

Burton M. Bentley, Esq. (Bar No. 00980)
BURTON M. BENTLEY, P.C.
4840 East Jasmine Street, #110
Phoenix, AZ 85205
(602) 861-3055
(602) 861-3230

Attorney for Superior Leasing of Arizona,
Inc. and Lloyd H. Rockwell

RECEIVED
AZ CORP COMMISSION

JUN 26 4 28 PM '00

DOCUMENT CONTROL

ORIGINAL



0000043428

Arizona Corporation Commission

DOCKETED

JUN 26 2000

DOCKETED BY

VM

BEFORE THE ARIZONA CORPORATION COMMISSION

SUPERIOR LEASING OF ARIZONA, INC., an Arizona corporation,
2655 W. Guadalupe Rd., #30
Mesa, AZ 85202

LLOYD H. ROCKWELL, an individual,
3025 S. Cascade Place
Chandler, Arizona 85248

MICHAEL R. FRENCH, an individual,
5311 N. Stetson
Prescott Valley, AZ 86314

Respondents

Case No.: S-03373A-99-0000

RESCISSION OFFERING

In compliance with the requirements of the Arizona Corporation Commission's Order dated March 29, 2000, Respondent Superior Leasing of Arizona, Inc., and Lloyd H. Rockwell herewith submit their joint Rescission Offering.

DATED, this 26th day of June, 2000.

Burton M. Bentley
BURTON M. BENTLEY, P.C.
4840 East Jasmine Street, #110
Phoenix, AZ 85205
Attorney for Plaintiffs

1 **SECURITIES SUBJECT TO RESCISSION OFFER TO PURCHASE**

2 **\$6,775,456.97 Aggregate Principal And Interest Amount Of Promissory Notes**

3 **(The "Outstanding Notes")**

4
5 Superior Leasing of Arizona, Inc. and Superior Holding Group, Inc. (collectively "The
6 Company") is offering to the holders of the Outstanding Notes the opportunity to rescind or void
7 their purchase of the Outstanding Notes at face value, plus interest at 10% per annum from the
8 date of purchase until paid in full. By the terms and conditions of this Rescission Offer, all
9 purchasers are hereby given the following options:

- 10 1) Retain your Outstanding Notes purchased from The Company, plus all interest
11 received to date, subject to the terms and conditions contained in the
12 Outstanding Notes; or,
13 2) Surrender your Outstanding Notes at this time and receive the face amount,
14 plus interest at the rate of 10% per annum from the date of purchase, from
15 which shall be deducted all prior interest paid on such Outstanding Notes.

16 **TERMS OF THE RESCISSION OFFER**

17 If you own Outstanding Notes and would like to retain them, you may reject the
18 Rescission Offer and do nothing further. By so doing you and the Company will be bound by
19 the terms and conditions that presently exist in connection with the Outstanding Notes. You
20 should be aware, however, that the Company has the election of repaying any remaining
21 Outstanding Notes after the Rescission Offer is completed as funds become available. Please
22 refer to the steps that you must follow to either accept or reject this Rescission Offer that are
23 explained in detail under the caption "Procedures Governing the Rescission Offer" contained
24 below.

25 If you own Outstanding Notes and decide to accept this Rescission Offer, you may
return all, and not less than all, of your Outstanding Notes for cash.

The amount of cash will be equal to the purchase price of your Outstanding Notes plus
accrued and unpaid interest calculated from the date of purchase through the date of payment
at 10% per annum rather than at the stated interest rate on the face of your Outstanding Notes.

1 REASONS FOR MAKING THIS OFFERING TO RESCIND

2 On the advice of former counsel, the Company offered and sold the Outstanding Notes with the
3 mistaken belief that they were exempt from the registration requirements of the federal and
4 state securities laws. As a result, you may have the right under applicable federal and state law
5 to recover the price that you paid for your Outstanding Notes, plus interest, reduced by any
6 income received on or from your Outstanding Notes. The Company is making this Rescission
7 Offer voluntarily to limit, as far as may be permissible under applicable securities laws, its
8 potential liability stemming from its possible non-compliance with applicable state and federal
9 securities laws. You should note, however, that liabilities under state and federal securities
10 laws are not necessarily terminated by making a Rescission Offer. If you would like more
11 information about the legal consequences of this Rescission Offer please refer to the
12 discussion of this topic following the caption entitled "Effect of the Rescission Offer" below.

13 TO ACCEPT OR REJECT THE RESCISSION OFFER

14 To accept or reject the Rescission Offer, complete, sign and return the Rescission Election
15 Form attached as Exhibit "A" to _____ as Agent for the
16 Company. If you accept the Rescission Offer, you must also return your Outstanding Notes
17 with the Rescission Election Form. The Agent will direct the Company to send to you your
18 cash payment within 60 days of the expiration date of this Rescission Offer and your
19 Outstanding Notes will be deemed to have been cancelled at that time.

20 SUMMARY OF FINANCIAL DATA

21 The selected financial data presented below for the fiscal years ended December 31, 1999,
22 has been derived from The Company's financial statements, which have not been audited. This
23 financial data does not provide all of the financial information contained in The Company's
24 financial statements and related notes contained elsewhere in this Offering. Therefore, this
25 financial data should be read in conjunction with the "Management's Discussion and Analysis
of Financial Condition and Results of Operations" section of this Offering and The Company's
financial statements and related notes included elsewhere.

1
2 THE COMPANY

3 Superior Holding Group, Inc. ("Company") was incorporated in Nevada on August 6, 1998, for
4 the purpose of engaging in the leasing of automobiles on a nationwide basis. To this end, the
5 Company became a holding company that owns all issued and outstanding of eight car-leasing
6 operations in California, Washington, Ohio and Arizona (the "Affiliated Companies"). The
7 Arizona car leasing operation is known as Superior Leasing of AZ, Inc. (Superior AZ") and was
8 incorporated in Arizona on March 3, 1997. The Company's principal place of business is
9 located at 2655 West Guadalupe Road, Suit 9, Mesa, Arizona 85202. The telephone number
10 is (480) 756-8973.

