,405,880	305,856
Short term borrowing	(3,288,128)	(81,066)
	-----	-----
	9,117,752	224,790
	=====	=====

</TABLE>

22. GENERAL

22.1 There are no comparative figures as the company is incorporated since August 22, 1996.

22.2 The amount in US Dollars shown in the accounts is solely stated for convenience and do not represent Pakistani Rupees that could be converted into US Dollars. These amounts have been arrived at by converting rupee amounts at the rate of Rs.40.56115 = US\$ 1. The average rate of the period August 22, 1996 (inception) to June 30, 1997 is not materially different.

/s/ ILLEGIBLE  
Chief Executive

/s/ ILLEGIBLE  
Director

To The Partners  
Mirage Collection  
Artesia, California

We have audited the accompanying balance sheet of Mirage Collection, a Partnership, as of June 30, 1996, and the related statements of operations, partnership equity, and cash flows for the twelve month period then ended. 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 generally accepted auditing standards. 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 Mirage Collection at June 30, 1996, and the results of its operations and its cash flows for the twelve month period then ended in conformity with generally accepted accounting principles.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 9-11, is presented for purposes of additional information and is not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the examination of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ HOFFSKI & PISANO, P.C.  
Irvine, California  
September 30, 1996

MIRAGE COLLECTION, A PARTNERSHIP

BALANCE SHEET

JUNE 30, 1996

<TABLE>

<S>

<C>

ASSETS  
-----

CURRENT ASSETS:

Cash.....	\$ 85
Accounts Receivable.....	8,049
Inventory.....	62,615
Total Current Assets.....	70,749

PROPERTY, PLANT, AND EQUIPMENT, AT COST:

Equipment.....	5,191
Furniture And Fixtures.....	703
Leasehold Improvements.....	40,562
Total Property, Plant, And Equipment.....	46,456
Less Accumulated Depreciation (Note A).....	(6,827)
Net Property, Plant, And Equipment.....	39,629

OTHER ASSETS:

Deposits.....	3,730
Total Other Assets.....	3,730
Total Assets.....	\$114,108

LIABILITIES AND PARTNERS' EQUITY  
-----

CURRENT LIABILITIES:

Bank Overdraft.....	\$ 14,664
Accounts Payable.....	12,848
Accrued Expenses.....	5,640
Interest Payable.....	1,490
Notes Payable (Note B).....	70,200
Total Current Liabilities.....	104,842
Partners' Equity.....	9,266
Total Liabilities and Partners' Equity.....	\$114,108

</TABLE>

See accompanying notes and independent auditors' report.

## MIRAGE COLLECTION, A PARTNERSHIP

## STATEMENT OF OPERATIONS

FOR YEAR ENDED JUNE 30, 1996

<TABLE>	
<S>	<C>
Sales.....	\$199,230
Costs of Sales	
Beginning Inventory.....	5,000
Purchases.....	217,058
Customs.....	907
Less: Ending Inventory.....	(62,615)
Total Costs of Sales.....	160,350
Gross Profit.....	38,880
General & Administrative Expenses.....	97,192
Income From Operations.....	(58,312)
Other Income (Expense):	
Interest Expense.....	(4,000)
Interest Income.....	17
Total Other Income (Expense).....	(3,983)
Net Income/(Loss).....	\$ (62,295)
	=====

&lt;/TABLE&gt;

See accompanying notes and independent auditors' report.

## MIRAGE COLLECTION, A PARTNERSHIP

## STATEMENT OF PARTNERS' EQUITY

FOR YEAR ENDED JUNE 30, 1996

<TABLE>	
<S>	<C>
BEGINNING PARTNERS' EQUITY.....	\$ 5,950
Capital Contributions.....	65,611
Net Loss.....	(62,295)
ENDING PARTNERS' EQUITY.....	\$ 9,266
	=====

&lt;/TABLE&gt;

See accompanying notes and independent auditors' report.

## MIRAGE COLLECTION, A PARTNERSHIP

## STATEMENT OF CASH FLOWS

JUNE 30, 1996

<TABLE>	
<S>	<C>
CASH FLOWS USED IN OPERATING ACTIVITIES:	
Net Loss.....	\$ (62,295)
Non Cash Items Included In Net Loss:	
Depreciation.....	6,827
Changes In:	
Accounts Receivable.....	(8,049)
Inventory.....	(57,615)
Deposits.....	(3,730)
Accounts Payable.....	12,848
Accrued Expenses.....	5,640
Interest Payable.....	1,490
Net Cash Used In Operating Activities.....	(104,884)
CASH FLOWS USED IN INVESTING ACTIVITIES:	
Purchase of Fixed Assets.....	(46,406)
Net Cash Used In Investing Activities.....	(46,406)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Notes Payable.....	70,200
Capital Contributions.....	65,611
Net Cash From Financing Activities.....	135,811
Net Change In Cash.....	(15,479)
Cash at Beginning of the Year.....	900
Cash at End of the Year.....	\$ (14,579)
	=====
SUPPLEMENTAL CASH FLOW INFORMATION:	
Interest Paid.....	\$ 2,510
Income Taxes Paid.....	\$ 0
	=====

</TABLE>

See accompanying notes and independent auditors' report.

MIRAGE COLLECTION, A PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) NATURE OF BUSINESS

Mirage Collection, A Partnership is engaged in the retail clothing business. The Company's financial statements are presented in accordance with generally accepted accounting principles.

(2) BASIS OF ACCOUNTING

The Company uses the accrual method of accounting for financial statement purposes. Revenue is recognized at the point of sale.

(3) PROPERTY, PLANT, AND EQUIPMENT

Depreciable assets are stated at cost; major improvements and betterments are capitalized. Maintenance and repairs are expensed as incurred. For financial statement purposes, assets are depreciated using the straight line method of depreciation over lives of five to seven years.

(4) INVENTORY

Inventory consists primarily of clothing garments held for resale and are valued at the lower of actual cost or market. Cost is determined by specific identification of each unit.

(5) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B: NOTES PAYABLE

Notes Payable consists of four notes to various individuals all maturing within the next six months. Interest has been accrued in accordance with the terms of the loan agreements.

NOTE C: COMMITMENTS

The Company leases its store facilities under a five-year operating lease for \$3,200 per month. The lease expires on August 31, 2000 and requires minimum annual lease rentals as follows:

<S>	<C>
1996-97.....	\$ 38,400
1997-98.....	38,400
1998-99.....	38,400
1999-00.....	38,400
2000.....	6,400
	-----
	\$160,000
	=====

</TABLE>

Rent expense for the year ended June 30, 1996 totaled \$28,800.

MIRAGE COLLECTION, A PARTNERSHIP

SCHEDULE OF REVENUE

FOR YEAR ENDED JUNE 30, 1996

<S>	<C>
REVENUE:	
Sales Revenue.....	\$204,482
Less: Sales Returns.....	(5,252)
	-----
TOTAL REVENUE.....	\$199,230
	=====

</TABLE>

MIRAGE COLLECTION, A PARTNERSHIP

SCHEDULE OF GENERAL & ADMINISTRATIVE EXPENSES

FOR THE TWELVE MONTHS ENDED JUNE 30, 1996

<TABLE>

<S>

<C>

GENERAL & ADMINISTRATIVE EXPENSES:

Advertising.....	\$ 6,315
Alterations.....	292
Bad Debt.....	1,869
Bank Charges.....	389
Commissions.....	75
Contributions.....	50
Credit Card Expense.....	1,321
Depreciation.....	6,827
Dues & Subscriptions.....	155
Entertainment.....	95
Exhibition.....	13,687
Freight.....	38
Insurance.....	1,891
Miscellaneous.....	336
Office Expenses.....	263
Office Supplies.....	2,846
Outside Services.....	5,205
Postage.....	53
Printing.....	755
Rent.....	28,800
Repairs & Maintenance.....	262
Tax & License.....	109
Telephone.....	3,973
Travel.....	19,760
Utilities.....	1,826
	-----
Total General & Administrative Expenses.....	\$97,192
	=====

</TABLE>

=====

NO DEALER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE ORDINARY SHARES TO WHICH IT RELATES OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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UNTIL \_\_\_\_\_, \_\_\_\_\_ (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE DISTRIBUTION MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

=====

UP TO 500,000 SHARES OF COMMON  
STOCK AND 1,000,000 WARRANTS TO  
PURCHASE ONE SHARE OF COMMON  
STOCK FOR \$6.00

MINIMUM OFFERING: 250,000 SHARES  
OF COMMON STOCK

\$5.15 PER SHARE  
\$0.10 PER WARRANT

MIRAGE HOLDINGS, INC.

PROSPECTUS

December 2, 1997

MIRAGE HOLDINGS, INC.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Nevada Corporation Law and the Company's Certificate of Incorporation and Bylaws authorize indemnification of a director, officer, employee or agent of the Company against expenses incurred by him or her in connection with any action, suit, or proceeding to which such person is named a party by reason of having acted or served in such capacity, except for liabilities arising from such person's own misconduct or negligence in performance of duty. In addition, even a director, officer, employee or agent of the Company who was found liable for misconduct or negligence in the performance of duty may obtain such indemnification if, in view of all the circumstances in the case, a court of competent jurisdiction determines such person is fairly and reasonably entitled to indemnification. Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers, or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

<TABLE>  
<CAPTION>

<S>	<C>
SEC Registration Fee	\$ 1,808
NASD Fee	\$ 680
Accounting Fees and Expenses	\$ 10,000
Legal Fees and Expenses	\$ 50,000
Printing Expenses	\$ 10,000
Blue Sky Fees and Expenses	\$ 10,000
Underwriters' Non-accountable Expense Allowance	\$ 37,500
Miscellaneous	\$ 1,012
Total	\$121,000

</TABLE>

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

On April 1, 1997, in connection with the reorganization of the Company from a partnership to a corporation, the Company issued 895,000 shares of its Common Stock, to Whittington Investments, Ltd., the owner of the limited partnership in exchange for ownership of the Company. This transaction was exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to this transaction were restricted securities as defined in Rule 144.

Also on April 1, 1997, in connection with the reorganization of the Company from a partnership to a corporation, the Company issued 5,000 shares of its Common Stock, to Saima Khan, in consideration of past services rendered for the Company and to entice Ms. Khan to continue working with the Company in its new corporate form. This transaction was exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to this transaction were restricted securities as defined in Rule 144.

