

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

Filing Date: **2002-08-22** | Period of Report: **2002-06-30**
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FILER

RUSHMORE FINANCIAL GROUP INC

CIK: **884892** | IRS No.: **752375969** | State of Incorporation: **TX** | Fiscal Year End: **1231**
Type: **10QSB/A** | Act: **34** | File No.: **000-24057** | Film No.: **02745269**
SIC: **6411** INSURANCE AGENTS, BROKERS & SERVICE

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB/A

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2002

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition Period from _____ to _____

Commission file number 000-24057

Rushmore Financial Group, Inc.

(Exact name of registrant as specified in its charter)

Texas

75-2375969

(State of Incorporation)

(I. R. S. Employer Identification No.)

13355 Noel Road, Suite 300, Dallas, Texas 75240

972-450-6000

(Issuer's telephone number, including area code)

Check whether the issuer filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by the court.

Yes _____ No _____

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes XXX No _____

State the number of shares outstanding of each of the issuer's classes of common equity as of June 30, 2002: 7,901,684 shares of common stock, \$0.01 par value.

Transitional Small Business Disclosure Format;

Yes _____ No XXX

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RUSHMORE FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2002	December 31, 2001
ASSETS		
<S>	<C>	<C>
Cash and cash equivalents	\$ --	\$ 261,761
Accounts receivable	170,737	338,747
Prepaid expenses and deposits	489,724	227,449
Developed software, at cost	2,076,417	1,739,257
Property and equipment, net of accumulated depreciation	317,368	413,598
Goodwill, net	211,905	1,253,932
Deferred financing fees	41,569	--
	-----	-----
Total assets	\$ 3,307,720	\$ 4,234,744
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Bank overdraft	\$ 3,857	\$ --
Accounts payable	1,201,850	1,012,529
Notes payable	416,992	150,154
Liabilities acquired in 2001 acquisition	349,318	375,812
Accrued expenses and other liabilities	169,946	136,751
	-----	-----
Total liabilities	2,141,963	1,675,246
	-----	-----
Shareholders' equity:		
Preferred stock - cumulative; \$10 par value; 14,063 shares issued and outstanding	140,630	140,630
Preferred stock - convertible cumulative; \$10 par value; 86,480 shares issued and outstanding	864,800	864,800
Preferred stock issuances pending	100,000	--
Common stock - \$0.01 par value; 10,000,000 shares authorized; 8,588,562 shares issued at June 30, 2002; 7,229,633 shares issued at December 31, 2001	85,886	72,296
Common stock subscriptions receivable	(3,277)	(4,118)
Additional paid in capital	12,644,684	12,154,388
Treasury stock, at cost - 686,878 shares	(421,022)	(421,022)
Accumulated deficit	(12,245,944)	(10,247,476)
	-----	-----
Total shareholders' equity	1,165,757	2,559,498
	-----	-----
Total liabilities and shareholders' equity	\$ 3,307,720	\$ 4,234,744
	=====	=====

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RUSHMORE FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and six months ended June 30,
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Revenue:				
Direct access brokerage services				
Commissions and fees	\$ 266,598	\$ 72,040	\$ 499,992	\$ 124,674
Retail brokerage services				
Commissions and fees	1,337,510	2,308,034	2,737,480	3,693,446
Other revenue	6,614	14,211	19,276	37,062
Total revenue	1,610,722	2,394,285	3,256,748	3,855,182
Expenses:				
Direct access brokerage services				
Commission expense	211,006	1,009	394,651	2,769
Other direct access brokerage services expenses	155,620	145,028	300,972	249,716
Retail brokerage services				
Commission expense	927,941	1,714,783	1,989,978	2,664,895
Other retail brokerage services expenses	20,175	101,677	40,629	191,889
General and administrative	863,732	921,297	1,346,358	1,983,384
Total expenses	2,178,474	2,883,794	4,072,588	5,092,653
Operating loss	(567,752)	(489,509)	(815,840)	(1,237,471)
Other expense:				
Write off of impaired goodwill	1,042,028	--	1,042,028	--
Depreciation and amortization	58,553	44,284	117,130	96,250
Interest expense	15,593	12,403	23,470	19,833
Loss from continuing operations	(1,683,926)	(546,196)	(956,441)	(1,353,554)
Loss from discontinued operations	--	(41,469)	--	(95,743)
Net loss	(\$1,683,926)	(\$ 587,665)	(\$1,998,468)	(\$1,449,297)
Basic and diluted loss per share of common stock, continuing operations	(\$ 0.21)	(\$ 0.10)	(\$ 0.27)	(\$ 0.25)
Basic and diluted loss per share of common stock, discontinued operations	\$ 0.00	(\$ 0.01)	\$ 0.00	(\$ 0.02)
Basic and diluted net loss per share of common stock	(\$ 0.21)	(\$ 0.11)	(\$ 0.27)	(\$ 0.27)
Weighted average common shares outstanding	7,901,684	5,664,538	7,306,766	5,411,793

</TABLE>

See accompanying notes to consolidated financial statements

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RUSHMORE FINANCIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30,
(unaudited)

	2002	2001
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Loss from continuing operations	(\$1,998,468)	(\$1,353,554)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities		
Common stock issued for compensation and expenses	31,335	--
Fair value of common stock options issued for services	167,491	--
Write off of impaired goodwill	1,042,028	--
Depreciation and amortization	117,130	96,250
Change in assets and liabilities, net of effect of the 2001 acquisition:		
(Increase) decrease in assets:		
Accounts receivable	168,009	(14,596)
Prepaid expenses and deposits	39,853	(91,956)
Increase (decrease) in liabilities:		
Accrued expenses and other liabilities	196,017	131,920
Net cash used in operating activities-continuing operations	(236,605)	(1,231,936)
Cash flows from investing activities:		
Bank overdraft	3,857	--
Purchase of equipment	(20,900)	(60,594)
Capitalization of software development costs	(337,160)	(626,174)
Cash received on the 2001 acquisition	--	11,047
Net cash used in investing activities	(354,203)	(675,721)
Cash flows from financing activities:		
Proceeds from sale of Common Stock	390	498,165
Proceeds from sale of Preferred Stock	100,000	355,929
Preferred Stock dividends paid	(38,184)	(21,538)
Payments on notes payable	(33,160)	(60,543)
Proceeds from notes payable	300,000	303,456
Net cash provided by financing activities	329,046	1,075,469
Net cash used in continuing operations	(261,762)	(832,188)
Net cash provided by discontinued operations	--	--
Net decrease in cash and cash equivalents	(261,762)	(832,188)
Cash and cash equivalents at beginning of period	261,762	1,218,317
Cash and cash equivalents at end of period	--	\$ 386,129

Supplemental Disclosure of Cash Flow Information:

Cash paid for interest	(\$ 6,645)	(\$ 19,833)
Cash paid for income taxes	\$ --	\$ --

Supplemental Disclosure of Non-Cash Information:

Warrants issued in connection with obtaining debt financing	\$ 41,569	\$ --
Common stock issued as dividends on preferred stock	\$ 2,126	\$ --
Common stock issued in the 2001 acquisition	\$ --	\$ --
Common stock issued in the OTA client acquisition	\$ 300,000	\$ --