11 The Business carried on by the Company's Affiliated Companies was begun by Superior AZ,
12 before the Company began its interstate operations through the Affiliated Companies. The
13 principal business concept initiated be the Company's founder, Lloyd H. Rockwell, concerned
14 the fact that the Company could compete with institutional financing offered by well-financed
15 banks or other car lending agencies. The service provided by the Company through its
16 Affiliated Companies therefore is designed primarily for persons who cannot obtain immediate
17 cash due to financial, health, or other problems that exceed the risk factors willing to be
18 undertaken by more conventional lending sources.

19 The Affiliated Companies had utilized cash generated by the Company through the sale of its
20 Promissory Notes. This cash in turn was used to purchase a customer motor vehicle at a price
21 under low Kelly Blue Book value. In the second phase of the transaction, one of the local
22 Affiliate Companies leased the motor vehicle back to the Seller/Lessee being the person to
23 whom the loan was made. A first lien equal to the full amount of the aggregate lease payments
24 was thus created that was properly recorded with the applicable motor vehicle licensing agency
25

1 in favor of the Company in the amount of the aggregate semi-monthly lease payments agreed
2 upon by the Seller/Lessee.

3
4 In this fashion, the leased vehicle provides the Company with a certain amount of collateral to
5 enhance its ability to pay back principal and interest on its Promissory Notes. At the present
6 time there are approximately 120 Promissory Notes on which the Company owes principal and
7 accrued interest in the approximate sum of \$5,955,336.22 ("Outstanding Notes") as they
8 pertain to the Arizona Corporation Commission's Order regarding the rescission offering to
9 Arizona residents only.

10 Typically, the Company will lend to the Seller/Lessee an amount not in excess of 40% of the
11 low Kelly Blue Book stated wholesale value. In this respect, the Company seeks motor
12 vehicles that can be purchased for between \$900 and \$2,500. This formula permits the
13 Company to obtain a vehicle worth in excess of 200% of the purchase cost.

14 To further secure its investment, the Company requires the following minimum requirements
15 from Seller/Lessee; Clear title and registration verification; an extra set of keys; current
16 employment verification; motor vehicle insurance of not less than \$100,000, \$3000,000,
17 \$50,000; fully executed Power of Attorney; photos of the applicable motor vehicle for
18 repossession identification purposes.

19
20 By way of example, if the motor vehicle is purchased for \$1,000 with a lease a one-year lease
21 back privilege, the lease payment is calculated at \$63 on the 1st and 15th day of each month for
22 a 12 month lease term. For a \$2,500 purchase, the lease payments would be \$104.50 payable
23 twice monthly. Late fees of \$25 for each payment in arrears for more than 5 days are also
24 assessed by the Company. Upon initiating a lease transaction, the Company collects a \$100
25 document preparation fee and the first semi-monthly payment from the proceeds of the loan.
Repossession actions are instituted if the lease payment is in arrears more than 30 days, and

1 the motor vehicle is then sold at the wholesale auction price. Rarely is the motor vehicle sold
2 for less than the Company's total out of pocket costs.

3 CAPITALIZATION

4
5 The Company was capitalized by its founder, Lloyd H. Rockwell through the purchase and sale
6 of 25,000 shares of a \$1.00 of Common Stock par value, issued at par to the L & B Corporate
7 Trust of which Lloyd H. Rockwell and his wife are the trustees and principal beneficiaries.

8 COMPETITION

9
10 Although the market at current levels supplies as many Seller / Lessees as the Company is
11 able to service, there is no assurance that the Company will be able to continue successfully
12 marketing its lease program that is dependent upon circumstances beyond its control such as
13 the current low unemployment levels, abundance of wage earners in excess of the federally
14 mandated "minimum wage", rising prices for new and ultimately for used cars, the presence of
15 companies offering the same or similar services as the Company, and a host of other financial
and economic conditions. If the market acceptance of the Company's services slows, margins
and profitability may suffer.

16 The Company competes with other local or regional credit financing companies, some of which
17 are older and better established than the Company, several of which dominate money market.
18 There is no single company that offers this service that has a national presence. There can be
19 no assurance that competition in the future will not increase from regionally based credit or title
20 processing companies, many of which, like Equity Title Loans & Leases, have recently
21 completed or are planning significant expansions. Furthermore, if the market for title leasing
services continues to grow, the major national credit companies may devote greater resources
to this segment of the automobile financing business.

22 The need and availability of title leasing has increased dramatically over the past several years
23 and other providers are increasing their financial lending capacity to address this growth. There
24 can be no assurance, however, that the growth will continue at the present rate, or at all.

1 THE COMPANY MAY BE LIABLE FOR PRIOR VIOLATIONS OF FEDERAL AND STATE
2 SECURITIES LAWS

3 Holders of Outstanding Notes who do not accept the Rescission Offer either because they
4 affirmatively reject it or because they fail to respond to it, may still attempt to assert claims
5 against the Company relating to non-compliance with the securities laws. The Company cannot
6 predict with certainty that those claims will be barred by the Rescission Offer because the legal
7 effect of the Rescission Offer is uncertain. To the extent those claims are brought and result in
8 judgments for damages, the Company' business, financial condition and results of operation
9 could all be adversely affected. Even if the Company is successful in defending those claims,
10 under applicable securities laws their mere assertion could result in costly litigation and
11 significant diversions of effort by management and capital. At this point, the Company cannot
12 quantify the dollar amount of the Outstanding Notes held by persons who will accept or reject
13 the Rescission Offer. Therefore, the Company cannot quantify the potential continuing liability
14 until completion of the Rescission Offer. The Company may elect to repay any remaining
15 Outstanding Notes after the Rescission Offer is completed as funds become available.