Also on April 1, 1997, in connection with the reorganization of the Company from a partnership to a corporation, the Company issued the following denominations of shares of its Common Stock to the following individuals to entice such individuals to work with the Company in its new corporate form:

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Najeeb Ghauri 200,000 shares  
Irfan Mustafa 100,000 shares

These transactions were exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to these transactions were restricted securities as defined in Rule 144.

On April 10, 1997, the Company commenced a private placement (the "Private Placement") of 564,065 shares of the Company's common stock at a purchase price of \$0.50 (the "Private Placement Stock") and 444,500 warrants, each warrant to purchase one share of the Company's common stock at an exercise price of \$0.75 for a term of five years at a purchase price of \$0.10 (the "Private Placement Warrants"). The Private Placement was exempt from the registration provisions of the Act by virtue of Section 4(2) of the Act, as transactions by an issuer not involving any public offering. The securities issued pursuant to the Private Placement were restricted securities as defined in Rule 144. The Private Placement Stock and the Common Stock underlying the Private Placement Warrants are being registered herein. The offering generated net proceeds of approximately \$300,000. All investors in the Private Placement were accredited investors as that term is defined in Rule 501 of Regulation D adopted under the Securities Act of 1933.

ITEM 27. EXHIBITS

<TABLE>

<CAPTION>

Exhibit

-----

<S>	<C>
1.1	Underwriting Agreement (form)
1.2	Agreement Among Underwriters (form)
3.1	Articles of Incorporation of Mirage Holdings, Inc., a Nevada corporation, dated March 18, 1997*
3.2	Bylaws of Mirage Holdings, Inc., dated March 18, 1997*
4	Lock-Up Agreement (form)*
5	Opinion of Horwitz & Beam*
10.1	Employment Agreement, dated July 1, 1996, between Mirage Collection, Inc., and Saima Khan*
10.2	Lease Agreement, dated August 1, 1995*
10.3	Lease Agreement, dated September 19, 1996*
10.4	Lease Agreement, dated March 12, 1997*
10.5	Company Stock Option Plan, dated April 1, 1997*
10.6	Employment Agreement, dated May 15, 1997 between Mirage Holdings, Inc. and Najeeb U. Ghauri*
10.7	Employment Agreement, dated May 15, 1997 between Mirage Holdings, Inc. and Gill Champion*
10.8	Consulting Agreement, dated February 13, 1997, between Mirage Holdings, Inc. and Manhattan West, Inc.*
10.9	Unsecured Promissory Note, dated February 26, 1997, between Mirage Collection, Inc. and Manhattan West, Inc.*
10.10	Agreement of Purchase and Sale of Stock, dated March 30, 1997, between Mirage Holdings, Inc. and Network Solutions (PVT), Ltd.*
24.1	Consent of Horwitz & Beam (included in their opinion set forth in Exhibit 5 hereto)*
24.2	Consent of Hoffski & Pisano, P.C.*
24.3	Consent of Stonefield Josephson, Inc., Certified Public Accountants
24.4	Consent of Amin, Mudassar & Co., Chartered Accountants
25	Power of Attorney (see signature page)
28	Specimen of Common Stock Certificate of Mirage Holdings, Inc.*

</TABLE>

\* Previously Filed

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ITEM 28. UNDERTAKINGS

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The undersigned registrant hereby undertakes to:

(1) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(2) File, during any period in which it offers or sells securities, a post effective amendment to this registration statement to:

- (i) Include any prospectus required by section 10(a)(3) of the Securities Act;
- (ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and
- (iii) Include any additional or changed material information on the plan of distribution.

For determining liability under the Securities, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

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SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and authorized this Registration Statement to be signed on its behalf by the undersigned, in the City of Santa Monica, State of California on November 29, 1997.

MIRAGE HOLDINGS, INC.

BY: \_\_\_\_\_  
NAJEEB U. GHAURI, PRESIDENT

POWER OF ATTORNEY

Each person whose signature appears appoints Najeeb U. Ghauri and Gill Champion, in the alternative, as his agents and attorneys-in-fact, with full power of substitution to execute for him and in his name, in any and all capacities, all amendments (including post-effective amendments) to this Registration Statement to which this power of attorney is attached. In accordance with the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the dates stated.

<TABLE>  
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
* ----- Najeeb U. Ghauri	President, Secretary, Director	November 29, 1997
* ----- Gill Champion	Vice President, Chief Financial Officer, Director	November 29, 1997
* ----- Irfan Mustafa	Director	November 29, 1997

\*By: /s/ Najeeb U. Ghauri  
-----  
Najeeb U. Ghauri  
Attorney in Fact

II-4

EXHIBIT 1.1

UNDERWRITING AGREEMENT (FORM)

UNDERWRITING AGREEMENT

\_\_\_\_\_, 1997

PLATINUM EQUITIES, INC.  
19 Rector Street, Suite 2301  
New York, NY 10006

Dear Ladies and Gentlemen:

Mirage Holdings, Inc., a Nevada corporation (the "Company"), proposes to issue and sell on a best efforts basis a minimum of 250,000 shares of Common Stock (the "Common Stock" or the "Shares") and a maximum of 500,000 shares of Common Stock and 1,000,000 Common Stock Purchase Warrants (the "Warrants") (collectively, the "Securities") for a purchase price of \$5.15 per Share and \$0.10 per Warrant. Each Warrant entitles the holder to purchase one share of the Company's Common Stock for \$6.00. The Company confirms as follows its agreement with you.

1. Registration Statement and Prospectus: The Company has prepared and

-----  
filed with the Securities and Exchange Commission (the "Commission") in accordance with the Securities Act of 1933, as amended (the "Act") and the rules and regulations of the Commission promulgated thereunder (the "Rules and Regulations"), a registration statement on Form SB-2, including a preliminary prospectus, relating to the Securities. As used in this Agreement, the term "Registration Statement" means such registration statement, including exhibits, financial statements and schedules, as amended, when it becomes effective and any information (if any) contained in the prospectus subsequently filed with the Commission pursuant to Rule 424(b) under the Act, and the term "Prospectus" means such prospectus in the final form filed on behalf of the Company with the Commission pursuant to Rule 424(b) under the Act.

2. Agreement to Sell: Upon the basis of the representations, warranties

-----  
and agreements herein contained and subject to all the terms and conditions of this Agreement, you agree to use best efforts to sell on behalf of the Company the aggregate principal amount of Securities which are offered in this Offering. The Securities sold and the proceeds therefrom will be placed in an escrow account. However, that if the Company fails to receive subscriptions for a minimum of 250,000 Shares within 120 days from the date of the final Prospectus (or 150 days, if extended by the Company), the Offering will be terminated and any subscriptions received will be promptly refunded within 5 days to subscribers, without any deduction therefrom or any interest thereon and this Agreement shall terminate. You shall receive a 10% cash commission for the sale of the Securities after the minimum offering has been sold.

It is understood that you currently intend to execute an Agreement Among Underwriters providing for the purchase of a portion of the principal amount, at whatever price you may elect, at your own discretion (the "Agreement Among Underwriters").

The Company also agrees to pay to you a non-accountable expense allowance equal to 3% of the aggregate principal amount of Securities sold. In the event that the Company's public offering of the Securities is terminated for any reason, the Company shall pay you for any reasonable accountable expenses you have incurred.

In addition to the sums payable to you, as provided elsewhere herein, Platinum Equities, Inc., in its individual capacity and not as representative of the several Underwriters, shall be entitled to receive, as partial compensation for its services, warrants (the "Warrants") for the purchase of an amount of shares of Common Stock and Warrants of the Company equal to 10% of the number of Securities actually sold in the public offering. The Warrants shall be issued

pursuant to the Underwriter's Warrant in the form of Exhibit B attached hereto and shall be exercisable, in whole or in part, for a period of four years commencing one year from the date of the completion of the Offering at an exercise price

1

of \$6.18 per share and \$0.12 per Warrant. The Warrants shall be non-exercisable for one year from the issuance of the Warrants, and non-transferable (whether by sale, transfer, assignment, or hypothecation) except for (i) transfers to officers of Platinum Equities, Inc. who are also shareholders of Platinum Equities, Inc.; and (ii) transfers occurring by operation of law.

3. *Delivery and Payment: Delivery of and payment for any securities*  
-----

purchased in the Offering shall be made at 10:00 A.M., Eastern time, on [\_\_\_\_], 1997 or at such other time and date as may be agreed between you and the Company, but not less than seven nor more than ten full business days after the effective date of the Registration Statement (such time and date are referred to herein as the "Closing Date"). Delivery of and payment for the Securities shall take place at the office of Platinum Equities, Inc., 19 Rector Street, Suite 2301, New York, NY, 10006. The Closing Date and the place of delivery of and payment for the Securities may be varied by agreement between you and the Company.

Delivery of the Securities (in temporary or definitive form and registered in such names and in such denominations as you shall request at least two business days prior to the Closing Date by written notice to the Company) shall be made to you against payment of the purchase price therefor in good (same day) funds, to the order of the Company. For the purpose of expediting the checking and packaging of the Securities, the Company agrees to make such Securities available for inspection at least 24 hours prior to the Closing Date.

4. *Agreements of the Company: The Company agrees with you as follows:*  
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(a) The Company shall use its best efforts to cause the Registration Statement and any amendments to become effective as promptly as practicable and will not at any time, whether before or after the effective date of the Registration Statement, file any amendment to the Registration Statement or supplement to the Prospectus or file any document under the Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act") before termination of the offering of the Securities by you of which you and your counsel shall not previously have been advised and furnished with a copy, or to which you or your counsel shall have objected (except if deemed necessary by counsel for the Company, in which case you shall have the right to terminate this Agreement upon prompt notice to the Company), or which is not in compliance with the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Rules and Regulations.

As soon as the Company is advised or obtains knowledge thereof, the Company will advise you, and as soon as practicable, confirm in writing, (i) when the Registration Statement, as amended, becomes effective and, if the provisions of Rule 430A promulgated under the Act will be relied upon, when the Prospectus has been filed in accordance with said Rule 430A and when any post-effective amendment to the Registration Statement becomes effective, (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or any amendment or supplement thereto, or the institution of proceedings for that purpose, (iii) of the issuance by the Commission or by any state securities commission of any proceedings for the suspension of the qualification of any Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose, (iv) of the receipt of any comments from the Commission, and (v) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company will make every effort to obtain promptly the lifting of such order or suspension.

(b) The Company will furnish to you, without charge, three signed copies of the Registration Statement and any post-effective amendment thereto, including

financial statements and schedules, and all exhibits.