</TABLE>

See accompanying notes to consolidated financial statements

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The financial statements included herein have been prepared by Rushmore Financial Group, Inc. ("Company" or "RFGI") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures contained herein are adequate to make the information presented not misleading. In the opinion of management, the information furnished in the unaudited consolidated financial statements reflects all adjustments which are ordinary in nature and necessary to present fairly the Company's financial position, results of operations and changes in financial position for such interim period. These interim financial statements should be read in conjunction with the Company's financial statements and the notes thereto as of December 31, 2001, included in the Company's annual report on Form 10-KSB for the year ended December 31, 2001.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. At June 30, 2002, the Company had \$2,141,963 in liabilities, no cash and accounts receivable of \$170,737. Also, the Company had net losses from continuing operations of \$1,057,635 in 2000, \$2,203,896 in 2001, and \$1,998,468 in the first six months of 2002. Although the Company believes that it will be able to continue to raise the necessary funds until it reaches a sustainable level of profitability, these matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has taken several steps to increase cash by the use of borrowings and equity. In the second quarter of 2002 the Company raised \$100,000 through the sale of convertible debentures and \$35,000 from the sale of preferred stock. The Company will attempt to raise additional capital through a Senior Secured Convertible Bond Offering whereby the bonds will be secured by a lien on RushTrade's proprietary software and other technology assets.

The Company has also undergone an extensive internal reorganization and reduction of staff to adjust to the current level of activity and has implemented additional steps to more closely monitor expenses. Additional marketing efforts are being implemented to enhance revenue and take advantage of the RushTrade software products. The RushTrade products were released on July 1, 2002, and have so far generated only minimal revenue.

Rushmore Insurance Services, Incorporated ("Rushmore Agency") is an insurance agency and an affiliate of the Company by means of service agreements. The Company has entered into an administrative services agreement whereby net revenues and expenses are charged via a management fee to the Company. Rushmore Agency has been consolidated in the Retail Brokerage segment of the accompanying

2. Industry Segment Information

The Company's assets, revenue, and expenses are attributable to three identifiable business segments: Direct Access Brokerage Services, Retail Brokerage Services, and Corporate.

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The Direct Access Brokerage Services division, operating as "RushTrade(TM)", has been developed to meet the needs of the active on-line investor. RushTrade offers two products to meet the needs of the active online investor, RushTrade Direct, our Level I browser-based product, and RushTrade Direct Pro, our Level II software-based product. The RushTrade software and its associated Pension Back Office Administrative Tool will attempt to derive various additional revenue streams in the form of licensing fees and royalties from expected licensing arrangements.

The Retail Brokerage Services division consists of retail securities brokerage services, mutual fund distribution, variable life insurance and annuities sales and other financial services offered by Rushmore Securities Corporation ("Rushmore Securities"). In addition, Rushmore Investment Management Corporation ("Rushmore Management") provides fee-based investment advisory services and portfolio management. The Company's insurance services business is conducted through its affiliated agency, Rushmore Insurance Services, Inc. ("Rushmore Agency").

The Corporate division includes all business assets and activities not directly related or allocated to the other two divisions.

The following summarizes the Company's identifiable assets, capital expenditures, and depreciation and amortization by industry segment as of the dates indicated:

	June 30,	
Identifiable Assets	2002	2001
Direct Access Brokerage	\$2,280,235	\$1,034,442
Retail Brokerage	360,288	2,623,578
Corporate	667,197	822,322
Total	\$3,307,720	\$4,480,342

	June 30,	
Capital Expenditures	2002	2001
Direct Access Brokerage	\$ 350,901	\$ 646,855
Retail Brokerage	4,772	20,681
Corporate	2,386	10,341
Total	\$ 358,060	\$ 677,878

	June 30,	
Depreciation and Amortization	2002	2001
Direct Access Brokerage	\$ 44,997	\$ 17,256
Retail Brokerage	27,124	26,951
Corporate	97,382	76,117

Total	\$ 169,503	\$ 120,324
	=====	=====

The following summarizes the Company's industry segment operating data for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Revenues				
<S>	<C>	<C>	<C>	<C>
Direct Access Brokerage	\$ 266,598	\$ 72,040	\$ 499,992	\$ 124,674
Retail Brokerage	1,344,124	2,308,034	2,737,748	3,693,446
Corporate	--	14,211	8	37,062
Total	\$ 1,610,722	\$ 2,394,285	\$ 3,256,748	\$ 3,855,182

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Expenses				
Direct Access Brokerage	\$ 439,780	\$ 253,034	\$ 835,786	\$ 465,235
Retail Brokerage	2,393,431	2,281,079	3,683,924	3,854,598
Corporate	461,437	406,368	735,506	888,903
Total	\$ 3,294,648	\$ 2,940,481	\$ 5,255,216	\$ 5,208,736

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Income (Loss) from Continuing Operations				
Direct Access Brokerage	(\$173,182)	(\$180,994)	(\$335,794)	(\$340,561)
Retail Brokerage	(1,050,307)	26,955	(927,176)	(161,152)
Corporate	(461,437)	(392,157)	(735,498)	(851,841)
Total	(\$1,683,926)	(\$546,196)	(\$1,998,468)	(\$1,353,554)

</TABLE>

3. Capitalized Software Development Costs

The Company capitalizes certain costs associated with the development of the RushTrade software products. During the first six months of 2002, the Company capitalized \$337,160 in costs versus \$626,174 for the same period in 2001. As of June 30, 2002, the total of all capitalized costs was \$2,076,417. Upon release of each of the RushTrade products or modules, costs related to that product or module will be charged to operating expenses instead of being capitalized. Additionally, all presently capitalized costs relating to a released product or module will be amortized by the greater of the revenue method or the straight-line method over a three-year period. On July 1, 2002, the Company released its RushTrade Direct and RushTrade Direct Pro products and began amortizing the capitalized development cost associated with these products.

4. Recent Transactions

In March 2002, the Company entered into an Agreement, as an amendment to an earlier revenue-sharing agreement, with NewportX.com, an affiliate of Online Trading Academy of Irvine, CA. ("OTA") to acquire a block of up to 150 active trader accounts which are to be referred or directed to RushTrade over the next six months in exchange for 1,200,000 shares of RFGI common stock. These shares were issued during March 2002 and the Company has recorded a prepaid asset of

\$300,000, the fair value of the stock on the date of issuance. As the active trader accounts are received and certified, the Company will reclassify these amounts to an intangible asset. As of June 30, 2002, no trader accounts have been certified. OTA is an education provider and conducts classroom training for those interested in day trading or other active investors who seek the latest investment tools and techniques in the active trader market. RushTrade has entered into a strategic relationship with OTA as an industry partner for training and education whereby OTA will conduct training classes using RushTrade's Direct Pro software trading platform.