13 THE COMPANY EXPECTS TO HAVE SUFFICIENT LIQUID ASSETS TO FUND THE
14 RESCISSION OFFER IF IT IS ACCEPTED BY ALL HOLDERS OF OUTSTANDING NOTES

15 If all holders of Outstanding Notes accept the Rescission Offer, the Company expects to have
16 funds or to liquidate assets to pay off those holders. The Company has approximately
17 \$500,000 in current assets that could be used to fund the Rescission Offer without materially
18 and adversely affecting The Company' operations or financial condition. However, if not
19 enough asset can be liquidated immediately, actual cash assets on hand may be insufficient to
20 immediately repay all Outstanding Notes holders who accept the Rescission Offer. The
21 Company does have sufficient assets, given the time to liquidate them estimated at 12 months.

21 The Company's ability to make scheduled principal and interest payments in respect of, or to
22 refinance, any of its indebtedness, including the Outstanding Notes, will depend on its future
23 performance, which is subject to general economic, financial, competitive, regulatory and other
24 factors beyond its control. There can be no assurance that the Company's business will
25 generate sufficient cash flow from operations that anticipated growth will occur, or that future
borrowings will be available in an amount sufficient to enable the Company to service or
refinance its outstanding Notes.

1 IF FINANCED AUTOMOBILES ARE STOLEN OR DAMAGED, THE COMPANY MIGHT NOT
2 BE
3 REPAID BY ITS CUSTOMER

4 Between the time the Company provides financing to its customer for an automobile, and the
5 time the Company receives payment at the close of the sale of the automobile, there is a risk
6 that the automobile will be damaged or stolen. Although the Company requires that its
7 customers maintain insurance against those risks, repayment could be delayed.

8 THE COMPANY HAS LIMITED OPERATING HISTORY, SO EVALUATION OF COMPANY
9 PERFORMANCE WILL BE DIFFICULT

10 In formulating its business plan, the Company has relied on the judgment of its officers,
11 directors and consultants, and on their research and experience. No independent market
12 studies concerning the demand for The Company' services have been conducted, nor are any
13 planned.

14 BACKGROUND INFORMATION

15 Throughout its existence, the Company has operated with limited capital, a significant portion
16 of which has been raised by periodic offerings of its Outstanding Notes that are subject to this
17 Rescission Offer. As of 05/31/00, the Company had Outstanding Notes with aggregate
18 principal and accrued interest of approximately \$5,955,336.22 as pertains to Arizona residents.
19 This Rescission Offer covers all of these securities subject to the order of the Arizona
20 Corporation Commission.

21 At the time of issuance of the Outstanding Notes, the Company did not register the
22 Outstanding Notes with either the Commission or the securities authorities of the applicable
23 states. Instead, it relied upon an exemption from the federal registration requirement commonly
24 known as the "private offering" exemption, which requires compliance with Section 4(2) of the
25 Securities Act, and similar provisions of applicable state laws.

The Company complied with and relied upon advice of former legal counsel that this exemption
from federal and state securities registration would be available. However, the Commission's
published interpretations indicate that the exemption is not available. The Company's offering
and sale of Outstanding Notes was made without an available exemption from state or federal
securities law registration requirements.

1 Under federal and applicable state securities laws, the Company's failure to register the
2 Outstanding Notes according to the registration requirements of the Securities Act and state
3 registration requirements exposes the Company to potential liability. Specifically, holders of the
4 Outstanding Notes issued by the Company may have the right to recover the price paid for
5 their Outstanding Notes, plus interest, reduced by any income received on or from the
6 Outstanding Notes. Holders of the Outstanding Notes already have this right because the
7 Outstanding Notes are repayable at maturity. However, a holder claiming a right to rescission
8 based on the Company's failure to comply fully with federal and state registration requirements
9 would have the right to demand immediate repayment of the purchase price of his or her
10 securities, plus any accrued but unpaid interest. The amount of cash will be equal to the
11 purchase price of your Outstanding Notes plus accrued and unpaid interest calculated from the
12 date of purchase through the date of payment at 10% per annum rather than at the stated
13 interest rate on the face of your Outstanding Notes. As a practical matter, therefore, the
14 Company's potential liability stemming from a rescission action by the holders of its
15 Outstanding Notes is an immediate acceleration of the repayment obligations that already exist
16 under its Outstanding Notes.

17 This Rescission Offer is not an admission by the Company that it did not comply with the
18 registration or disclosure requirements of applicable federal and state securities laws.

19 TERMS OF THE RESCISSION OFFER

20 The Company' is offering the holders of its Outstanding Notes the opportunity to rescind their
21 purchase. If an Outstanding Note holder rejects the rescission offer and retains their
22 Outstanding Notes, he or she should be aware that the Company may elect to repay all of the
23 Outstanding Notes after the rescission offer is completed but only as funds become available.
24 Holders of Outstanding Notes may return all, and not less than all, of your Outstanding Notes
25 for cash.

In either case, the amount of the cash proceeds will be the original purchase price of the
Outstanding Notes, plus accrued and unpaid interest, from the date of purchase through the
date of payment, at the applicable stated interest rate on the face of the Outstanding Notes.
The amount of cash will be equal to the purchase price of your Outstanding Notes plus accrued
and unpaid interest calculated from the date of purchase through the date of payment at 10%
per annum rather than at the stated interest rate on the face of your Outstanding Notes. The

1 Company believes the amount of the cash being offered is identical to the amount the
2 Company would be required to pay in damages in an action for rescission, exclusive of
3 attorney's fees, under federal and applicable state securities laws.

4 You should be aware that if you reject the Rescission Offer and retain your Outstanding Notes,
5 you will most likely be required to hold them until maturity or until redeemed by the Company.
6 The Company intends to repay all of the Outstanding Notes shortly after the Rescission Offer is
7 completed, but only as funds become available.

8 LEGAL EFFECT OF THE RESCISSION OFFER

9 The Company believes that its potential liability under applicable federal securities laws
10 resulting from its previous offer and sale of the Outstanding Notes will be eliminated with
11 respect to those security holders who accept the Rescission Offer and return their Outstanding
12 Notes for cash. The Commission, however, takes the position that liabilities under the federal
13 securities laws are not terminated by making a Rescission Offer. The Company believes,
14 however, that acceptance of the Rescission Offer and receipt by the Outstanding Notes holder
15 of the cash consideration to be paid for such person's Outstanding Notes, should have the
16 effect of terminating liability to that Outstanding Note holder because the damages element of
17 any claim by the Outstanding Note holder will be eliminated.