(c) The Company will give you advance notice of its intention to file any amendment to the Registration Statement or any amendment or supplement to the Prospectus, and will not file any such amendment or supplement to which you shall reasonably object in writing or which is not in compliance with the Act.

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(d) From the date hereof, and thereafter from time to time, the Company will deliver to you, without charge, as many copies of the Prospectus, or any amendment or supplement thereto as you may reasonably request. The Company consents to the use of the Prospectus or any amendment or supplement thereto by you and by all dealers to whom the Securities may be sold, both in connection with the offering or sale of the Securities and for such period of time thereafter as the Prospectus is required to be delivered under the Act in connection therewith. If during such period of time any event shall occur which in the reasonable judgment of the Company or your counsel should be set forth in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to supplement or amend the Prospectus to comply with law, the Company will forthwith prepare and duly file with the Commission an appropriate supplement or amendment thereto and will deliver to you, without charge, such number of copies thereof as you may reasonably request.

(e) Prior to any public offering of the Securities by you, the Company will cooperate with you and your counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as you request. The Company will pay all reasonable fees and expenses (including reasonable fees and expenses of counsel) relating to qualification of the Securities under such securities or Blue Sky laws and in connection with the determination of the eligibility of the Securities for investments under the laws of such jurisdictions as you may designate, including the reasonable expenses of any opinion of local counsel required by any state securities or Blue Sky authorities.

(f) So long as any of the Securities remain outstanding, the Company will furnish to its securityholders, as soon as practicable, annual reports (including financial statements audited by independent public accountants), and will deliver to you, as representative for the underwriters:

(i) concurrently with furnishing such quarterly reports to its securityholders, statements of income of the Company for each quarter in the form furnished to the Company's securityholders and certified by the Company's principal financial or accounting officer;

(ii) concurrently with furnishing such annual reports to its securityholders, a balance sheet of the Company as at the end of the preceding fiscal year, together with statements of operations, stockholders' equity and cash flows of the Company for such fiscal year, accompanied by a copy of the report thereon of independent certified public accountants;

(iii) as soon as they are available, copies of all reports (financial or other) mailed to stockholders;

(iv) as soon as they are available, copies of all reports and financial statements furnished to or filed with the Commission, any state securities commission, NASDAQ/SCMS, the NASD or any securities exchange;

(v) every press release and every material news item regarding each of the Company and the Subsidiaries or their respective affairs which were released or prepared by or on behalf of the Company or any of the Subsidiaries; and

(vi) any additional information of a public nature concerning the Company or any of the Subsidiaries (and any future subsidiaries) or their respective businesses which you may request.

During such period, if the Company has active subsidiaries, the foregoing financial statements will be on a consolidated basis to the extent that the accounts of the Company and its subsidiaries are consolidated, and will be accompanied by similar financial statements for any significant subsidiary which is not so consolidated.

(g) The Company will pay all expenses in connection with (1) the preparation, printing and filing of the Registration Statement, each preliminary prospectus, the Prospectus, any legal investment memoranda and the Blue Sky Survey, (2) the issuance and delivery of the Securities (other than transfer taxes), (3) the rating of the Securities by rating agencies, (4) furnishing such copies of the Registration Statement, the Prospectus and any preliminary prospectus, all amendments and supplements thereto, as may reasonably be requested for use in connection with the offering and sale

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of the Securities by you or by dealers to whom Securities may be sold, and (5) filings with the National Association of Securities Dealers, Inc. ("NASD").

(h) The Company will use the net proceeds from the sale of the Securities in the manner specified in the Prospectus under the caption "Use of Proceeds." No portion of the net proceeds will be used, directly or indirectly, to acquire or redeem any securities issued by the Company.

(i) The Company will appoint and retain, while any of the Securities remain outstanding, a transfer agent for the Securities, and, if necessary, a registrar for the Securities (who may be the transfer agent), and will make arrangements to have available at the offices of the transfer agent certificates for the Securities in such quantities as may, from time to time, be necessary. As of the date of this Agreement, the transfer agent for the securities of the Company is American Securities Transfer and Trust Corporation, 1825 Lawrence Street, Suite 1825, Denver, CO 80202.

(j) For a period of five years from the date hereof, the Company shall use its best efforts to maintain the listing of its common stock on the National Association of Securities Dealers, Inc. ("NASD") over-the-counter market.

(k) Neither the Company nor any of the Subsidiaries nor any of their respective executive officers, directors, principal stockholders or affiliates (within the meaning of the Rules and Regulations) will take, directly or indirectly, any action designed to, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any securities of the Company in violation of the Exchange Act.

(l) Until the completion of the distribution of the Securities, neither the Company nor any of the Subsidiaries shall, without prior written consent of you and your counsel, issue, directly or indirectly, any press release or other communication or hold any press conference with respect to the Company, any of the Subsidiaries, their respective activities or the offering contemplated hereby, other than trade releases issued in the ordinary course of the Company's business consistent with past practices with respect to the Company's operations.

5. Representations and Warranties of the Company: The Company

represents and warrants to you that:

(a) Each preliminary prospectus filed as part of any Registration Statement as originally filed or as part to any amendment thereto, or filed pursuant to Rule 424 under the Act, complied when so filed in all material respects with the Act, and when the Registration Statement becomes effective and at all times subsequent thereto up to the Closing Date, the Registration Statement and the Prospectus, and any supplements or amendments thereto, will comply in all material respects with the provisions of the Act and the Registration Statement and the Prospectus, and any such supplement or amendment thereto, at all such times will not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements therein not misleading, except that this representation and warranty does not apply to statements or omissions in the Registration Statement or the Prospectus or any preliminary prospectus made in reliance upon information furnished to the Company in writing by you expressly for use therein.

(b) This Agreement has been duly authorized and validly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms, except that (i) the enforceability hereof may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect, relating to creditors' rights generally, (ii) the enforceability thereof may be limited by

the application of equitable principles (whether such enforceability is considered in a proceeding at law or in equity) and (iii) rights to indemnity and contribution hereunder may be limited by Federal or state securities laws.

(c) The Securities have been duly authorized, validly issued, fully paid and nonassessable, and the Company has duly authorized and reserved for issuance the number of shares of common stock required for the firm commitment offering and the over-allotment option. The Securities are not and will not be subject to any preemptive or other similar rights of any security holder of the Company or any of the Subsidiaries (as defined below); the holders thereof will not be subject to any liability for the Company's acts or omissions solely as such holders; all corporate action

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required to be taken for the authorization, issuance and sale of the Securities has been duly and validly taken; and the certificates representing the Securities will be in due and proper form. Upon the issuance and delivery of the Securities pursuant to the terms of this Agreement, you will acquire good and marketable title thereto free and clear of any lien, charge, claim, encumbrance, pledge, security interest, defect or other restriction or equity of any kind whatsoever resulting from the affirmative act of the Company or from a judgment or nonconsensual lien rendered against the Company.

(d) The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Nevada. The Company and each of its subsidiaries listed on Exhibit A hereto (the "Subsidiaries") have full corporate power and authority to own and occupy its properties and carry on its business as presently conducted and as described in the Prospectus and holds all licenses and permits and is duly registered or qualified to conduct business, and is in good standing, in each jurisdiction in which it owns or leases property or transacts business and in which such licensing, registration or qualification is necessary except where the failure to be so licensed, registered or qualified would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole. The Company has a duly authorized, issued and outstanding capitalization as set forth in the Registration Statement. All of the outstanding capital stock or other equity securities of the Company and each of the Subsidiaries has been duly and validly authorized and issued, is fully paid and nonassessable; the holders thereof have no rights of rescission with respect thereto and are not subject to personal liability for the Company's acts or omissions solely by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any security holder of the Company or any of the Subsidiaries or similar contractual rights granted by the Company or any of the Subsidiaries. There are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, or agreements or understandings with respect to the sale or issuance of, any shares of capital stock or other equity interest in any Subsidiary. Neither the Company nor any of the Subsidiaries is a party to or bound by any material instrument, agreement or other arrangements, including, but not limited, to any voting trust agreement, stockholders' agreement or other agreement or instrument, affecting the securities or options, warrants or rights or obligations of security holders of the Company or any of the Subsidiaries or providing for any of them to issue, sell, transfer or acquire any capital stock, rights, warrants, options or other securities of the Company or any of the Subsidiaries, except for this Agreement and as described or referred to in the Registration Statement and the Prospectus.

(e) There are no legal or governmental proceedings pending, or to the knowledge of the Company, threatened or contemplated to which the Company or any of its Subsidiaries is a party or of which the business or property of the Company or any of its Subsidiaries is the subject which are material to the Company and its Subsidiaries, taken as whole and which are not disclosed in the Registration Statement and the Prospectus, and there is no contract or document concerning the Company or any of its Subsidiaries of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement which is not described or filed as required.

(f) Neither the Company nor any of its Subsidiaries is in violation of its charter or bylaws or is in default in any respect in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any indenture, mortgage, deed of trust or any other agreement or instrument of the Company or of any such Subsidiary,

which default would be material to the Company and its Subsidiaries, taken as a whole and there exists, and at the Closing Date shall exist, no condition which, with the passage of time or otherwise, would constitute a default under any such document or instrument or result in the imposition of any penalty or acceleration of any indebtedness which would be material to the Company and its Subsidiaries, taken as a whole. The execution and delivery by the Company of this Agreement, the authorization, issuance and sale of the Securities, the fulfillment by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement will not conflict with or constitute a breach of, or default (with the passage of time or otherwise) under, or result in the imposition of a lien on any properties of the Company or its Subsidiaries or an acceleration of indebtedness pursuant to, the certificate of incorporation or bylaws of the Company or any of its Subsidiaries, or any bond, debenture, note or any other evidence of indebtedness or any indenture, mortgage, deed of trust or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party to or by which it or any of them is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, or any law, administrative regulation or order of any court or governmental agency or authority applicable to

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the Company or any of its Subsidiaries which in any event would be material to the Company and its Subsidiaries, taken as a whole. No consent, approval, authorization or other order of any regulatory body, administrative agency, or other governmental body is legally required by the Company or its Subsidiaries for the valid issuance and sale of the Securities, except such as may be required by the NASD or under the Act or the securities or blue sky laws of any jurisdiction.