5. Subsequent Events

The Company and Empire Financial Holding Company, Inc. ("Empire") entered into an agreement in June 2002 where Empire would purchase certain assets of Rushmore Securities Corporation, a wholly owned subsidiary of the Company. This transaction was completed on August 9, 2002 with the transfer of \$79,464 from Empire to the Company. The total consideration for the sale of these assets is 25% of the gross revenues generated by these assets for a 12-month period. This consideration, which is subject to adjustment, has been estimated to be \$211,905 based on actual prior revenues from these assets. The Company expects to receive an additional \$26,488 in cash within 90 days and the remainder, \$105,953 in either cash or restricted stock of Empire within 180 days of the close. The purchase price of \$211,905 is substantially less than the carrying value of the assets. As a result, during the second quarter of 2002, the Company wrote off \$1,042,028 of goodwill to state it at its estimated net realizable value of \$211,905 at June 30, 2002.

6. Discontinued Operations

In September 2001 the Company entered into an agreement, with an effective date of August 1, 2001, to sell Rushmore Investment Advisors, Inc. ("Rushmore Advisors") to Mr. John Vann in exchange for the redemption and cancellation of 597,405 shares of the Company's common stock plus a note for \$200,000. As part of the sale, Mr. Vann also retained the right to prepay his existing note of \$280,319 to the Company at a discount. Both notes were subsequently discounted to a total of \$250,000 and paid. The sale, including the discounted note payoffs, resulted in a one-time non-operating loss of approximately \$2,900,000 in September 2001. The financial data relating to Rushmore Advisors is classified as discontinued operations for all periods presented.

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<TABLE>
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7. Reclassification

Certain 2001 balances have been reclassified to conform to the 2002 presentation.

8. Earnings (Loss) Per Share

Earnings (loss) per share for the periods indicated are computed using the following information:

Loss From Continuing Operations	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Loss from continuing operations	(\$ 1,683,926)	(\$ 546,196)	(\$ 1,998,468)	(\$ 1,353,554)
Dividends on preferred stock	(18,252)	(10,769)	(40,310)	(21,538)
Loss from continuing operations applicable to common shareholders	(\$ 1,702,178)	(\$ 556,965)	(\$ 2,036,652)	(\$ 1,375,092)

</TABLE>

9. Goodwill

In July 2001 the FASB issued Statement of Financial Accounting Standards No. 142 (SFAS 142), Goodwill and Intangible Assets, which revises the accounting for purchased goodwill and intangible assets. Under SFAS 142, goodwill and intangible assets with indefinite lives will no longer be amortized, but will be tested for impairment annually, and also in the event of an impairment indicator. SFAS 142 is effective for fiscal years beginning after December 15, 2001. The elimination of the amortization of goodwill upon adoption of SFAS 142 is expected to reduce annual operating expenses by approximately \$89,000. The Company adopted SFAS 142 on January 1, 2002.

As discussed in Note 5, during the second quarter of 2002, the Company entered into an agreement to sell certain assets, which relate to the goodwill recorded on the Company's books. As a result the Company wrote off \$1,042,028 of goodwill to state it at its estimated net realizable value of \$211,905 the purchase price of the assets being sold.

10. Deferred Financing Fees

During the second quarter of 2002, the Company recorded deferred financing fees of \$41,569 that represent the fair value of warrants issued to an individual that assisted the Company in obtaining certain debt financing. The deferred financing fees are amortized on a straight-line basis over the term of the related notes, which is three years.

11. Convertible Notes Payable

During the current quarter, the Company issued two convertible notes totaling \$100,000. These notes bear interest at 9% per annum, principal and accrued interest payable in quarterly installments beginning October 15, 2002, mature April 1, 2005 and are convertible into shares of common stock at the lesser of \$0.25 per share or the average closing price of the common stock on its principal trading market for the 30 trading days preceding the notice of conversion, but in no event less than \$0.175 per share.

12. Stock Options and Warrants

During the current quarter, the Company granted 1,031,000 stock options. 100,001 options were granted to employees for common stock as compensation, these options are exercisable at \$0.16 per share; expire in five years and vest 50% in six months and 100% after one year. 930,000 options valued at \$167,491 were granted to non-employees for services. The options have exercise prices ranging from \$0.22-\$0.26 per share, expire in five years and vest immediately.

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Additionally, during the current quarter, the Company issued 200,000 warrants to purchase common stock valued at \$41,569 to a non-employee as a finders fee in connection with the Company obtaining debt financing. These warrants have an exercise price of \$0.25 per share and expire in five years. See additional discussion in Note 10.

13. Insurance Claims Payable

During the second quarter of 2002, the plan administrator of our partial self-insured program notified the Company that the Company had outstanding claims due to health care providers totaling \$168,093. The plan administrator has been unable to provide the Company with information documenting the period to which these claims relate. The Company had recorded an accrual of approximately \$60,000 related to these claims. The additional liability related to these claims was recorded in the second quarter of 2002. As of June 30, 2002,

the Company has accrued this liability in full along with an estimated accrual of \$20,000 for future funds that will be required to cover additional claims. Insurance claims payable totaled \$188,093 at June 30, 2002. The self-insured plan was terminated on May 31, 2002 and the Company's employees were enrolled under a fully insured plan on June 1, 2002.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

1. Recent Development

In March 2002 the Company's technology development subsidiary, RushTrade Software Services, Inc. entered into a non-exclusive agreement with CentraTrade Services, Ltd. of Houston whereby CentraTrade would become a licensee and distributor of RushTrade's RushTrade Direct and RushTrade Direct Pro software platforms to other NASD member broker/dealers. The Company expects to begin to derive various revenue streams in the form of licensing fees and royalties from these expected licensing arrangements.

2. RushTrade(TM)Direct Access Online Services Software Development

RushTrade Direct Access Online Services--RushTrade.com (<http://www.rushtrade.com>), a division of Rushmore Securities, has been developed to meet the needs of the active on-line investor. RushTrade offers its clients real-time Level I and Level II investment price quotes combined with direct access to Electronic Communications Networks ("ECN"s) and the major Exchanges. The RushTrade product was developed by RushTrade Software Services, Inc., and will be distributed through RushTrade.com, a division of Rushmore Securities. The RushTrade product was released on July 1, 2002 and is expected to provide various additional revenue streams in the form of licensing fees and royalties assuming these expected licensing arrangements materialize.

RushTrade offers two distinct products to meet the needs of the active online investor, RushTrade Direct, our Level I browser-based product, and RushTrade Direct Pro, our Level II software-based product.

RushTrade Direct attempts to meet the needs of the online investor by delivering real-time quotes and information, RushTrade's Direct Access Routing Technology (DART(TM)), and customer service provided by experienced registered representatives. This product is delivered to investors via the Internet, and therefore is able to be accessed from virtually any computer with a web browser.

RushTrade Direct Pro, RushTrade's proprietary software-based Level II product, attempts to meet the more sophisticated on-line investors' demands by providing the latest trading technologies and tools available in an easy-to-use trading system. Significant features of the Level II product include streaming, real-time Level II securities quotes, news, charts, research, and RushTrades' proprietary Direct Access Routing Technology (DART(TM)). DART(TM) enables investors to route their orders directly to the specific ECN or Exchange with the best market price, thus saving the investor time and money by providing improved trade execution quality. RushTrade Direct Pro clients have access to the same customer service support that all RushTrade Direct users receive.