18 If a holder of an Outstanding Note affirmatively rejects or fails to respond to the Rescission
19 Offer, The Company's potential liability under the Securities Act may not be completely
20 extinguished. Under those circumstances, the Company may assert that these Outstanding
21 Note holders released any claims to recover the purchase price of their Outstanding Notes
22 because of their rejection or inaction. If the affirmative rejection or failure to respond to the
23 Rescission Offer does not act as a release of claims, eligible Outstanding Note holders who
24 have rejected or failed to respond to the Rescission Offer would retain any rights of claims they
25 may have under the federal securities laws. Such claims would be subject to any defenses the
Company may have, including the running of the statute of limitations. In general, to sustain a
claim based on violations of the registration provisions of the federal securities laws, the claim
must be brought within one year after discovery of the violation upon which the claim is based,
but in no event more than three years after the occurrence of the violation.

1 STATE LAW NOTICES TO HOLDERS

2 NOTICE TO ARIZONA RESIDENTS

3 The Rescission Offer for the Outstanding Notes has been registered under the Securities Act of
4 Arizona, but this registration is not deemed a finding by the Arizona Corporation Commission or
5 the Director of its Securities Division that this prospectus is true or accurate, nor does the
6 registration mean that the Arizona Corporation Commission or the Director has passed on the
7 merits of or otherwise approved of the securities described in this offering.

8 The Company may have incurred liability under A.R.S. § 44-2001 by failing to qualify the
9 Outstanding Notes under A.R.S. § 44-1841 or 44-1842. If the Company violated either Section
10 44-1841 or A.R.S. § 44-1842, the Outstanding Notes are voidable by the holder of such
11 securities, and may be liable to the holder for an amount equal to the consideration paid, with
12 interest thereon, plus taxable court costs and reasonable attorneys' fees, less the amount of
13 any income received, upon tender of the securities or the contract, or for damages if the holder
14 no longer owns the securities.

15 An Outstanding Note holder's right of action, if any, under Section 44-2001, and under common
16 law, is not necessarily foreclosed by acceptance or rejection of the Rescission Offer.

17 If you intend to accept the Rescission Offer and return your Outstanding Notes for cash,
18 complete and sign the form that is attached as Annex A, and return the form to Heritage West,
19 together with your Outstanding Notes marked "canceled." You may return the form and the
20 Outstanding Notes to _____, Agent, either in person or by mail at the
21 following _____ address:

22 The Agent will direct the Company to send to you your cash payment within 60 business days
23 after the expiration of the Rescission Offer date and your Outstanding Notes will be deemed
24 canceled at that time.

25 If you intend to reject the Rescission Offer and retain your Outstanding Notes, please mark the
form that is attached to this offering as Annex A-1 to indicate your rejection of the Rescission
Offer and return it to the Agent.

1 You need do nothing further. However, the Company intends to repay any remaining
2 Outstanding Notes after the rescission offer is completed as funds are available. If you do not
3 respond to this Rescission Offer by returning your completed election form before the
4 expiration date, you will be deemed to have rejected the Rescission Offer.

5 If you want to return your election form in person, you must do so by the close of business on
6 the expiration date of the Rescission Offer. If you intend to notify the Company through the
7 Agent on or within five days before the expiration date of the Rescission Offer, the Agent
8 recommends that you use registered mail, return receipt requested.

9 The Company does not intend to extend the expiration date of the Rescission Offer for any
10 responses that the Agent finds deficient. The Agent will mail notice of any deficiencies to the
11 eligible holder's last known address within five business days after the Agent receives a
12 deficient response. If the holder does not correct a deficient response within 30 days from the
13 date of this Rescission Offering, the Company may not purchase the Outstanding Notes from
14 that holder in connection with this rescission offer.

15 PLEASE NOTE: YOUR RESPONSE WILL BE DEEMED TO BE EFFECTIVE AS OF THE
16 DATE POSTMARKED BY US POSTAL DEPARTMENT WHEN YOU RETURN IT BY MAIL.
17 TO BE EFFECTIVE, YOUR RESPONSE MUST BE POSTMARKED BY THE EXPIRATION
18 DATE. THE AGENT WILL ACCEPT YOUR ELECTION UPON RECEIPT, IF IT IS NOT
19 DEFICIENT, AND ONCE ACCEPTED, YOU CANNOT WITHDRAW OR CHANGE YOUR
20 ELECTION.

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

23 THE FOLLOWING DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL
24 CONDITION AND RESULTS OF OPERATIONS SHOULD BE READ IN CONJUNCTION WITH
25 THE CONSOLIDATED FINANCIAL STATEMENTS AND THE RELATED NOTES APPEARING
ELSEWHERE.

The Company was incorporated in 1998 to engage in providing funds to individuals who find it
difficult to obtain them elsewhere. The Company's business pertains to the purchasing and
leasing back of vehicles. The Company is currently operating in Arizona, California,

1 Washington and Ohio. Sales have been generally increasing each year, which shows a
2 demand for its product and services.

3 The Company provides working capital for the operational units and passes on its cost of money
4 to that operation. In addition, the Company charges a management fee to each operational
5 unit. These obligations are currently deferred in order to allow each operating unit capital to
6 grow.

7 Since its inception, the Company has relied on high interest notes to fund operations. This was
8 due to the fact that this type of business had little historical data to show the profitability for type
9 of venture. Now that the Company has a track record, it has been able to contact several firms
10 interested in supplying institutional capital at more conventional rates.

11 Over the past two years the Company has invested in Internet and real estate related ventures
12 as well as and sports related stocks.

13 LEGAL PROCEEDINGS

14
15 There are no pending law suits against the Company at this time.