(g) The consolidated financial statements of the Company and its Subsidiaries together with the related notes and schedules included in the Registration Statement and Prospectus comply in all material respects with the requirements of the Act and fairly present the financial position, income, change in stockholder's equity, cash flow and the results of operations of the Company and the Subsidiaries at the respective dates and for the respective periods to which they apply. There has been no adverse change or development involving a material prospective change in the condition, financial or otherwise, or in the earnings, business affairs, position, prospects, value, operation, properties, business or results of operations of the Company or any of the Subsidiaries, whether or not arising in the ordinary course of business, since the date of the financial statements included in the Registration Statement and the Prospectus, except as set forth in the Registration Statement and the Prospectus, and the outstanding debt, the property, both tangible and intangible, and the businesses of each of the Company and the Subsidiaries described in the Registration Statement and the Prospectus conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus. Such consolidated financial statements (including the related notes and schedules) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved except as otherwise stated therein.

(h) Each of the Company and the Subsidiaries (i) has paid all federal, state and local taxes for which it is currently liable, including, but not limited to, withholding taxes and amounts payable under Chapters 21 through 24 of the Internal Revenue Code of 1986, as amended (the "Code"), and has furnished all information returns it is required to furnish pursuant to the Code, (ii) has established adequate reserves for such taxes that are not due and payable and (iii) does not have any tax deficiency or claims outstanding, proposed or assessed against its respective business or assets.

(i) Each of the Company and the Subsidiaries maintains insurance policies, including, but not limited to, general liability, property and product liability insurance and surety bonds which insures the Company and the Subsidiaries and their respective professional staffs against such losses and risks generally insured against by comparable businesses. Neither the Company nor any of the Subsidiaries (A) has failed to give notice or present any insurance claim with respect to any matter, including, but not limited to, the Company's or any of the Subsidiaries' businesses, property or professional staff under any insurance policy or surety bond in a due and timely manner, (B) has any disputes or claims against any underwriter of such insurance policies or surety bonds or has failed to pay any premiums due and payable thereunder or (C) has failed to comply with all conditions contained in such insurance policies and surety bonds. The

Company has not received notice or facts or circumstances under any insurance policy or surety bond which would relieve any insurer of its obligation to satisfy in full any valid claim of the Company or any of the Subsidiaries.

(j) Subsequent to the respective dates as of which information is set forth in the Registration Statement and Prospectus, and except as may otherwise be indicated or contemplated herein or therein, neither the Company nor any of the Subsidiaries has (i) entered into any material transaction other than in the ordinary course of business or (ii) declared or paid any dividend or made any other distribution on or in respect of its capital stock of any class and there has not been any change in the capital stock, debt (long or short term) or liabilities or any material change in or affecting the general affairs, management, financial operations, stockholders' equity or results of operations of the Company or any of the Subsidiaries.

(k) Each of the Company and its Subsidiaries is in material compliance with all federal, state, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours. The Company has not received notice of any pending investigations involving the Company or any of the Subsidiaries by the U.S. Department of Labor or any other governmental agency responsible for the enforcement of such federal, state, local or foreign laws and regulations. The Company has not received notice of any

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unfair labor practice charge or complaint against the Company or any of the Subsidiaries pending before the National Labor Relations Board or any strike, picketing, boycott, dispute, slowdown or stoppage pending or threatened against or involving the Company or any of the subsidiaries or any predecessor entity of the Company or any of the Subsidiaries, and none has ever occurred. No collective bargaining agreement or modification thereof is currently being negotiated by the Company or any of the Subsidiaries. No material labor dispute with the employees of the Company or any of the Subsidiaries exists, or to the best of the Company's knowledge, is imminent.

(l) The Company hereby agrees that it will not nor shall it permit any of the Subsidiaries to, for a period of twelve months from the effective date of the Registration Statement, adopt, propose to adopt or otherwise permit to exist any employee, officer, director, consultant or other benefit or compensation plan or arrangement (i) permitting the grant, issue, sale or entry into any agreement to grant, issue or sell any capital stock at a price that is less than, or permitting the grant, issue, sale or entry into any agreement to grant, issue or sell any option, warrant or other contract right with respect to capital stock at an exercise price that is less than, the greater of (x) the market price of the Company's common stock on the effective date of the Registration Statement (being \$5.15 per Share and \$0.10 per Warrant) and (y) the fair market value per share of common stock on the date of grant or sale or to any of its or the Subsidiaries' executive officers or directors or to any holder of five percent or more of the common stock; (ii) permitting the maximum number shares of common stock or other securities of the Company purchasable at any time pursuant options, warrants or other contract rights issued or granted by the Company to exceed shares of common stock; (iii) permitting the payment for the securities covered thereby with any form of consideration other than cash; or (iv) permitting the existence of stock appreciation rights, phantom options or similar arrangements.

(m) Each of the Company and the Subsidiaries (i) has not received any notice of infringement of or conflict with asserted rights of others with respect to any copyrights, trademarks, service marks and trade names, together with all applications for any of the foregoing, presently used or held for use by it in connection with its businesses as described in the Registration Statement, which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, might have a material adverse effect on the condition, financial or otherwise, or the business taken as a whole, and (ii) is not obligated or under any liability whatsoever to make any material payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, any trademark, service mark, trade name or copyright or other intangible asset with respect to the use thereof or in connection with the conduct of its business or otherwise.

(n) The Company is not an "investment company" within the meaning of the Investment Company Act of 1940.

6. Indemnification: The Company agrees to indemnify you and hold you

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harmless, and each person, if any, who controls you, within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated herein or necessary to make the statements therein not misleading.

If any action or proceeding (including any governmental investigation) shall be brought or asserted against you or any person controlling you in respect of which indemnity may be sought from the Company, you or such controlling person shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to you or such controlling person, as the case may be and the payment of all expenses. You or any such controlling person shall have the right to employ separate counsel in any such action and to participate in the defense thereof at your own cost. The Company shall not be liable for any settlement of any such action or proceeding effected without its written consent, but if settled with its written consent, or if there be a final judgment for the plaintiff in any such action or proceeding, the Company agrees as provided in the preceding paragraph to indemnify you and hold you or such controlling person harmless from and against any loss or liability by reason of such settlement or judgment.

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You agree, severally and not jointly, to indemnify and hold harmless the Company, its directors and officers, and each person, if any, who controls the Company within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company to you, but only with respect to information furnished in writing by you or on your behalf expressly for use in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any preliminary prospectus. In case any action or proceeding shall be brought against the Company or its directors or officers or any such controlling person, in respect of which indemnity may be sought against you, you shall have the rights and duties given to the Company, and the Company or its directors or officers or such controlling person shall have the rights and duties given to you, by the preceding paragraph.

7. Conditions of Your Obligations: Your obligations hereunder shall be

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subject to the continuing accuracy of the representations and warranties of the Company herein as of the date hereof and as of the Closing Date as if they had been made on and as of the Closing Date; the accuracy on and as of the Closing Date of the statements of officers of the Company made pursuant to the provisions hereof; and the performance by the Company on and as of the Closing Date of its covenants and obligations hereunder and to the following further conditions:

(a) Notification that the Registration Statement has become effective and that the Prospectus has been filed with the Commission on a timely basis pursuant to Rule 424(b) under the Act shall be received by you;

(b) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall be pending or contemplated by the Commission; and you shall have received a certificate, dated the Closing Date and signed by the Chairman or President of the Company (who may, as to proceedings contemplated, rely upon the best of his information and belief), to that effect and to the effect set forth in clause (g) of this Section 7;

(c) On or prior to the Closing Date, you shall have received from Underwriter's Counsel, such opinion or opinions with respect to the organization of the Company, the validity of the Securities, the Registration Statement, the Prospectus and other related matters as you may request and Underwriter's Counsel shall have received such papers and information as they request to enable them to pass upon such matters.

(d) At Closing Date, you shall have received from counsel to the Company, dated the Closing Date, addressed to the Underwriters an opinion in the form attached hereto as Exhibit C. In rendering such opinion, such counsel may rely: (A) as to matters involving the application of laws other than the laws of the United States and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance satisfactory to Underwriters' Counsel) of other counsel acceptable to Underwriters' Counsel, familiar with the applicable laws; and (B) as to matters of facts, to the extent they deem proper, on certificates and written statements of responsible officers of the Company and certificates or other written statements of officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company and the Subsidiaries, provided copies of any such statements or certificates shall be delivered to Underwriters' Counsel if requested. The opinion of such counsel for the Company shall state that the opinion of any such other counsel is in form satisfactory to such counsel and that the Underwriters and they are justified in relying thereon.

(e) At the time this Agreement is executed, you shall have received a letter, dated such date, addressed to you in form and substance satisfactory in all respects (including the nonmaterial nature of the changes or decreases, if any, referred to in clause (iii) below) to you and your counsel, from Stonefield Josephson, Inc., Certified Public Accountants:

(i) confirming that they are independent certified public accountants with respect to the Company within the meaning of the Act and the Exchange Act and the applicable Rules and Regulations;

(ii) stating that it is their opinion that the consolidated financial statements and supporting schedules of the Company and the Subsidiaries, as applicable, included in the Registration Statement comply as to form

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in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the Rules and Regulations thereunder;

(iii) and stating that, on the basis of a limited review which included a reading of the latest available unaudited interim consolidated financial statements of the Company and the Subsidiaries, as applicable, (with an indication of the date of the latest available unaudited interim consolidated financial statements of the Company and the Subsidiaries, as applicable), a reading of the latest available minutes of the stockholders and board of directors and the various committees of the board of directors or each of the Company and the Subsidiaries, consultations with officers and other employees of each of the Company and the Subsidiaries responsible for financial and accounting matters and other specified procedures and inquiries, nothing has come to their attention which would lead them to believe that (A) the unaudited consolidated financial statements and supporting schedules of the Company and the Subsidiaries, as applicable, included in the Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the Rules and Regulations or are not fairly presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements and supporting schedules of the Company and the Subsidiaries, as applicable, included in the Registration Statements, (B) at a specified date not more than five days prior to the later of the date of this Agreement or the effective date of the Registration Statement, there has been any change in the capital stock or long-term debt of the Company or any of the Subsidiaries, or any decrease in the stockholders' equity or net current assets or net assets of the Company, as compared with amounts shown in the June 30, 1997 balance sheet included in the Registration Statement other than as set forth in or contemplated by the Registration Statement, or, if there was any change or decrease, setting forth the amount of such change or decrease, and (C) during the period from June 30, 1997 to a specified date not more than five days prior to the later of the date of this Agreement or the effective date of the Registration Statement, there was any decrease in net revenues, net earnings or net earnings per common share of the Company and its consolidated Subsidiaries or any of the Company's unconsolidated Subsidiaries, in each case as compared with the corresponding period beginning June 30, 1997, other than as set forth in or contemplated by the Registration Statement, or, if there was any such decrease, setting forth the amount of such decrease;

(iv) stating that they have compared specific dollar amounts, numbers of shares, percentages of revenues and earnings, statements and/or other financial information pertaining to the Company and the Subsidiaries set forth in the Prospectus in each case to the extent that such amounts, numbers, percentages, statements and information may be derived from the general accounting records, including work sheets, of the Company and/or the Subsidiaries and excluding any questions requiring an interpretation by legal counsel, with the results obtained from the application of specified readings, inquiries and other appropriate procedures (which procedures need not constitute an examination in accordance with generally accepted auditing standards) set forth in the letter and found them to be in agreement; and

(v) statements as to such other matters incident to the transaction contemplated hereby as you may reasonably request.