The RushTrade products were released into various stages of testing during 2001-2002. Beta testing began for RushTrade Direct in July 2001. Beta testing for RushTrade Direct Pro began in November 2001, and again with additional features in February 2002. Both products were released on July 1, 2002. RushTrade's Pension Back Office Administrative tool, a module necessary for licensing the software to other broker/dealers who have clearing arrangements with Pension Financial, is currently under development, and is expected to be ready for beta testing in late 2002. Final release of the module is expected to occur no sooner than December 2002.

2. Results of Continuing Operations

Three Months Ended June 30, 2002 and 2001

Revenues

The following table sets forth the components of the Company's revenues for the periods indicated:

Revenues	Three Months Ended June 30,	
	2002	2001
Direct Access Brokerage	\$ 266,598	\$ 72,040
Retail Brokerage	1,344,124	2,308,034
Corporate	--	14,211
Total	\$ 1,610,722	\$ 2,394,285

Total revenue for the second quarter decreased \$783,563, or 33%, from 2001 to 2002. This decrease was comprised primarily of decreases of \$963,910 from Retail Brokerage operations and \$14,211 from corporate revenues, offset by an increase of \$194,558 in Direct Access Brokerage revenue.

Direct Access Brokerage revenue increased \$194,558, or 270%, from 2001 to 2002. This increase was primarily the result of adding a new trading firm customer licensed in late December 2001. The agreement with this trading firm was terminated in July 2002 and thus we expect Direct Access Brokerage revenue to decrease in the third quarter of 2002.

Retail Brokerage revenue decreased \$963,910, or 42%, from 2001 to 2002. The decrease in revenue is primarily due to management's decision to reposition its retail securities brokerage and insurance marketing resources and efforts to concentrate on the development and launch of its RushTrade direct access on-line trading system. Overall market conditions also contributed to the overall decline in the Retail Brokerage revenue.

Corporate revenue decreased primarily due to the decrease in interest income from 2001 to 2002, as interest-earning assets such as investments and notes receivable decreased.

Expenses

The following table sets forth the components of the Company's expenses for the periods indicated:

Expenses	Three Months Ended June 30,	
	2002	2001
Direct Access Brokerage	\$ 439,780	\$ 253,034
Retail Brokerage	2,393,431	2,281,079
Corporate	461,437	406,368
Total	\$ 3,294,648	\$ 2,940,481

Total expenses increased \$354,167 or 12%, from 2001 to 2002. Direct Access Brokerage expenses increased \$186,746, Retail Brokerage expenses increased \$112,352 and corporate expenses increased \$55,069.

Direct Access Brokerage expenses increased \$186,746, or 74%, from 2001 to 2002. This increase is primarily due to commissions of \$183,645 paid to the new trading firm licensed in December 2001. The agreement with this trading firm was terminated in July 2002 and thus we expect Direct Access Brokerage expenses to

Retail Brokerage expenses increased \$112,352, or 5%, from 2001 to 2002. This increase is the result of a write off of impaired goodwill related to the Retail Brokerage assets of \$1,042,028 offset by a decrease in expenses due to Management's decision to reposition its insurance marketing resources and efforts to concentrate on the development and launch of its RushTrade direct access on-line trading system.

Corporate expenses increased \$55,069, or 14%, from 2001 to 2002. The Company instituted cost reduction policies after the Northstar acquisition in 2001 and continues to reduce cost. In the second quarter of 2002 Corporate expenses were increased due to a non-cash charge for consulting fees of \$167,491.

Operating income (loss) from continuing operations

The following table sets forth the components of the Company's income (loss) for the periods indicated:

Income (Loss) from Continuing Operations	Three Months Ended June 30,	
	2002	2001
Direct Access Brokerage	(\$173,182)	(\$180,994)
Retail Brokerage	(1,050,307)	26,955
Corporate	(461,437)	(392,157)
Total	(\$1,683,926)	(\$546,196)

Operating losses increased \$1,137,730, or 208%, from 2001 to 2002. Direct Access Brokerage operating losses decreased by \$7,812 or 4% from 2001 to 2002. Retail Brokerage recorded operating losses of (\$1,050,307) in 2002 versus operating income of \$26,955 in 2001. The change was primarily a result of the write off of goodwill of \$1,042,028. Corporate operating losses increased \$69,280 or 18%, from 2001 to 2002. Corporate operating losses increased in spite of the continued cost cutting. This was primarily due to the non-cash consulting fees.

Six Months Ended June 30, 2002 and 2001

Revenues

The following table sets forth the components of the Company's revenues for the periods indicated:

Revenues	Six Months Ended June 30,	
	2002	2001
Direct Access Brokerage	\$ 499,992	\$ 124,674
Retail Brokerage	2,756,748	3,693,446
Corporate	8	37,062
Total	\$ 3,256,748	\$ 3,855,182

Total revenue for the six months ended June 30, 2002 decreased \$598,434, or 16%, from 2001 to 2002. This decrease was comprised primarily of decreases of \$936,698 from Retail Brokerage operations and \$37,054 from corporate revenues, offset by an increase of \$375,318 in Direct Access Brokerage revenue.

Direct Access Brokerage revenue increased \$375,318, or 300%, from 2001 to

2002. This increase was primarily the result of adding a new trading firm customer licensed in late December 2001. The agreement with this trading firm was terminated in July 2002 and thus we expect Direct Access Brokerage revenue to decrease in the third quarter of 2002.

Retail Brokerage revenue decreased \$936,698, or 25%, from 2001 to 2002. The decrease is primarily due to management's decision to reposition its retail brokerage and insurance marketing resources and efforts to concentrate on the development and launch of its RushTrade direct access on-line trading system. Overall market conditions also contributed to the overall decline in the Retail Brokerage revenue.

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Corporate revenue decreased primarily due to the decrease in interest income from 2001 to 2002, as interest-earning assets such as investments and notes receivable decreased.

Expenses

The following table sets forth the components of the Company's expenses for the periods indicated:

Expenses	Six Months Ended June 30,	
	2002	2001
Direct Access Brokerage	\$ 835,786	\$ 465,235
Retail Brokerage	3,683,924	3,854,598
Corporate	735,506	888,903
Total	\$ 5,255,216	\$ 5,208,736

Total expenses increased \$46,480 or 1%, from 2001 to 2002. Direct Access Brokerage expenses increased \$370,551, Retail Brokerage expenses decreased \$170,674 and Corporate expenses decreased \$153,397.

Direct Access Brokerage expenses increased \$370,551, or 80%, from 2001 to 2002. This increase is primarily due to commissions paid to the new trading firm licensed in December 2001. The agreement with this trading firm was terminated in July 2002 and thus we expect Direct Access Brokerage expenses to decrease in the third quarter of 2002.

Retail Brokerage expenses decreased \$170,674, or 4%, from 2001 to 2002. This decrease is the result of a write off of impaired goodwill related to the Retail Brokerage assets of \$1,042,028 offset by a decrease in expenses due to Managements decision to reposition its insurance marketing resources and efforts to concentrate on the development and launch of its RushTrade direct access on-line trading system.