16 MANAGEMENT

17 DIRECTORS AND EXECUTIVE OFFICERS

18 The Directors, Officers and Principals of the Company are as follows:

19	20	21	22	23
	NAME	OFFICE HELD	AGE	
	Lloyd H.	Chairman of the Board and President	66	
	Rockwell			
	Rex Dale	Director and Vice-President / Secretary	40	
	Bruce Kaufman	Director and Vice-President / Treasurer	47	

1 Lloyd H. Rockwell with over 9 years in the business arena, has been a founding Director and
2 President of the Company since its inception. He has owned and operated his own businesses
3 for the last thirty years, including such businesses as consulting, internet and agricultural
4 operations. He has first hand knowledge of the auto leasing business.

5 In 1965, Mr. Rockwell founded and managed one of the largest egg production companies in
6 the country, shipping over 1 million dozen eggs per month.

7 Upon selling this company, the Rockwells moved from their home state of Colorado to
8 Scottsdale, Arizona, where Mr. Rockwell established Professional Nursing Services, Inc. Within
9 2 years, this company grew to over 750 employees with annual revenues exceeding \$5.5
10 million.

11 In 1990, Mr. Rockwell sold Professional Nursing Services, Inc. and three years later he
12 became associated with Select Leasing, Inc., and eventually founded the Company in 1998.

13 Rex Dale, Director and Vice-President of Marketing, managed market planning, advertising,
14 public relations, sales promotion, merchandising, and facilitating services since 1998. He also
15 is charged with identifying new markets and direct local market research. He oversees market
16 research and analysis as well as evaluation of competition. Prior to joining the Company, Mr.
17 Dale was CEO and marketing specialist for a package delivery service.

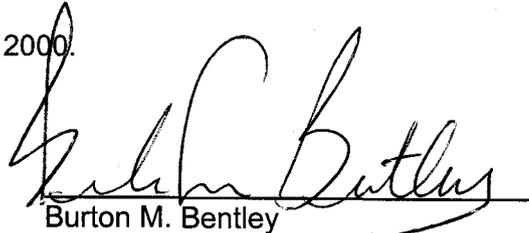
18 Bruce Kaufman, Director and Vice-President of Sales, has directed staffing, training and
19 performance evaluations for the Company. He is responsible for developing and controlling all
20 sales programs. He manages sales distribution by establishing sales territories, quotas, and
21 goals, and advises agents concerning sales and advertising techniques, and formulates policy
22 to assist agents in promoting sales. Mr. Kaufman manages sales office activities, including
23 customer service. Prior to joining the Company, Mr. Kaufman was engaged in the financial
24 consulting business for several large companies.

25 ABSENCE OF TRUSTEE

26 There is no trustee for the Outstanding Notes. The owners of the Outstanding Notes must
27 individually or collectively protect their own interests in the event of a default by The Company.
28 Arizona law generally provides that, in the absence of an agreement to the contrary, the holder
29 of a promissory note has the right to receive payments on the note as they become due and,
30 upon default, to demand payment and exercise remedies to secure payment. The Outstanding

1 Notes do not, by their terms, restrict transfers by their holders. Because the Outstanding Notes
2 were issued without registration under federal and state securities law there were limitations on
3 the ability of a holder to sell an Outstanding Note. No trading markets for the Outstanding
4 Notes exist, and, as a practical matter, it may be difficult or impossible for a holder to transfer
5 an Outstanding Note. The Company does not intend to apply for quotation or listing on any
6 securities exchange or quotation system.

6 DATED, this 26th day of June, 2000.

7
8 

9 Burton M. Bentley
10 BURTON M. BENTLEY, P.C.
11 4840 East Jasmine Street, #110
12 Phoenix, AZ 85205
13 Attorney for Plaintiffs
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBIT A

Superior Holding Group

Balance Sheet

As of December 31, 1999

ASSETS

Current Assets

Checking/Savings

WFB

193,349.31

Total Checking/Savings

193,349.31

Accounts Receivable

Interest Receivable (Note 1)

2,583,673.61

Management Fee (Note 2)

735,000.00

Total Accounts Receivable

3,318,673.61

Total Current Assets

3,512,022.92

Other Assets

Loans to Operational Units (Note 3)

4,659,251.97

Total Other Assets

4,659,251.97

TOTAL ASSETS

8,171,274.89

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accrued Interest (Note 4)

492,613.64

Total Accounts Payable

492,613.64

Other Current Liabilities

Loans (Note 5)

7,651,301.01

Total Other Current Liabilities

7,651,301.01

Total Current Liabilities

8,143,914.65

Total Liabilities

8,143,914.65

Equity

Common Stock

25,000.00

Retained Earnings

-135,767.78

Net Income

138,128.02

Total Equity

27,360.24

TOTAL LIABILITIES & EQUITY

8,171,274.89

Note 1 Interest is computed on the outstanding advances to the individual operating units. This obligation is currently deferred in order to allow each operating unit capital to grow.

Note 2 Each operating unit is charged a management fee based on activity. Reflects loans by holding company to operating units in different parts of the country in order to purchase vehicles.

Note 3 These loans represent funds used to purchase vehicles.

Note 4 Interest accrued on amounts owed to investors. This number represents amount not yet required to be paid.

Note 5 Outstanding notes to investors.