(f) At the Closing Date you shall have received from Stonefield Josephson, Inc., Certified Public Accountants, a letter, dated as of the Closing Date to the effect that they reaffirm that statements made in the letter furnished pursuant to subsection (f) of this Section 7, except that the specified date referred to shall be a date not more than five days prior to the Closing Date and, if the Company has elected to rely on Rule 430A of the Rules and Regulations, to the further effect that they have carried out procedures as specified in clause (v) of subsection (f) of this Section 7 with respect to certain amounts, percentages and financial information as specified by you and deemed to be a part of the Registration Statement pursuant to Rule 430A(b) and have found such amounts, percentages and financial information to be in agreement with the records specified in such clause (v).

(g) At the Closing Date you shall have received a certificate of the Company signed by the principal executive officer and by the chief financial or chief accounting officer of the Company, dated the Closing Date, to the effect that each of such persons has examined the Registration Statement, the Prospectus, and this Agreement, and that:

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(i) the representations and warranties of the Company in this Agreement are true and correct, as if made on and as of the Closing Date and the Company has complied with all agreements and covenants and satisfied all conditions contained in this Agreement on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued, and no proceedings for that purpose have been instituted or are pending or, to the best of each of such person's knowledge after due inquiry, are contemplated or threatened under the Act;

(iii) the Registration Statement and the Prospectus and, if any, each amendment and each supplement thereto, contain all statements and information required to be included therein, and none of the Registration Statement, the Prospectus or any amendment or supplement thereto includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading and none of the Preliminary Prospectus or any supplement thereto included any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iv) subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus: (a) neither the Company nor any of the Subsidiaries has incurred up to and including the Closing Date, other than in the ordinary course of its business, any material liabilities or obligations, direct or contingent (except as otherwise contemplated in subclause (d) of this clause (iv)); (b) neither the Company nor any of the Subsidiaries has paid or declared any dividends or other distributions on its capital stock; (c) neither the Company nor any of the Subsidiaries has entered into any material transactions not in the ordinary course of business (except as otherwise contemplated in subclause (d) of this clause (iv)); (d) there has not been any material change in the capital stock or long-term debt or any increase in the short-term borrowings (other than any increase in the short-term borrowings in the ordinary course of business) of the Company or any of the Subsidiaries; (e) neither the Company nor any of the Subsidiaries has sustained

any material loss or damage to its property or assets, whether or not insured; (f) there is no material litigation which is pending or, to the best of the Company's knowledge, threatened against the Company, any of the Subsidiaries or any affiliated party of any of the foregoing which is required to be set forth in an amended or supplemented Prospectus which has not been set forth; and (g) there has occurred no event required to be set forth in an amended or supplemented Prospectus which has not been set forth.

References to the Registration Statement and the Prospectus in this Subsection (h) are to such documents as amended and supplemented at the date of such certificates.

(h) The Company shall maintain its Board of Directors to at least three of which one director shall be an outside director. The Company shall cause such persons to be nominated, and to use its best efforts to cause them to be elected to its Board. The Company will have an authorized number of directors totaling three as of the date of the filing of the Registration Statement. All directors must have such qualifications as would generally be found for directors of similarly situated public companies.

(i) Prior to the Closing Date: (i) there shall have been no materially adverse change nor development involving a prospective change in the condition, financial or otherwise, prospects, stockholders' equity or the business activities of the Company and the Subsidiaries taken as a whole, whether or not in the ordinary course of business, from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus; (ii) there shall have been no transaction, not in the ordinary course of business, entered into by the Company or any of the Subsidiaries, from the latest date as of which the financial condition of the Company and the Subsidiaries is set forth in the Registration Statement and Prospectus which is adverse to the Company and the Subsidiaries taken as a whole; (iii) neither the Company nor any of the Subsidiaries shall be in material default under any provision of any instrument relating to any outstanding indebtedness; (iv) neither the Company nor any of the Subsidiaries shall have issued any securities (other than the Securities or underlying common stock from the exercise of options or warrants) or declared or paid any dividend or made any distribution in respect of its capital stock of any class and there has not been any change in the capital stock, or any change in the debt (long or short term) or liabilities or obligations (contingent or otherwise) of the Company or any of the Subsidiaries; (v) no material amount of the assets of the Company or any of the Subsidiaries

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shall have been pledged or mortgaged other than in the ordinary course of the Company's business, except as set forth in the Registration Statement and Prospectus; (vi) no action, suit or proceeding, at law or in equity, shall have been pending or, to the best of the Company's knowledge, threatened against the Company or any of the Subsidiaries, or affecting any of their respective properties or businesses, before or by any court or federal, state or foreign commission board or other administrative agency wherein an unfavorable decision, ruling or finding may materially adversely affect the business, operations, prospects, financial condition or income of the Company and the Subsidiaries taken as a whole, except as set forth in the Registration Statement and Prospectus; and (vii) no stop order shall have been issued under the Act and no proceedings therefor shall have been initiated, threatened or contemplated by the Commission or any state regulatory authority.

(j) At the Closing Date, you shall have received a letter from Stonefield Josephson, Inc., Certified Public Accountants, dated as of the Closing Date, substantially in the form heretofore approved by you.

If any condition to your obligations hereunder to be fulfilled prior to or at the Closing Date, is not so fulfilled you may terminate this Agreement or, if you so elect, you may waive any such conditions which have not been fulfilled or extend the time for their fulfillment. In the event you so elect to terminate, you shall have no recourse against the Company for any expenses incurred by you. However, the Company shall remain liable for all reasonable Blue Sky counsel fees of the Company and expenses and Blue Sky filing fees of the Company.

8. Effective Date of Agreement: This Agreement shall become effective  
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(i) if Rule 430A under the Act is not used, when you shall have received

notification of the effectiveness of the Registration Statement or (ii) if Rule 430A under the Act is used, when the parties hereto have executed and delivered this Agreement.

9. Notice: Notice given pursuant to any of the provisions of this

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Agreement shall be in writing and shall be mailed or delivered (a) to the Company at its office at 18638 Pioneer Boulevard, Artesia, CA, 90701, Attention: Najeeb U. Ghauri; and (b) to you, at 19 Rector Street, Suite 2301, New York, NY, 10006, Attention: John Kenney. Any notice under Section 7(a) hereof may be given by facsimile or telephone, but if so given shall be subsequently confirmed in writing.

10. Termination.

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(a) Subject to Subsection (b) of this Section 10, you shall have the right to terminate this Agreement (i) if any domestic or international event or act or occurrence has or in your reasonable opinion will in the immediate future have a material adverse effect on the Company or the securities market in general or (ii) if trading on the New York Stock Exchange, the American Stock Exchange or in the over-the-counter market shall have been suspended, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required on the over-the-counter market by the NASD or by order of the Commission or any other government authority having jurisdiction; or (iii) if the United States shall have become involved in a war or major hostilities, or there shall have been an escalation in an existing war or major hostilities, or a national emergency shall have been declared in the United States; or (iv) if a banking moratorium has been declared by a state or federal authority; or (v) if a moratorium in foreign exchange trading has been declared; or (vi) if the Company or any of the Subsidiaries shall have sustained a loss material or substantial to the Company or any of the Subsidiaries by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your reasonable opinion, make it inadvisable to proceed with the delivery of the Securities; or (vii) if there shall have been such a material adverse change in the conditions or prospects of the Company or any of the Subsidiaries, or such material adverse change in the general market, political or economic conditions in the United States or elsewhere, as in your judgment would make it inadvisable to proceed with the offering, sale and/or delivery of the Securities.

(b) If this Agreement is terminated by you in accordance with the provisions of Section 4(a), Section 10(a)(i), 10(a)(ii), Section 10(a)(iii), Section 10(a)(iv), Section 10(a)(v), Section 10(a)(vi), Section 10(a)(vii), or Section 11 or if this Agreement shall not be carried out within the time specified herein, or any extension thereof granted to you, by reason of any failure on the part of the Company to perform any material undertaking or satisfy any material condition of this Agreement by it to be performed or satisfied (including without limitation, pursuant to Section 7,

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Section 10(a) or Section 11), then you shall not be entitled to any compensation. However, the Company shall remain liable for all reasonable Blue Sky counsel fees of the Company and expenses and Blue Sky filing fees of the Company. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement (including, without limitation, pursuant to Sections 7, 10 and 11 hereof), and whether or not this Agreement is otherwise carried out, the provisions of Section 6 shall not be in any way affected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.

11. Default by the Company. If the Company shall fail at the Closing Date

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to sell and deliver the number of Securities which it is obligated to sell hereunder on such date, then this Agreement shall terminate, you may, at your option, by notice from you to the Company, terminate your obligation to purchase the Securities from the Company on such date without any liability on the part of any non-defaulting party other than pursuant to Sections 5, 7 and 10 hereof. No action taken pursuant to this Section 11 shall relieve the Company from liability, if any, in respect of such default.

12. Representations and Agreements to Survive Delivery. All

representations, warranties and agreements contained in this Agreement or contained in certificates of officers of the Company submitted pursuant hereto shall be deemed to be representations, warranties and agreements at the Closing Date, and such representations, warranties and agreements of the Company and the respective indemnity agreements contained in Section 6 hereof shall remain operative and in full force and effect as of such dates, regardless of any investigation made by or on behalf of you, the Company, any of the Subsidiaries or any controlling person, and shall survive termination of this Agreement or the issuance and delivery of the Securities to you.