Corporate expenses decreased \$153,397, or 17%, from 2001 to 2002. The Company instituted cost reduction policies after the Northstar acquisition in 2001 and continues to reduce cost. In the second quarter of 2002 Corporate expenses are increased due to a non-cash charge for consulting fees of \$167,491.

Operating income (loss) from continuing operations

The following table sets forth the components of the Company's income (loss) for the periods indicated:

Income (Loss) from Continuing Operations	Six Months Ended June 30,	
	2002	2001

Direct Access Brokerage	(\$335,794)	(\$340,561)
Retail Brokerage	(927,176)	(161,152)
Corporate	(735,498)	(851,841)
	-----	-----
Total	(\$1,998,468)	(\$1,353,554)
	=====	=====

Operating losses increased \$644,914, or 48%, from 2001 to 2002. Direct Access Brokerage operating losses decreased by \$4,767 or 1% from 2001 to 2002. Retail Brokerage operating losses increased \$766,024 in 2002 versus 2001 or 475%. Retail Brokerage losses were caused primarily by the write-off of goodwill of \$1,042,028. Corporate operating losses decreased \$116,343 or 14%, from 2001 to 2002. Corporate operating losses increased in spite of the continued cost cutting. This was primarily due to the non-cash consulting fees.

Liquidity

Cash Flows from Operating Activities - The Company had a loss from continuing operations of \$1,998,463 for the six months ended June 30, 2002. This amount was adjusted for non-cash expenses totaling \$1,190,493. Cash flows from operating activities were increased by a decrease in receivables of \$168,009 and by various other cash flow adjustments aggregating a net source of cash of \$235,865; thus yielding a net cash flow used by operating activities of \$236,605.

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Cash Flows From Investing Activities - Cash flow used by investing activities during the six months ended June 30, 2002 was \$354,203, due to capitalizing \$337,160 in development costs related to the RushTrade direct access software and purchasing various fixed assets for \$20,900.

Cash Flows from Financing Activities - During the six months ended June 30, 2002, the Company raised \$100,390 from the sale of common and preferred stock and \$300,000 from borrowings. The Company paid \$33,160 as payments on notes payable and \$38,184 as preferred stock dividends.

The Company's cash and cash equivalents available for operations at June 30, 2002 were zero, and the Company's liabilities exceeded its cash and receivables by \$1,971,226. The Company's requirements for normal cash expenditures, as well as costs for the further development and launch of the proprietary on-line RushTrade software, have historically been supplemented with borrowings and equity capital raised through the private placement of securities; however, there can be no assurance that these sources of cash will be available in the future.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. At June 30, 2002, the Company had \$2,141,963 in liabilities, and cash and accounts receivable of \$170,737. Also, the Company had net losses from continuing operations of \$1,057,635 in 2000, \$2,203,896 in 2001, and \$1,998,468 for the six months ended June 30, 2002. Although the Company believes that it will be able to continue to raise the necessary funds until it reaches a sustainable level of profitability, these matters raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company has taken several steps to increase cash by the use of borrowings and equity. In the second quarter of 2002 the Company raised \$100,000 through the sale of convertible debentures and \$35,000 from the sale of preferred stock. The Company will attempt to raise additional capital through a Senior Secured Convertible Bond Offering whereby the bonds will be secured by a lien on RushTrade's proprietary software and other technology assets.

The Company has also undergone an extensive internal reorganization and reduction of staff to adjust to the current level of activity and has implemented additional steps to more closely monitor expenses. Additional

marketing efforts are being implemented to enhance revenue and take advantage of the release of the RushTrade software products. The RushTrade products were released on July 1, 2002, and have so far generated only minimal revenue.

Forward-looking statements

This document includes statements that may constitute "forward-looking" statements, usually containing the words "believe", "estimate", "project", "expect", or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products in the marketplace, competitive factors, changes in regulatory environments, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this filing.

PART II. OTHER INFORMATION

Item 2. Changes in securities and use of proceeds

Recent Sales of Unregistered Securities

On May 21, 2002 the Company issued two convertible notes totaling \$100,000. These notes bear interest at 9% per annum, principal and accrued interest payable in quarterly installments beginning October 15, 2002, mature April 1, 2005 and are convertible into shares of common stock at the lesser of \$0.25 per share or the average closing price of the common stock on its principal trading market for the 30 trading days preceding the notice of conversion, but in no event less than \$0.175 per share.

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During the current quarter the Company sold 3,500 shares of series 2002A convertible preferred, \$10 par value, convertible into the Company's common shares at \$0.25 per share and pays a 9% cumulative dividend in common shares payable quarterly.

During the current quarter, the Company issued 200,000 warrants to purchase common stock valued at \$41,569 to a non-employee as a finders fee in connection with the Company obtaining debt financing. As discussed in Note 10 these warrants have an exercise price of \$0.25 per share and expire in five years.

During the current quarter, the Company granted 1,031,000 stock options. 100,001 options were granted to employees for common stock exercisable at \$0.16 per share that expire in five years as compensation. 930,000 options valued at \$167,491 were granted to non-employees for services. The options have exercise prices ranging from \$0.22-\$0.26 per share that expire in five years.

Item 5. Other Information

The Nasdaq Stock Market notified the Company that it had until August 13, 2002 to comply with its minimum continued listing requirement by maintaining a minimum closing bid price of \$1.00 for at least 10 consecutive trading days. The Company failed to maintain a minimum closing bid price of \$1.00. The Company has also been reminded by the Nasdaq Stock Market that, to comply with its minimum continued listing requirements, it must maintain a minimum balance of \$2,500,000 in Shareholder's Equity and a minimum of \$1,000,000 in market value in the public float. On August 5, 2002 the Nasdaq Stock Market notified The Company that its common stock had failed to maintain a minimum market value of publicly held shares ("MVPHS") of \$1,000,000 as required. The Nasdaq Stock Market has given the company 90 days, or until November 4, 2002 to comply. With the filing

of this report The Company has failed to maintain a minimum balance of \$2,500,000 in Shareholder's Equity and expects to receive a letter from the Nasdaq Stock Market to that effect. At some point in the last half of the year the Company expects to be delisted from the exchange. The Company expects to move to the OTC market and will apply when available for listing on the OTC Bulletin Board Exchange.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

99.1 Certification pursuant of 18 U.S.C. Section 1350, as adapted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification pursuant to 18 U.S.C. Section 1350, as adapted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.3 OTA Agreements

99.4 CentraTrade Agreement

99.5 Common Stock Issued & Outstanding

b) Reports on Form 8-K

None

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Rushmore Financial Group, Inc.

Dated: August 21, 2002

By /s/ Dewey M. Moore, Jr.

Dewey M. Moore, Jr.
Chief Executive Officer

Dated: August 21, 2002

By /s/ Randy Rutledge

Randy Rutledge
Chief Financial Officer

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of Rushmore Financial Group, Inc., and Subsidiaries ("the Company") Quarterly Report on Form 10-QSB for the period ending June 30, 2002 with the Securities and Exchange Commission on the date hereof ("the Report"), I, Dewey M. Moore, Jr., Chief Executive Officer of the Company, certify, pursuant to the 18 U.S.C. (SS) 1350, as adapted pursuant to (SS) 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial conditions and results of operations of the Company.