Superior Holding Group
Profit & Loss
January through December 1999

Ordinary Income/Expense**Income****Income****Interest Income**

2,223,673.61

Management Fee Earned

635,000.00

Total Income2,858,673.61**Total Income**

2,858,673.61

Expense**Commissions**

769,878.67

Computer Leases & Software

7,975.03

Insurance

15,514.64

Interest Expense

1,891,077.63

Office Expense

929.77

Postage and Delivery

3,646.28

Printing and Reproduction

8,423.57

Professional Fees

2,700.00

Rent

14,400.00

Utilities

6,000.00

Total Expense2,720,545.59**Net Ordinary Income**138,128.02**Net Income**138,128.02

Superior Holding Group
Balance Sheet
As of December 31, 1998

ASSETS**Current Assets**

Checking/Savings

WFB

-8,386.98**Total Checking/Savings**-8,386.98**Accounts Receivable**

Interest Receivable (Note 1)

360,000.00

Management Fee (Note 2)

100,000.00**Total Accounts Receivable**460,000.00**Total Current Assets**

451,613.02

Other Assets

Loans to Operational Units (Note 3)

918,677.07**Total Other Assets**918,677.07**TOTAL ASSETS**1,370,290.09**LIABILITIES & EQUITY****Liabilities****Current Liabilities**

Other Current Liabilities

Loans (Note 4)

1,481,057.87**Total Other Current Liabilities**1,481,057.87**Total Current Liabilities**1,481,057.87**Total Liabilities**

1,481,057.87

Equity

Common Stock

25,000.00

Net Income

-135,767.78**Total Equity**-110,767.78**TOTAL LIABILITIES & EQUITY**1,370,290.09

Note 1 Interest is computed on the outstanding advances to the individual operating units. This obligation is currently deferred in order to allow each operating unit capital to grow.

Note 2 Each operating unit is charged a management fee based on activity. Reflects loans by holding company to operating units in different parts of the country in order to purchase vehicles.

Note 3 These loans represent funds used to purchase vehicles.

Note 4 Outstanding notes to investors.

Superior Holding Group
Profit & Loss
January through December 1998

Ordinary Income/Expense	
Income	
Income	
Interest Income	360,000.00
Management Fee Earned	100,000.00
Total Income	<u>460,000.00</u>
Total Income	460,000.00
Expense	
Commissions	290,813.28
Computer Repairs	1,125.00
Interest Expense	299,019.50
Rent	4,810.00
Total Expense	<u>595,767.78</u>
Net Ordinary Income	<u>-135,767.78</u>
Net Income	<u><u>-135,767.78</u></u>

EXHIBIT B

Superior Holding Group, Inc. Confidential

Page 1

	<u>Note Payable To</u>	<u>Note Amount</u>	<u>Monthly Rate</u>	<u>Note Date</u>	<u>Note Due Date</u>
2	Greg C. Meyer	\$ 5,000.00	0.0250	5/1/99	5/1/00
3	Hunting National Bank, FBO, Daniel Lumaduel	\$ 15,000.00	0.0500	5/1/99	5/1/00
4	First Reg. Bank, FBO, Phyllis Rheem	\$ 16,453.92	0.0200	5/13/99	5/13/00
5	First Reg. Bank, FBO, MarJean Mueller	\$ 15,000.00	0.0200	2/4/99	2/4/00
7	Scott Earl Shaver	\$ 30,000.00	0.0500	10/12/99	10/12/00
8	Futrend Corp Money Pension Plan	\$ 40,000.00	0.0200	5/1/99	5/1/00
9	First Reg. Bank, FBO, Robert Mueller	\$ 35,000.00	0.0200	1/28/99	1/28/00
10	Roger Hoffman	\$ 50,000.00	0.0300	10/26/99	10/26/00
11	J. J. Nowak	\$ 50,000.00	0.0300	5/24/99	5/24/00
12	Barry Strauss	\$ 50,000.00	0.0250	10/7/99	10/8/00
13	Paine Weber, FBO, Sophie Nowak	\$ 70,000.00	0.0300	5/24/99	5/24/00
15	Robert & Sandy Dewdney	\$ 100,000.00	0.0300	6/11/99	6/11/00
16	George & Betty Yurek	\$ 115,000.00	0.0400	3/19/99	3/19/00
19	DARM	\$ 4,370.00	0.0300	1/28/99	1/28/00
20	Fred Rogers	\$ 10,000.00	0.0175	12/7/99	12/7/00
21	Robert A. Bryant Sr.	\$ 10,000.00	0.0175	8/20/99	8/20/00
22	DUCKS LTD	\$ 10,000.00	0.0200	2/23/99	2/23/00
23	TF Leasing	\$ 10,000.00	0.0200	2/23/99	2/24/00
25	John W. Thorius	\$ 13,556.85	0.0175	2/5/99	2/5/00
28	Colonial Trust, FBO, Joyce Kirchner	\$ 17,829.96	0.0175	7/23/99	7/23/00
30	DC Consultants	\$ 30,000.00	0.0300	12/2/99	12/2/00
31	King Pin Enterprises	\$ 25,000.00	0.0250	9/16/99	9/16/00
32	Rosy Ltd	\$ 40,000.00	0.0250	3/8/99	3/8/00
33	Rosy Ltd	\$ 40,000.00	0.0250	3/8/99	3/8/00
34	Freedom Harbor-ZuZero	\$ 8,500.00	0.0300	10/27/98	10/27/00
35	Anne Bower	\$ 50,000.00	0.0300	2/23/00	2/23/01
36	Colonial Trust, FBO, Wadena J. Daigneault	\$ 50,000.00	0.0100	8/1/99	8/1/00
37	Colonial Trust, FBO, Gloria A. Ross, Roth IRA	\$ 45,733.12	0.0250	9/1/99	9/1/00
38	Colonial Trust, FBO, Joseph D. Ostroski	\$ 51,000.00	0.0200	12/8/99	12/8/00
39	Colonial Trust, FBO, Joseph D. Ostroski	\$ 52,000.00	0.0200	11/17/99	11/17/00
40	King Pin Enterprises	\$ 60,000.00	0.0250	10/1/99	10/1/00
41	Dentcrafters	\$ 50,000.00	0.0200	11/16/99	11/16/00
42	First Reg Bank, FBO, Thomas J. Hick	\$ 66,983.74	0.0200	3/5/99	3/5/00
43	McConnell Family Trust B	\$ 100,000.00	0.0150	1/1/99	1/1/00
44	Colonial Trust, FBO, Anne Bower	\$ 100,000.00	0.0200	10/22/99	10/22/00
45	Colonial Trust, FBO, Charles Bower	\$ 100,000.00	0.0200	10/22/99	10/22/00
46	Rosy Ltd	\$ 60,000.00	0.0250	8/26/99	8/26/00
47	Tolco, Ltd.	\$ 116,884.82	0.0250	5/1/99	5/1/00
48	V-Bar Ltd	\$ 160,000.00	0.0250	5/1/99	5/1/02
49	Bar-V Ltd	\$ 100,000.00	0.0250	5/1/99	5/1/02
50	McConnell Family Trust A	\$ 200,000.00	0.0150	1/8/99	1/8/00
51	Robert G. Mueller	\$ 260,000.00	0.0500	12/8/99	12/8/00
52	Codd Revocable Trust	\$ 10,000.00	0.0167	10/26/99	10/26/00
53	Lyle E. McConaughey Trust	\$ 10,000.00	0.0167	5/17/99	5/17/00
54	TCA, FBO, Ken Schulz	\$ 26,681.52	0.0183	9/13/99	9/13/00
56	Johnnie Fortune	\$ 5,000.00	0.0250	10/20/99	10/20/00
57	Paul M. Koeshall	\$ 5,000.00	0.0400	6/8/99	6/8/00
58	Beverly Neely & Autumn Bruce	\$ 10,000.00	0.0300	10/14/99	10/14/00
59	Samual A. & Lida O. Ulin	\$ 20,000.00	0.0250	8/1/99	8/1/00
60	Phillip Esnoz	\$ 10,000.00	0.0250	6/19/99	6/19/99
61	Hegler Trust, Dan H. Hegler, Trustee	\$ 10,000.00	0.0250	11/11/99	11/11/00
62	Woodred Savage	\$ 20,000.00	0.0250	10/20/99	10/20/00
63	Vera L. Shelbon	\$ 20,000.00	0.0250	5/29/99	5/29/00
64	Thalia Littlefield	\$ 120,000.00	0.0300	10/14/99	10/14/00