13. Entire Agreement; Amendments. This Agreement constitutes the entire

agreement of the parties hereto and supersedes all prior written or oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may not be amended except in a writing signed by you and the Company.

14. Miscellaneous. This Agreement has been and is made solely for the

benefit of you and the Company and of the controlling persons, directors and officers referred to in Section 6 hereof, and their respective successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" as used in this Agreement shall not include a purchaser, as such purchaser, of Securities from you.

This Agreement may be signed in various counterparts which together shall constitute one and the same agreement.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

Please confirm that the foregoing correctly sets forth the agreement between the Company and you.

Very truly yours,

MIRAGE HOLDINGS, INC.

By: Najeeb U. Ghauri  
Its: President

Confirmed as of the date first above mentioned:

PLATINUM EQUITIES, INC.

By: John Kenney  
Its: President

EXHIBIT A

SUBSIDIARIES

<TABLE>  
<CAPTION>

NAME	STATE OR COUNTRY IN WHICH INCORPORATED	PERCENTAGE OF CAPITAL STOCK OWNED BY MIRAGE HOLDINGS, INC.
Mirage Collection, Inc.	Nevada, U.S.	100%

</TABLE>

EXHIBIT B

MIRAGE HOLDINGS, INC.  
(A NEVADA CORPORATION)

UNDERWRITERS WARRANT ("WARRANT") TO PURCHASE  
SHARES OF COMMON STOCK

1. Grant of Warrant. For value received in connection with the offering

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(the "Offering") of a minimum of 250,000 Shares and a maximum of 500,000 Shares and 1,000,000 Warrants for \$5.15 per Share and \$0.10 per Warrant, on a best-efforts basis. Mirage Holdings, Inc., a Nevada corporation (the "Company"), hereby grants to Platinum Equities, Inc., a corporation, or its registered assigns ("Holder"), the right to purchase from the Company ("Warrant") an amount of shares of Common Stock of the Company (the "Shares"), \$0.001 par value, and warrants equal to 10% of the number of Securities issued in the public offering upon the Closing Date (as defined in Section 3 of the Underwriting Agreement, dated \_\_\_\_\_, 1997, between the Company and Platinum Equities, Inc.) of the Offering on the terms and conditions set forth herein. The Exercise Price for such Warrant shall be \$6.18 per share and \$0.12 per warrant. The Exercise Price is subject to adjustment as provided in Section 6 below.

2. Right and Manner of Exercise. This Warrant shall be exercisable at

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any time from and after the first anniversary of the date hereof and ending at 5:00 p.m. California time on the fifth anniversary of the date hereof (the "Exercise Period"). The Holder may elect to exercise this Warrant anytime during the Exercise Period as to any or all of the Shares by delivering written notice, or successive written notices, of exercise to the Company (as provided in Section 11) in the form attached hereto as Exhibit A accompanied by payment of an amount equal to the product of (i) the number of Shares being purchased and (ii) the Exercise Price, as each may have been adjusted pursuant to the terms of this Agreement.

3. Issuance of Securities and New Warrant. If the purchase rights

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evidenced by this Warrant are exercised in whole or in part, one or more certificates for the Securities so purchased shall be issued at the Company's expense as soon as practicable thereafter to the Holder exercising such rights. Such Holder shall also be issued at such time at the Company's expense a new Warrant on the same terms and conditions as this Warrant, but representing the number of Securities (if any) for which the purchase rights under this Warrant remain unexercised.

4. Privilege of Stock Ownership. The Holder shall for all purposes be

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deemed to have become the holder of record of Shares issued upon an exercise of this Warrant on, and the certificate evidencing such Shares shall be dated, the date upon which the Holder presents to the Company each of notice of an intent to exercise this Warrant pursuant to Section 2 and payment of the Exercise Price. Holder shall receive good and marketable title to all Shares that Holder purchases and the Company delivers upon the exercise of any or all of the Warrants. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights as a shareholder of the Company, including (without limitation) the right to vote, receive dividends or other distributions, exercise preemptive rights or be notified of shareholder meetings, and such Holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company except as otherwise provided herein.

5. Reservation and Availability of Shares. The Company will at all times

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reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Stock for the purpose of enabling it to satisfy any obligation to issue Shares upon exercise of this Warrant and the underlying warrant, the full number of Shares deliverable upon the exercise or conversion of the entire outstanding amount of this Warrant and the underlying warrant. Before taking any action which would cause an adjustment pursuant to Section 6 reducing the Exercise Price, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and non-assessable Shares at the Exercise Price as to adjusted. The Company covenants that all Shares which

may be issued upon exercise of this Warrant will, upon issue, be fully paid and non-assessable, free and clear of all voting and other trust arrangements, liens, encumbrances, equities and claims whatsoever, and the Company shall have paid all taxes, if any, in respect of the issuance thereof.

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6. Adjustment of Exercise Price/Anti-Dilution. The Exercise Price and

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the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of the events enumerated in this Section 6.

6.1 Stock Splits and Combinations. If the Company shall at any time

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subdivide or combine its outstanding Common Stock, or fix a record date for payment of a dividend in Common Stock or other securities of the Company exercisable, convertible or exchangeable for Common Stock (in which latter event the maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of such securities shall be deemed to have been distributed), after that subdivision, combination or dividend, the number of Shares subject to purchase shall be adjusted to that number of Shares which is determined by (A) multiplying the number of shares of Common Stock purchasable immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment, and then (B) dividing that product by the Exercise Price in effect immediately after such adjustment. If the Company shall at any time subdivide the outstanding shares of Common Stock or fix a record date for payment of a dividend in Common Stock or other securities exercisable, convertible or exchangeable into Common Stock, the Exercise Price then in effect immediately before that subdivision or dividend shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, then the Exercise Price in effect immediately before that combination shall be proportionately increased. Any adjustment under this Section 6.1 shall become effective at the close of business on the date the subdivision or combination becomes effective or the dividend is distributed.

6.2 Reclassification, Exchange and Substitution. If the Shares

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issuable upon exercise of the Warrant shall be changed into the same or a different number of shares of any other class or classes of securities, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination or payment of dividend of securities provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Shares which the Holder would have become entitled to purchase but for such change, a number of shares of such other class or classes of securities which such Holder would have been entitled to receive as the holder of that number of Shares subject to purchase by the Holder on exercise of this Warrant immediately before that change.

6.3 Reorganizations, Mergers, Consolidations or Sales of Assets. If

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at any time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, payment of dividend, reclassification or exchange of Common Stock provided for above), or merger or consolidation of the Company with or into another corporation, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Exercise Price then in effect, the number of Shares or other securities or property of the Company, or of the successor corporation resulting from such merger or consolidation, to which a Holder of the Shares issuable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale such that the provisions of this Warrant (including adjustment of the Exercise Price then in effect and number and kind of securities purchasable upon exercise of this Warrant) shall be applicable after

that event in relation to any securities purchasable after that event upon exercise of this Warrant.

6.4 Minimum Exercise Price Adjustment. No adjustment in the Exercise  
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Price shall be required unless such adjustment would require an increase or decrease of at least one-half of one percent (0.5%) or more of the Exercise Price, provided, however, that any adjustments which by reason of this Subsection 6.4 are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 6 shall be made to the nearest cent or to the nearest one-hundredth of a Share as the case may be.

7. Notices to Holder. Upon any adjustment of the Exercise Price pursuant  
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to Section 6, the Company within 20 days thereafter shall cause to be given to the Holder pursuant to Section 11 hereof written notice of such

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adjustment, which notice shall set forth in a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made. Where appropriate, such notice may be given in advance and included as a part of the notice required to be mailed under the other provisions of this Section 7.

In the event of any of the following:

7.1 the Company shall authorize the issuance of its holders of shares of Common Stock of rights or warrants to subscribe for or purchase shares of Common Stock or of any other subscription rights or warrants; or

7.2 the Company shall authorize the distribution to all holders of shares of Common Stock of evidences of its indebtedness or assets (other than cash dividends not exceeding [\$\_\_\_\_\_] per share of Common Stock payable during any three-month period or distributions or dividends payable in shares of Common Stock); or

7.3 any consolidation or merger to which the Company is a party and for which approval of any shareholder of the Company is required, or of the conveyance or transfer of the properties and assets of the Company as, or substantially as, an entirety, or of any reclassification or change of outstanding shares of Common Stock issuable upon exercise of this Warrant (other than a change in par value, or from par value to \$0.001 par value, or from \$0.001 par value to par value, or as a result of a subdivision or combination); or

7.4 the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

7.5 the Company proposes to take any action (other than actions of the character described in Subsection 6.1 except as required under Subsection 7.3 above) which would require an adjustment of the Exercise Price pursuant to Section 6;

then the Company shall cause to be given to the Holder, at least 20 days (or ten days in any case specified in Subsections 7.1 and 7.2 above) prior to the applicable record date hereinafter specified, a written notice stating (i) the date as of which the holders of record of shares of Common Stock to be entitled to receive any such rights, warrants, or distribution are to be determined, or (ii) the date on which any such consolidation, merger, conveyance, transfer, dissolution, liquidation, or winding up is expected to become effective, and the date as of which it is that holders of record of shares of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation, or winding up. The failure to give the notice required by this Section 7 or any defect therein shall not affect the legality or validity of any distribution, right, warrant, consolidation, merger, conveyance, merger, dissolution, liquidation, or winding up, or the vote upon any such action.

8. Transfers. The Holder acknowledges and agrees that this Warrant and  
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the Common Stock underlying this Warrant may not be sold, pledged, assigned, transferred or otherwise hypothecated without registration under the Act except in certain limited circumstances where an exemption from registration exists, supported by an opinion of counsel satisfactory to the Company and its counsel that registration is not required thereunder. The Warrants are non-transferable (whether by sale, transfer, assignment or hypothecation) except for (i) transfers to officers of Platinum Equities, Inc. who are also shareholders of Platinum Equities, Inc., (ii) transfers occurring by operation of law.

9. *Fractional Shares.* No fractional shares of Common Stock shall be -----  
issued in connection with any exercise of this Warrant. In lieu of the issuance of such fractional share, the Company shall make a cash payment equal to the then fair market value of such fractional share as determined in good faith by the Company's Board of Directors.

10. *Successors and Assign.* The terms and provisions of this Warrant shall -----  
inure to the benefit of, and be binding upon the Company and the Holder hereof and their respective successors and assigns.