/s/ Dewey M. Moore, Jr.

Dewey M. Moore, Jr.
Chief Executive Officer

August 19, 2002

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of Rushmore Financial Group, Inc., and Subsidiaries ("the Company") Quarterly Report on Form 10-QSB for the period ending June 30, 2002 with the Securities and Exchange Commission on the date hereof ("the Report"), I, Randy Rutledge, Chief Financial Officer of the Company, certify, pursuant to the 18 U.S.C. (SS) 1350, as adapted pursuant to (SS) 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Randy Rutledge

Randy Rutledge
Chief Financial Officer

August 19, 2002

AGREEMENT

This Agreement ("Agreement") is entered into by and between NEWPORTX.COM, a California corporation and NASD licensed broker-dealer, with mailing address at 3972 Barranca Parkway, Ste. J644, Irvine, California 92606 ("NEX") and RushTrade.com, inc. a subsidiary of Rushmore Securities Corp, a Texas corporation and an NASD licensed broker-dealer, with mailing address at: One Galleria Tower, 3rd Floor 13355 Noel Rd. Dallas, TX 75240 ("RSC"), with reference to the following:

A. NEX will, on occasion, refer to RSC individuals who desire to engage in trading activities, which individuals may or may not have received a certificate of training from Online Trading Academy ("OTA").

B. RSC desires that NEX refer such individuals to RSC, for the purpose of establishing trading accounts on behalf of the individuals, and acting as the broker-dealer for those individuals.

C. In consideration of NEX referring qualified individuals to RSC, RSC agrees to pay to NEX certain sums, in accordance with the formulas set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The term of this Agreement shall be for a period of three (3) years, beginning from the date this Agreement has been fully executed by all parties hereto. After the initial three (3) year term, the Agreement shall be deemed to continue on the same terms and conditions each and every year thereafter. After the initial three (3) year term, either party may give twelve (12) months notice to the other party of its intent to terminate the Agreement.

2. During the term of this Agreement, NEX will, on a non-exclusive basis, refer to RSC individuals that have expressed an interest in trading activities.

3. For each individual referred to RSC by NEX, if RSC chooses to establish a trading account for that individual, RSC will pay to NEX the following consideration:

a. Fifty percent (50%) of the "net commissions" generated by the individual (determined on a monthly basis). For the purpose of this Agreement, net commissions equals gross commissions earned less the actual cost paid by RSC to a clearing house to clear the trades of that individual.

b. If the individual presents RSC with a certificate provided by OTA showing that the individual has satisfactorily completed a trading course offered by OTA, RSC agrees to reimburse the individual the earned net commissions charged the individual by RSC for trading activities in an

amount equal to the face value shown on the certificate. Reimbursement will be achieved by reducing trading charges that RSC charges to the individual by twenty-five percent (25%) of its regularly published commission rate for each trade, until such time as the individual has received cumulative discounts equal to the certificate amount. Upon fully crediting earned net commissions in the required sum (i.e. the face value shown on the certificate), RSC shall collect earned commissions in the normal course of business.

c. RSC shall aggregate the earned net commissions for each individual referred by NEX to RSC, thereby determining the total sum of earned commissions to be shared with NEX. that amount divided in two, with one-half paid to NEX within fifteen (15) days of the end of the month in which the net commissions were earned.

d. Payment of the required amount shall be in good funds, delivered to NEX by the time specified, at the address set forth above. Each payment shall be accompanied by an accounting from RSC, showing the name of each individual for whom payment is being made, the gross commissions generated by that individual, the cost of clearing trades charged to that individual, and reimbursement of earned commissions (if any). These reports shall provide the required information in both a monthly and month to date format. All reports shall be continuously updated and provided at least weekly, either electronically or in format that is accessible to NEX online.

4. NEX shall have the right, no more frequently than quarterly, to have its duly authorized representative audit, during regular business hours at the offices of RSC, the reports provided with each payment, to determine the accuracy thereof (this includes, but is not limited to, the right to determine if an individual referred by NEX is a customer of RSC, the right to examine the gross commissions earned on each trade, and the right to verify the costs of clearing charged to the customer against the actual costs incurred by RSC). If, after audit, NEX determines that there is a more than negative two percent (2%) variance in the amounts due it from RSC, RSC, in addition to immediately paying the additional sums due, shall also pay for the cost of the audit. If, after audit, NEX determines that it has been overpaid by more than two percent (2%) of the amount that it is due, it will remit the overpayment to RSC or have it applied to future payments, as NEX shall, in its sole discretion, determine.

5. To assist RSC in its reporting requirements to NEX, NEX will, no less frequently than monthly, provide RSC with the names all leads generated by NEX who were referred by NEX to RSC in the prior month. All leads will be compiled in a database to be maintained by NEX and to which RSC will have reasonable access to leads referred to it.

6. As an inducement to enter into this Agreement, RSC represents and warrants to NEX the following:

a. RSC is a Texas corporation, duly authorized and lawfully conducting its business at the address indicated above.

b. RSC is a member in good standing with the NASD and has no regulatory restrictions on trading or otherwise. Further, it is duly licensed as a direct access Order Entry Firm (as defined in Rule 4710(f) of the NASD Rules) and will maintain all such licenses throughout the term of this Agreement.

c. RSC is duly registered as a broker/dealer with the United States Securities Exchange Commission and with the securities commissioners in all fifty (50) states or such states as it will identify to NEX upon negotiation of this Agreement.

d. RSC has the legal right to enter into this Agreement and to perform the transactions contemplated hereby. Further, this Agreement, when executed by a duly authorized officer of RSC, will be a legal, valid and binding obligation of RSC, enforceable against RSC in accordance with its terms.

e. RSC is not currently under investigation, nor is it subject to memorandums of understanding or cease and desist orders from any regulatory authority. Further, RSC has no reason to believe that during the term of this Agreement, it will be in violation of any laws or regulations applicable to the activities and payments of money contemplated herein.

7. As an inducement to enter into this Agreement, NEX represents and warrants to RSC the following:

a. NEX is a California corporation, duly authorized and lawfully conducting its business.

b. NEX is a member in good standing with the NASD and has no regulatory restrictions on referring individuals to RSC and sharing commissions with RSC or otherwise.

c. NEX is duly registered as a broker/dealer with the United States Securities Exchange Commission.

d. NEX has the legal right to enter into this Agreement and to perform the transactions contemplated hereby. Further, this Agreement, when executed by a duly authorized officer of NEX, will be a legal, valid and binding obligation of NEX, enforceable against NEX in accordance with its terms.

e. NEX is not currently under investigation, nor is it subject to memorandums of understanding or cease and desist orders from any regulatory authority. Further, NEX has no reason to believe that during the term of this Agreement, it will be in violation of any laws or regulations applicable to the activities and payments of money contemplated herein.