Superior Holding Group, Inc. Confidential

Page 2

	<u>Note Payable To</u>	<u>Note Amount</u>	<u>Monthly Rate</u>	<u>Note Date</u>	<u>Note Due Date</u>
66	Michael R. Freund	\$ 80,000.00	0.0300	11/1/99	11/1/00
67	Stephanie Metten	\$ 80,000.00	0.0250	8/21/99	8/21/00
72	House of Muskets	\$ 35,000.00	0.0250	6/28/99	6/28/00
73	Tidewater Developement	\$ 100,000.00	0.0300	9/27/99	9/27/00
74	Carl Ahlenfeld	\$ 20,000.00	0.0250	9/27/99	9/27/00
77	Gary E. & Janice A. Sagers	\$ 50,000.00	0.0300	10/28/99	10/28/00
78	Gary E. & Janice A. Sagers	\$ 100,000.00	0.0250	7/28/99	7/28/00
79	Robert Knudsen, Jr	\$ 20,000.00	0.0250	8/31/99	8/31/00
82	E. Howard & Edna M. Nelson	\$ 8,000.00	0.0250	4/30/99	4/30/00
83	Maurice C. Keltsch	\$ 10,000.00	0.0250	7/21/99	7/21/00
84	Dana S. Leininger	\$ 10,000.00	0.0250	5/1/99	5/1/00
86	Daniel Musgrave	\$ 20,000.00	0.0300	5/1/99	5/1/00
87	E Howard Nelson	\$ 34,222.67	0.0250	7/8/99	7/8/00
88	Thomas J. Burns	\$ 25,000.00	0.0250	5/29/99	5/29/00
89	Lee Musgrave and/or Janice Musgrave	\$ 80,000.00	0.0300	5/1/99	5/1/00
90	Gene Holman	\$ 50,000.00	0.0250	6/28/99	6/28/00
91	Nancy Holman	\$ 50,000.00	0.0300	10/14/99	10/14/00
92	Munroe Holley	\$ 25,000.00	0.0250	8/21/99	8/21/00
93	John Coffey	\$ 75,000.00	0.0250	6/28/99	6/28/00
94	Betty Lou Nelson & Vera Swanson	\$ 60,000.00	0.0250	8/31/99	8/31/00
97	Jean Fisher	\$ 20,000.00	0.0250	12/6/99	12/6/99
98	William Seybert	\$ 20,000.00	0.0250	5/11/00	5/11/01
99	Danny W. Seaver	\$ 20,000.00	0.0300	11/15/99	11/15/00
101	Jeffrey A. Roberts	\$ 25,000.00	0.0250	6/22/99	6/22/00
102	Jennifer Boliek	\$ 26,000.00	0.0300	9/1/99	9/1/00
103	Laura Boliek	\$ 26,000.00	0.0300	9/1/99	9/1/00
104	Christopher Boliek	\$ 26,000.00	0.0300	9/1/99	9/1/00
105	Katie Boliek	\$ 26,000.00	0.0300	9/1/99	9/1/00
107	Kathleen Boliek	\$ 100,000.00	0.0300	9/1/99	9/1/00
108	Hal Boliek	\$ 135,000.00	0.0300	8/31/99	8/31/00
109	Helen R. Karr	\$ 10,000.00	0.0250	6/1/99	6/1/99
110	Amron Consulting Services	\$ 30,000.00	0.0250	8/25/99	8/25/00
111	Gregory Trimboli	\$ 20,000.00	0.0250	7/28/99	7/28/00
112	Nicholas & Patricia Jeanette	\$ 40,000.00	0.0250	6/28/99	6/28/00
115	Colonial, FBO, Wayne Zinner	\$ 60,000.00	0.0200	10/7/99	10/7/00
116	Cheryl L. Myers	\$ 10,000.00	0.0300	8/31/99	8/31/00
117	Timothy Sterling	\$ 10,000.00	0.0250	5/1/99	5/1/00
118	Richard & Wanda Ferguson	\$ 2,000.00	0.0500	3/5/99	3/5/00
119	Mark R. and Marilyn H. Carter	\$ 10,000.00	0.0417	8/31/99	8/31/00
120	Herbert L. Dillion III	\$ 30,000.00	0.0250	11/11/99	11/11/00
121	Paul E. Pitcock	\$ 20,000.00	0.0250	8/5/99	8/5/00
122	Jeff Nelson	\$ 100,000.00	0.0300	8/31/99	8/31/00
124	Douglas S. Divers	\$ 25,000.00	0.0250	7/8/99	7/8/00
125	William W. Peebles	\$ 25,000.00	0.0250	7/14/99	7/14/00
126	Coyote Creek Ltd	\$ 10,000.00	0.0250	6/20/99	6/20/00
127	Jean Ann Mulcahy	\$ 20,000.00	0.0250	8/16/99	8/16/00
128	Anita Hanson	\$ 18,112.18	0.0300	6/1/99	6/1/00
129	Anita Hanson	\$ 51,000.00	0.0300	12/6/99	12/6/00
130	Richard A. Senn	\$ 69,000.00	0.0300	9/8/99	9/8/00
131	Karl Kaschel	\$ 20,000.00	0.0250	7/8/99	7/8/00
132	Greg Kaschel	\$ 25,000.00	0.0250	7/8/99	7/8/00
		\$ 4,661,328.78			