11. *Notices.* All notices, requests, demands and other communications -----  
(collectively, "Notices") under this Warrant shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom Notice is to be given, or on the third business day after the date of mailing if mailed to the party

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to whom Notice is to be given, by first class mail, registered to the Holder, at his address as shown in the Company records; and if to the Company, at its principal office. Any party may change its address for purposes of this Section by giving the other party written Notice of the new address in the manner set forth above.

12. *Governing Law.* This Warrant shall be governed by and construed in -----  
accordance with the laws of the State of California without regard to principles of conflicts of laws.

13. *Loss or Mutilation of Warrant.* Upon receipt of evidence reasonably -----  
satisfactory to the Company regarding the loss, theft, mutilation or destruction of this Warrant and upon delivery of appropriate indemnification with respect thereto or upon surrender or cancellation of the mutilated Warrant, the Company will make and deliver to the Holder a new Warrant of like tenor.

MIRAGE HOLDINGS, INC.

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By: Najeeb U. Ghauri  
Its: President

Attest:

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By: Najeeb U. Ghauri  
Its: Secretary

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ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sell(s), assign(s), and transfer(s) unto \_\_\_\_\_, of \_\_\_\_\_, the right to purchase Securities evidenced by the within Warrant, and does hereby irrevocable constitute and appoint \_\_\_\_\_ to transfer such right on the books on the Company, with full power of substitution.

DATED: \_\_\_\_\_, 199\_\_

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SIGNATURE  
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The signature to this Assignment must correspond with the name as written upon the fact of the within Warrant, in every particular, without alteration or enlargement, or any change whatsoever.

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EXHIBIT A

EXERCISE NOTICE

Mirage Holdings, Inc.  
18638 Pioneer Boulevard  
Artesia, CA 90701

Ladies and Gentlemen:

\_\_\_\_\_ (the "Undersigned") hereby elects to purchase, pursuant to the provisions of the Mirage Holdings, Inc. Underwriter's Warrant dated \_\_\_\_\_, held by the undersigned, \_\_\_\_\_ shares of the Common Stock of Mirage Holdings, Inc. and/or \_\_\_\_\_ Warrants of Mirage Holdings, Inc.

As an inducement to your acceptance hereunder, the undersigned certifies that the Securities are being purchased for the undersigned's own account, for investment purposed, and not with a view toward a public distribution in violation of the registration requirements of the Securities Act of 1933, as amended.

Payment of the purchase price of \$6.18 per share of Common Stock and/or \$0.12 per Warrant is being purchased for the undersigned's own account, for investment purposed, and not with a view toward a public distribution in violation of the registration requirements of the Securities Act of 1933, as amended.

Payment of the purchase price of \$6.18 per share of Common Stock and/or \$0.12 per Warrant in U.S. funds required under such Warrant accompanies this subscription.

DATED: \_\_\_\_\_, 199\_\_

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

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

EXHIBIT 1.2

AGREEMENT AMONG UNDERWRITERS (FORM)

A MAXIMUM OF 500,000 SHARES OF COMMON STOCK AND  
1,000,000 WARRANTS TO PURCHASE  
ONE SHARE OF COMMON STOCK  
FOR \$6.00 OF

MIRAGE HOLDINGS, INC.

\$5.15 PER SHARE  
\$0.10 PER WARRANT

AGREEMENT AMONG UNDERWRITERS

\_\_\_\_\_, 1997

Platinum Equities, Inc.  
19 Rector Street, Suite 2301  
New York, NY 10006

Ladies and Gentlemen:

1. Underwriting Agreement. We understand, Mirage Holdings, Inc. (the "Company"), proposes to enter into an underwriting agreement in substantially the form attached hereto as Exhibit A (the "Underwriting Agreement") with Platinum Equities, Inc. (the "Lead Underwriter") providing for the purchase by the Lead Underwriter and certain other underwriters (collectively, the "Underwriters") of a minimum of 250,000 Shares and a maximum of 500,000 Shares and 1,000,000 Warrants to purchase one share of the Company's Common Stock for \$6.00, on a best-efforts basis all upon the terms stated in the Underwriting Agreement. We agree in accordance with the terms thereof to purchase from the Company the amount of Securities set forth opposite our name in Exhibit B hereto, subject to increase as provided in the Underwriting Agreement. The amount of Securities to be purchased by us pursuant to the Underwriting Agreement is herein referred to as "our Securities."

2. Registration Statement and Prospectus. The Securities are described in a registration statement relating thereto filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). One or more amendments to such registration statement have been or will be filed in which, with our consent hereby confirmed, we have been named as one of the Underwriters of the Securities. A copy of the registration statement as filed and of each amendment as filed (excluding exhibits) has heretofore been delivered to us. The registration statement and the related prospectus may be further amended or supplemented, but no such amendment or supplement shall release or affect our obligations hereunder or under the Underwriting Agreement. The registration statement as amended at the time when it becomes effective and the final prospectus relating to the Securities as filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act are hereinafter respectively referred to as the "Registration Statement" and the "Prospectus."

We hereby agree to deliver all preliminary and final prospectuses required for compliance with the provisions of Rule 15c2-8 under the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Company has heretofore delivered to us such preliminary prospectuses as have been requested by us, receipt of which is hereby acknowledged.

We represent to you that we have taken all action on our part required to have been taken to satisfy the applicable rules and regulations under the Securities Act, including the distribution of copies of the preliminary prospectus relating to the Securities (or, if you have so requested, copies of any amended preliminary prospectus) to all persons to whom we expect to mail confirmations of sale. We understand that we are not authorized to give any information or to make any representations in connection with the sale of the Securities other than as contained in the Prospectus.

3. *Authority of the Representative.* We authorize you as our representative (the "Representative"): (a) to complete, execute and deliver the Underwriting Agreement in substantially the form attached hereto as Exhibit A, with such changes, if any, as in your judgment are appropriate, provided that the amount of Securities set forth opposite our name in Schedule I thereto shall not be increased without our consent, except as provided herein and in the Underwriting Agreement; (b) to waive any conditions to the obligations of the Underwriter under the Underwriting Agreement; and (c) to take such action as in your discretion may be necessary or advisable to carry out the Underwriting Agreement, this Agreement and the transactions for the accounts of the several Underwriters contemplated thereby and hereby, including the date the Securities are to be released for sale to the public. We also authorize you to determine all matters relating to the public advertisement of the Securities, including the determination of the form and manner of any public advertisement, and we agree that we will not commence any public advertising until you shall have done so and that any such advertisement we may then make will be on our own responsibility and at our own expense.

4. *Public Offering.* You agree to sell the amount of Securities set forth adjacent to the name of each of the Underwriters in Exhibit A hereto, at the price set forth in Exhibit A hereto.

After notice from you that the Securities are released for sale to the public, we will offer to the public, in conformity with the terms of the offering set forth in the Prospectus, such of our Securities as you advise us are not reserved. We authorize you after the Securities are released for sale to the public, in your discretion, to change at any time and from time to time the public offering price of the Securities.

5. *Purchase Price to Underwriters, Payment and Delivery.* It is understood that the Securities shall be sold at a price equal to the initial offering price, less a total concession to you not in excess of \$0.2575 per share and/or \$0.005 per Warrant with respect to the total Securities so sold of which \$0.2575 per share and/or \$0.005 per Warrant will be the selling concession to the Underwriters. As compensation to you for your services to each of the Underwriters in connection herewith, each Underwriter agrees to pay to you the management fee set forth in Section 8 hereof.

At your request, we will deliver to you the funds needed to make payment pursuant to the Underwriting Agreement for the Securities being purchased by us in such manner, at such time and place, and in such form as you may advise, and we authorize you to deliver such funds, or otherwise make payment for such Securities, pursuant to the Underwriting Agreement. It is understood that the current closing date for sales of the Securities shall be as soon as practicable after the effective date of the Registration Statement;

Unless we notify you at least three full business days prior to the closing date, to make other arrangements, you may, in your discretion, advise the Company to prepare certificates for our Securities in our name and, so far as possible, in denominations to be determined by you. If you have not received our funds as required, you may in your discretion make such payment on our behalf, in which event we will reimburse you promptly. Any such payment by you shall not relieve us from any of our obligations hereunder or under the Underwriting Agreement.

We authorize you for our account to accept delivery of our Securities from the Company and to hold such of our Securities as you have reserved for sale to Dealers and others and to deliver such Securities against such sales. You will deliver to us our unreserved Securities as promptly as practicable.

As promptly as practicable after you receive payment for reserved Securities sold for our account, you will remit to us the purchase price paid by us for such Securities and credit or debit our account with the difference between the sale price and such purchase price.

6. *Authority to Borrow.* In connection with the transactions contemplated in the Underwriting Agreement or this Agreement, we authorize you, in your discretion, to advance your own funds for our account, charging current interest rates, and to arrange loans for our account, and in connection therewith to execute and deliver any notes or other instruments and hold or pledge as security any of the Shares, Warrants or Securities purchased for our account. Any lender may rely upon your instructions in all matters relating to any such

loan.

Any of our Securities purchased for our account and held by you may, from time to time, be delivered to us for carrying purchases, and any such securities will be redelivered to you upon demand.

7. *Stabilization and Other Matters.* We authorize you, in your discretion, to make purchases and sales of the Securities and the Shares in the open market or otherwise, for long or short account, on such terms and at such prices as you may determine, and to over-allot in arranging for sales of the Securities to retail purchasers and Dealers. We authorize you, during the term of this Agreement or for such longer periods as you may determine, to cover any short position incurred pursuant to this section by purchasing Securities or shares of the Common Stock of the Company on such terms and in such manner as you deem advisable. All purchases and sales under this section shall be made for the accounts of the several Underwriters as nearly as practicable in proportion to their respective underwriting obligations. On demand by you, we will take up and pay for at cost any Securities purchased for our account, deliver any Securities, or shares of common stock so sold or over-allotted for our account, and we will pay you on demand by you the amount of any losses or expenses incurred for our account pursuant to this section. In the event of default by one or more Underwriters in respect to their obligations under this section, each non-defaulting Underwriter shall assume its proportionate shares of the obligations of such defaulting Underwriter without relieving such defaulting Underwriter of its liability hereunder. The existence of this provision is no assurance that the price of the Securities or the Shares will be stabilized or that stabilizing, if commenced, may not be discontinued at any time.

We agree to advise you, from time to time upon your request, during the term of this Agreement, of the number of Shares retained by us remaining unsold, and will, upon your request, sell to you for the accounts of one or more of the several Underwriters, the number of such Securities as you may designate at a price, not less than the net price to Dealers nor more than the public offering price as you may determine.