8. Each party hereto agrees to indemnify and hold the other party (including its shareholders, directors, officers, employees, agents and representatives) harmless from any and all claims for damages or liability, costs or expense (including, but not limited to reasonable attorney's fees), that may arise out of its conduct in the performance of the Agreement, except if the claim is for matters not covered by errors and omissions insurance or is the result of gross negligence or intentional wrongdoing on the part of the party seeking indemnification. The term "conduct in the performance of the Agreement" shall be deemed to include acts of commission or omission, and material breaches of any warranty or representation made as a part of this Agreement. If either party makes a claim against the other under this provision of the Agreement, it shall fully cooperate and assist the other party in defending or compromising the claims of third parties.

9. Each party hereto agrees that all information shared with the other party, be it customer lists, financial information, or general knowledge in the conduct of its affairs, shall be deemed confidential and a trade secret of the party disclosing such information. Such information shall not be disclosed to any third party without the prior written consent of the party to whom the information belongs, subject to the right of regulatory authorities to exercise subpoena powers.

10. Anything contained herein to the contrary notwithstanding, this Agreement shall be terminated upon the occurrence of any of the following events:

a. There is a breach of any representation or warranty made herein which is not cured within ten (10) days after written notice of such breach has been served on the breaching party by the non-breaching party.

b. Either party voluntarily or involuntarily commences a case under Title 11 of the United States Code (i.e. bankruptcy).

c. RSC fails to make any payment in a timely manner. For the purpose of this Agreement, the term "timely manner" means within 48 hours of the date due.

d. Either party violates any regulation or rule of its governing authority (including, but not limited to, the NASD and the SEC), thereby exposing the other party to liability for such violations.

e. There is a material breach of any covenant set forth herein.

11. In the event of early termination, to the extent that any money is due NEX from RSC, and such money may be lawfully paid to NEX, RSC shall, as promptly as reasonably possible, pay such sum to NEX.

12. This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior oral

or written understandings. This Agreement may not be modified or amended except in a writing executed by the parties hereto.

13. All notices and other communication hereunder shall be in writing and shall be deemed given when delivered personally or when mailed by registered or certified mail, return receipt requested, or by facsimile (if there is a confirmation of such transmission) to the parties at their respective addresses given above or their general facsimile numbers (or at such other address for a party as shall be specified by notice).

14. RSC recognizes that the services to be rendered by it under this Agreement are special, unique and of extraordinary character which gives them a peculiar value. In the event of the breach by RSC of the terms and conditions of this Agreement to be performed RSC, NEX shall be entitled to institute and prosecute arbitration proceedings under the rules and auspices of the NASD to obtain damages for any breach of this Agreement, or to enforce the specific performance thereof by RSC or to enjoin RSC from any violation of the terms of this Agreement or for or in connection with any dispute, questions or controversies arising out of or under this Agreement. RSC acknowledges that NEX will be irreparably damaged if RSC shall breach any of the terms of this Agreement and that NEX cannot be reasonably or adequately compensated in damages for any such breach. RSC agrees that an injunction may be issued in any arbitration proceeding brought hereunder, restraining any such breach by RSC and by a decree of specific performance, and that no bond or security shall be required in connection therewith. The remedies provided herein to NEX, however, shall not be exclusive and shall be in addition to any other remedy (including, damages) that NEX may have. In addition, RSC shall be entitled to institute and prosecute arbitration proceedings against NEX under the rules and auspices of the NASD for any dispute, questions or controversies arising out of or under this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to the conflicts or choice of law provisions thereof.

16. In the event that any provision of this Agreement conflicts with federal, state or local law, regulation or ordinance, the same shall not affect the remainder of the provisions which shall be given full effect without regard to the invalid portions.

17. Except as otherwise specified herein, the invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement which shall remain in full force and effect.

18. No waiver of any breach of any agreement provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed and extension of time

for performance of any other obligations or acts.

19. The captions, and titles of the individual sections, clauses, or provisions are for convenience only and shall not be construed to affect this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

NEWPORTX.COM

Rushmore curities Corp.

/s/ Eyal Shachar 01/05/02

/s/ D.M. Rusty Moore, Jr. 12/11/01

Eyal Shachar
President

D.M. Rusty Moore, Jr.
President

Amendment I

This Amendment I ("Amendment") is entered into and will become a part of and attached as an amendment to the Agreement between the parties dated Dexember 11, 2001 by and between NEWPORTX.COM, a California corporation and NASD licensed broker-dealer, with mailing address at 3972 Barranca Parkway, Ste. J644, Irvine, California 92606 ("NEX") and RushTrade.com a division of Rushmore Securities Corp, a Texas corporation and an NASD member broker-dealer and Rushmore Financial group, Inc. (RFGI) both with mailing address at: One Galleria Tower, 3rd Floor 13355 Noel Rd. Dallas, TX 75240 ("RSC"), wiht reference to the following and as prescribed by Paragraph 12:

RushTrade.com, RFGI and NEX agree that for a period of Six (6) months from signing this amendment, an alternative payment method will be in place that will act in lieu of Paragraphs 3 and 3a of the Agreement dated December 11, 2001.

Paragraph 3, is to be amended as follows - For each individual referred to RSC by NEX, if RFGI/RSC chooses to acquire and establish a trading account for that individual, RFGI will pay to NEX for that acquisition the following consideration:

- a. \$2000 value paid in RFGI restricted comon stock at a fixed price of \$0.25 per share or 8000 shares per customer. Stock will be issued to NEX or it's assignee monthly in 80,000 shares blocks for each group of 10 Traders or acquired accounts. Any excess number of Traders over round lot of Ten (10) Traders will be rolled over into the following month.

- b. This method of payment, controlled by this Amendment, will be in affect for Six (6) months or until RFGI has acquired a complete block of 150 Trader/accounts, whichever comes first. At that time, payment for Traders will revert back to the original agreement (See Original Agreement Paragraphs 3 and 3a for reference) before the execution of this Amendment.
- c. RFGI hereby gives NEX "piggyback" registration rights on the next upcoming registration statement RFGI files with the SEC no later than May 1, 2002. When the Six (6) months end, or RFGI has acquired a complete block of 150 Trader/accounts, the parties will consider Amendment II, the intention of the parties to again replace cash payments with the acquisition of blocks of Traders by the tender of RFGI restricted common stock to NEX at the then current stock valuation at the average of the then closing price for the previous Thirty (30) days. These restricted stock shares would also have "piggyback" registration rights on the next upcoming registration statement RFGI files with the SEC but no later than 30 days from the consummation of amendment II.
- d. The Trader accounts purchased is expected to produce an average of 50 tickets per month per trader at Rush Trade's standard commission rate. Therefore the expected production for the block of 150 customers will be 7,500 tickets per month. At the end of the 6-month term of Amendment I, the trade volume production of that block of Traders/customers will be monitored for the following 30 days. Any underperformance to the minimum standard of 50 trades per month per Trader will be augmented with additional Trader accounts (customers from OTA) at no additional cost to RFGI. (Example 120 traders were acquired and produced 5600 tickets on the 30 days following the agreement end. In that event, the 400 tickets short will be replaced with 8 customers generating 50 trades per month each.)