Superior Holding Group, Inc. Confidential

	<u>Note Payable To</u>	<u>Note Amount</u>	<u>Monthly Rate</u>	<u>Note Date</u>	<u>Note Due Date</u>
Scheduled for Payoff 30 Days					
1	Alison Bell & Dean Gingrich	\$ 25,000.00	0.0250	11/4/99	11/4/00
6	TAAA Group	\$ 20,000.00	0.0300	10/12/99	10/12/00
14	Mid-Ohio Securities Corporation, FBO. J.J. Nowak	\$ 75,000.00	0.0200	7/10/99	7/10/00
17	John Sellers	\$ 200,000.00	0.0300	9/17/99	9/17/00
18	Dave Sellers	\$ 200,000.00	0.0300	8/31/99	8/31/99
24	Agnes M. Teliha	\$ 10,000.00	0.0250	5/1/99	5/1/00
27	OREO Management	\$ 10,000.00	0.0500	2/18/98	2/18/01
29	Maggie Hyland	\$ 20,000.00	0.0175	5/3/99	5/3/00
55	William M. Lynch	\$ 10,000.00	0.0333	3/16/99	3/16/00
69	Larry Bass	\$ 13,000.00	0.0500	10/22/99	10/22/00
95	Wayne & Gloria Lee	\$ 500,000.00	0.0500	8/18/99	8/18/00
100	Timothy & Toyna Boliek	\$ 20,000.00	0.0250	9/8/99	9/8/00
106	A. Mack Buddy Wilson	\$ 40,000.00	0.0250	9/27/99	9/27/00
113	Wayne Zinner	\$ 50,000.00	0.0300	9/13/99	9/13/00
123	Jeff Nelson	\$ 101,007.44	0.0300	8/9/99	8/9/00
		\$ 1,294,007.44			
<u>SUPERIOR OF AZ, INC</u>					
	None				
Paid Off Investors					
26	Robyn Hylton	\$ 10,000			
65	Peter Hung	\$ 25,000			
68	Hung Family Trust, K. C. Hung Trustee	\$ 250,000			
70	Poorfarm Trust	\$ 41,108			
71	ELR Trust, Estol Rockwell Trustee	\$ 64,600			
75	Bruce Karlson	\$ 25,000			
76	Bruce Karlson	\$ 150,000			
80	Jim Percy	\$ 25,000			
81	William H. ZuHone	\$ 20,000			
96	Scott Jenkins	\$ 200,000.00			
133	First Reg Bank, FBO, Richard & Prudence ZuZero	\$ 20,000			
134	Craig Carter	\$ 50,000			
135	Ed & Faith Ferguson	\$ 20,000.00			
		\$ 900,708.19			

LEASE AGREEMENT WITH PURCHASE OPTION QUESTIONNAIRE

Please use a black or blue pen when giving information. Use BLOCK LETTERS.

Last Name _____ First Name _____ Middle Initial _____

Age _____ Marital Status _____ Spouse's Name _____ No. of Dependents _____

Home Phone _____ Pager _____ Mobile _____

S. S. # _____

DL # _____ State _____ Exp. Date _____

Spouse S. S. # _____

Spouse DL # _____ State _____ Exp. Date _____

Home Address _____

City _____ State _____ Zip _____ How Long _____

Own Rent If renting Landlord address (include City, State, and Zip)

_____ Phone _____

If living at current address less than two (2) years give previous address (include City, State, and Zip).

_____ Phone _____

References

6 References required-include the Names, Addresses, and Phone numbers of at least three family members

Name (first, middle, and last)	Address (include City, State, and Zip)	Phone	Relationship
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

Vehicle Description

Year _____ Make _____

Model _____ VIN# _____

Vehicle License Plate# _____ Tag Expiration date (Month and Year) _____

FROM : PHXAZ0+<1010(01010corp

PHONE NO. : 6022796188

Apr. 07 2000 01:12PM P1

EMPLOYER INFORMATION

Employer _____

Position _____ Supervisor (Name & Phone) _____

Salary \$ _____ Weekly Bi Monthly Monthly Other income \$ _____ Source _____

Work Phone _____

Employers Address _____

City _____ State _____ Zip _____ How Long _____

if working at current address less than (2) years give previous employment address (include City, State, and Zip).

Spouse's Employer _____

Position _____ Supervisor (Name & Phone) _____

Salary \$ _____ Weekly Bi Monthly Monthly Other income \$ _____ Source _____

Work Phone _____

Employers Address _____

City _____ State _____ Zip _____ How Long _____

if working at current address less than (2) years give previous employment address (include City, State, and Zip).

Authorized Drivers

In addition to Lessee, the vehicle may be driven by any additional driver who is named in the agreement. The only other authorized licensed driver(s) are:

Name	Address (include City, State, and Zip)	Age	DL#	Phone	Relationship
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____

Addendum

List additional equipment other than factory original _____

Physical damage/mechanical problems existing at the acceptance of this agreement _____

Word/Select/QUESTI-032294