If any Securities sold by us (otherwise than through you), shall be purchased or contracted for purchase by you during the term of this Agreement, you are authorized in your discretion to charge our account with an amount equal to the Dealer's concession with respect to such Securities, or to require us to repurchase such Securities at a price equal to the total cost of your purchase, including commission and transfer taxes on the redelivery.

In the event you effect any stabilizing purchase pursuant to this section, you will notify us promptly of the date and time when the first stabilizing purchase is effected and the date and time when stabilizing is terminated. We agree that if stabilizing is effected we will, not later than five business days following the day on which stabilizing is terminated, file in duplicate with you all documentation required by the Commission pursuant to the 1934 Act. We authorize you to file with the Commission any such documentation (not as manager) and any notices and reports which may be required as a result of any transactions made by you for the accounts of the Underwriters pursuant to this section.

We represent that we have not effected any transaction in violation of the provisions of Rule 10b-6 under the 1934 Act applicable to this offering. We and you agree, during the term of this Agreement, not to bid for, purchase, attempt to induce others to purchase, or sell, directly or indirectly, any Securities or Shares of the Company: (a) except offers to sell or the solicitation of offers to buy Securities or Shares to be acquired by an Underwriter pursuant to the Underwriting Agreement; (b) except as brokers pursuant to unsolicited orders; (c) except that with your consent any of the Underwriters may make purchases and sales of Securities or Shares from or to any of the other Underwriters; and (d) except as otherwise provided in this Agreement.

8. *Settlement.* It is agreed that you shall retain from your account an amount equal to \$0.08 per \$5.25 Unit purchased by us which amount represents your management fee in connection with the services provided to each Underwriter pursuant to the transaction contemplated hereby as well as any and all expenses incurred by you in performing hereunder, including, but not limited to: (a) all transfer taxes on Securities purchased by us pursuant to the Underwriting

Agreement and sold by you for our account; (b) any and all expenses incurred by you as our Representative, in connection with the purchase, carrying, offering, sale and distribution of the Securities for our account; and (c) all expenses incurred by you under this Agreement and in connection with the purchase, carrying, offering, sale and distribution of the Securities. Your determination of the amount and allocation of such expenses shall be conclusive. In the event of the default of any Underwriter in carrying out its obligations hereunder, as well as any

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additional losses or expenses arising from such default, you may proportionately charge against the other Underwriters not so defaulting, without, however, relieving such defaulting Underwriter from its liability therefor.

As soon as practicable after termination of this Agreement, the accounts established hereunder will be settled, but you may reserve for distribution such amount as you may deem necessary to cover possible additional expenses. You may at any time make partial distributions of credit balances or call for payment of debit balances. Any of our funds in your hands may be held with your general funds without accountability for interest. Notwithstanding the termination of this Agreement or any settlement, we will pay: (a) our proportionate share (based on our underwriting obligation) of all expenses and liabilities which may be incurred by or for the accounts of the Underwriters, including any liability based on the claim that the Underwriters constitute a partnership or an association, unincorporated business or other separate entity, and of any expenses incurred by you or any other Underwriter with your approval in contesting any such claim or liability; and (b) any transfer taxes paid after such settlement on account of any sale or transfer for our account.

9. Termination. This Agreement shall terminate 30 business days after the earlier to occur of either: (a) a written notice sent by you of your intention to terminate the offering of the Securities; (b) December 31, 1997; or (c) the sale of the maximum amount of Securities pursuant to the Prospectus. You may in your discretion, on notice to us prior to such time, terminate the effectiveness of this Agreement or any portion of it. You are authorized to extend this Agreement for an additional period or periods not exceeding an aggregate of 30 business days with the concurrence of a majority in interest of the Underwriters (including you).

10. Default by Underwriters. Default by one or more Underwriters in respect of their obligations hereunder or under the Underwriting Agreement shall not release us from any of our obligations or in any way affect the liability of any defaulting Underwriter to the other Underwriters for damages resulting from such default. In case of such default by one or more Underwriters, you are authorized to arrange, but shall not be obligated to arrange, for the purchase by other persons, who may include you or other Underwriters, of all or a portion of any Securities not purchased. In the event any such arrangements are made, or if non-defaulting Underwriters are required pursuant to the provisions of this Agreement to purchase Securities not purchased by defaulting Underwriters, the respective number of Securities to be purchased by the non-defaulting Underwriters and by any such other persons shall be taken as the basis for the underwriting obligations under this Agreement.

11. Position of the Representative. Except as in this Agreement otherwise specifically provided, you shall have full authority to take such action as you may deem advisable in respect of all matters pertaining to the Underwriting Agreement and this Agreement and in connection with the purchase, carrying, sale and distribution of the Securities (including authority to terminate the Underwriting Agreement or to prevent it from becoming effective as provided therein), but you shall not be under any liability to us except for your own want of good faith, for obligations expressly assumed by you in this Agreement and for any liabilities imposed upon you by the Securities Act or applicable rules, laws or regulations. No obligations on your part shall be implied or inferred herefrom. Authority with respect to matters to be determined by you, or by you and the Company, pursuant to the Underwriting Agreement, shall survive the termination of this Agreement.

Nothing herein contained shall constitute the several Underwriters a partnership, association, unincorporated business or other separate entity, and the rights and liabilities of the Underwriters (including you) are several and not joint.

12. *Acknowledgment of Registration Statement, Etc.* We hereby confirm that we have examined the Registration in Statement (including all amendments thereto) relating to the Securities as heretofore filed with the Commission, that we are familiar with the amendment or amendments to the Registration Statement and the final form of the Prospectus proposed to be filed, that we are willing to accept the responsibilities of an Underwriter thereunder, and that we are willing to proceed as therein contemplated. We further reconfirm that the statements made under the heading "Underwriting" in such proposed final form of the Prospectus are correct and we authorize you so to advise the Company on our behalf. We understand that the aforementioned documents are subject to further change and that we will be supplied with copies of any amendment or amendments to the Registration Statement and of any amended

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prospectus promptly, if and when received by you, but the making of such changes and amendments will not release us or affect our obligations hereunder or under the Underwriting Agreement.

13. *Indemnification.* We agree to indemnify and hold harmless each other Underwriter (including you) and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the 1934 Act to the extent, for any and all liabilities related to or arising from our performance hereunder, including, but not limited to, liabilities arising under the federal and state securities laws.

In the event that at any time any claim or claims shall be asserted against you, as Representative, or otherwise involving the Underwriters generally, relating to any preliminary prospectus relating to the Securities, the Prospectus, the Registration Statement, the public offering of the Securities, or any of the transactions contemplated by this Agreement, we authorize you to make such investigation, to retain such counsel and to take such other action as you may deem necessary or desirable under the circumstances, including settlement of any such claim or claims if such course of action shall be recommended by counsel retained by you. We agree to pay to you, on request, our proportionate share (based on our underwriting obligations) of all expenses incurred by you (including, but not limited to, the disbursements and fees of counsel retained by you) in investigating and defending against such claim or claims, and our proportionate share (based on our underwriting obligations) of any liability incurred by you in respect of such claim or claims, whether such liability shall be the result of a judgment against you, as a result of any such settlement or otherwise.

14. *Capital Requirements.* We confirm that our ratio of aggregate indebtedness to net capital is such that we may, in accordance with and pursuant to Rule 15c3-1 promulgated by the Commission under the 1934 Act and in accordance with the "net capital" rules of each governmental and self-regulatory agency having jurisdiction over us for such purposes, agree to purchase the number of Shares we may be obligated to purchase under any provision of this Agreement.

15. *NASD Membership.* Each of us represents that it is a member in good standing of the NASD or that we are exempt from the rules and regulations of the NASD and will, in making sales of Securities, comply with the Rules of Fair Practice of the NASD. In connection with our sale of the Securities, and without limiting the foregoing, we specifically agree to comply with Section 24 of Article III of the NASD Rules of Fair Practice.

16. *Underwriters' Questionnaire.* Each Underwriter represents and warrants that all of the information contained in the Underwriters' Questionnaire which it has furnished in connection with the offering of the Securities, as updated pursuant to the terms of the Questionnaire, is true and correct as of the date hereof.

17. *Notices, etc.* Any notice from you to us shall be duly given if mailed or telegraphed to us at our address as set forth in the Underwriters' Questionnaire previously furnished by us to you. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California.

This instrument may be signed by the Underwriters in various counterparts which together shall constitute one and the same agreement among all the Underwriters and shall become effective at such time as all the Underwriters

shall have signed such counterparts and you shall have confirmed all such counterparts. Such confirmations may be by facsimile signature.

**SIGNATURE PAGE FOLLOWS**

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Please confirm that the foregoing correctly states the understanding between us by signing and returning to us a counterpart hereof.

Very truly yours,

PLATINUM EQUITIES, INC.

\_\_\_\_\_  
By: John Kenney  
Its: President

Confirmed as of the date first above written:

NAME OF UNDERWRITER: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

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EXHIBIT 24.3

CONSENT OF

STONEFIELD JOSEPHSON, INC., CERTIFIED PUBLIC ACCOUNTANTS

CONSENT OF STONEFIELD JOSEPHSON, INC.

CERTIFIED PUBLIC ACCOUNTANTS

The undersigned independent certified public accounting firm hereby consents to the inclusion of its report on the financial statements of Mirage Holdings, Inc. for the year ending June 30, 1997, and to the reference to it as experts in accounting and auditing relating to said financial statements, in the Registration Statement for Mirage Holdings, Inc.

/s/ Stonefield Josephson, Inc.

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STONEFIELD JOSEPHSON, INC.  
Certified Public Accountants  
Santa Monica, California  
Dated: November 20, 1997

EXHIBIT 24.4

CONSENT OF

AMIN, MUDASSAR & CO., CHARTERED ACCOUNTANTS

CONSENT OF AMIN, MUDASSAR & CO.,

CHARTERED ACCOUNTANTS

The undersigned independent certified public accounting firm hereby consents to the inclusion of its report on the financial statements of Network Solutions (Pvt) Limited as at June 30, 1997, and to the reference to it as experts in accounting and auditing relating to said financial statements, in the Registration Statement for Mirage Holdings, Inc.

/s/ Amin, Mudassar & Co.

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AMIN, MUDASSAR & CO.  
Chartered Accountants  
Lahore, Pakistan

Dated: November 25, 1997