This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written understandings. This Agreement may not be modified or amended except in a writing executed by the parties hereto. This Amendment incorporates and is considered part and parcel of the original Agreement as referenced throughout. It is understood and agreed that this Amendment is subject to the approval and ratification of the RFGI Board of Directors.

Except as otherwise specified herein, the invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement which shall remain in full force and effect.

The captions, and titles of the individual sections, clauses, or porvisions are for convenience only and shall not be construed to affect this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of:

This 14th Day of March 2002

NEWPORTX.COM

Rushmore Financial Group, Inc.

/s/ Eyal Shachar

/s/ D.M. Rusty Moore

Eyal Shachar
President

D.M. Rusty Moore
CEO

SOFTWARE RE-VENDING LICENSE AGREEMENT

This Software License Agreement (the "Agreement") is made and entered into as of March 7, 2002 (the "Effective Date") by and between RushTrade Software Services, Inc. located at One Galleria Tower 13355 Noel Road, Suite 300, Dallas, Texas 75240 ("Licensor") and Centratrade Services, Ltd., a Texas limited partnership ("Licensee"), located at 7880 San Felipe, Suite 500 Houston, Texas 77063. Licensor and Licensee are collectively referred to in this Agreement as the "Parties,"

Background

A. Licensor is in the business of developing and licensing software programs which are used in providing financial and brokerage services. Licensor has a computer software program to assist customers in trading stocks on the NASDAQ, AMEX, and NYSE exchanges and other exchanges;

B. Licensee is in the business of providing stock trading services and facilitating of trading services;

C. Licensee wishes to receive a license to use the Software for the purpose of providing stock trading services to Licensee's customers. Licensor is willing to grant such a license under the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual promises contained herein, the adequacy and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Article 1. Definitions

1.1 Definitions. When used in this Agreement, the capitalized terms listed below shall have the following meanings:

1.1.1 "Authorized Site" means the single facility where Licensee's Designated Hardware is located. Licensee must notify Licensor if Licensee desires to move its Designated Hardware to a new location and thereby change its Authorized Site.

1.1.2 "Confidential Information" means both Parties' valid and subsisting trade secrets, confidential information, client lists, test codes, test information, contact information, and knowhow and show-how embodied in and/or related to the Software and Licensor's products and services, as evidenced by or embodied in any business or technical information, idea, design, concept, technique, invention, discovery or improvements, whether or not patentable, which is not generally known in the industry, and the terms of this Agreement. Information shall not

be considered to be Confidential Information if the receiving party proves with documentary evidence that such information: (a) was known by the receiving party, without an obligation to keep it confidential prior to its disclosure to the receiving party by the disclosing party, as is evidenced by the receiving party's written records that existed at the time the disclosure was made to the receiving party; (b) is or becomes lawfully available to the receiving party from a source other than the disclosing party; (c) was or becomes available to others in a publication in tangible form through a source other than the receiving party and through no fault

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of the receiving party; or (d) is required to be used or disclosed by an order of any court or other governmental authority, but only to the extent required by such order. The parties agree that while certain items of the Confidential Information may be publicly known, these items when put together, often form combinations that are not publicly known and are hence included within the Confidential Information. The receiving party is not permitted to use the Confidential Information to piece together a series of items of information from unconnected sources and fit these items of information together to make a showing that all or part of the Confidential Information was "public."

1.1.3 "Derivative Work" shall mean a work which is based upon one or more preexisting works, such as a revision, modification, translation, abridgement, condensation, expansion or any other form in which such preexisting works may be recast, transformed, or adapted, and which, if prepared without authorization of the owners of the copyright in such preexisting work, would constitute a copyright infringement. For purposes hereof, a Derivative Work shall also include any compilation that incorporates such a preexisting work.

1.1.4 "Designated Hardware" shall mean the computer equipment located at Licensee's Authorized Site and listed in Exhibit A.

1.1.5 "Software" means the computer software provided by Licensor to Licensee.

1.1.6 "Intellectual Property Rights" means the worldwide intangible legal rights or interests evidenced by or embodied in: (a) any idea, design, concept, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and knowhow; (b) any work of authorship, including any copyrights, moral rights or neighboring rights; (c) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; and (d) any other similar rights and includes all worldwide intangible legal rights or interests that the party may have acquired

by assignment or license with the right to grant sublicenses.

1.2 "Construction" in this Agreement, unless the context requires otherwise, the singular shall include the plural and vice versa. The words "includes" and "including" shall mean including, but not limited to.

Article 2. License

2.1 Grant. Licensors hereby grants and Licensee hereby accepts a, non-exclusive, non-transferable, single site license (the "License") to use, re-vend, sublicense, distribute, market, and resell the Software at and from Licensee's Authorized Site based upon the following terms:

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(b) Licensee may only use the Software on the Designated Hardware at Licensee's Authorized Site; however, Licensee may re-vend, sublicense, distribute, market and resell the Software to remote users who will be able to access the Software through a network connection to the Designated Hardware at Licensee's Authorized Site hosting the Software. Any sublicense shall be granted a substantially in form attached as Exhibit B. If Licensee desires to move its Authorized Site, then, upon prior written notice by Licensee to Licensors, Licensee may uninstall the Software from the Designated Hardware at Licensee's Authorized Site and then install and use the Software at Licensee's new Authorized Site on Designated Hardware;

(c) Licensee may, in the ordinary course of business, allow its customers to view the Software's output on the Designated Hardware at Licensee's Authorized Site; and

(d) Licensee may, in the ordinary course of business, allow its customers to download portions of the Software from a web site approved by Licensors and designated by and controlled by Licensee to a terminal located either at the customer's home or business, for the sole purpose of allowing Licensee's customers to execute orders through

Licensee. Licensee shall only permit U.S. customers to download the Software. Prior to the download of the Software, Licensee's customers shall be required to execute a Sublicense Agreement reasonably acceptable to Licensor. Upon request Licensor may require that the Licensee provide to Licensor copies of all such Sublicense Agreements. Licensee shall provide to Licensor on a monthly basis no later than thirty (30) days following the end of each month a complete list of Sub licensees' usernames. This list of user names shall be supplied as a routine matter without request by Licensor.

2.2 Reservation of Rights. All rights not expressly granted to Licensee herein are reserved by Licensor.

Article 3. Limitations on Use

3.1 Use by Licensee's Customers. If Licensor, in its reasonable, good faith discretion, believes that any customer of Licensee is not using, or will not use, the Software for its intended purpose and in accordance with the terms of the Sublicense Agreement or otherwise materially breaches the Sublicense Agreement, Licensor may discontinue that customer's right to use the Software or view the Software's output. Licensee agrees to refrain from accepting orders from or assisting customers that have been designated by Licensor as not complying with the terms of the Sublicense Agreement. It is the intent of this Agreement to allow customers of Licensee to use the Software solely for the purpose of executing orders on the NASDAQ, AMEX, and/or NYSE exchanges or any other exchanges for which the Licensor Software is compatible and Licensee is authorized to utilize.

3.2 Licensee's Responsibilities. Licensee shall be responsible for the supervision, management, and control of its use, and its customer's use and any distributee's, of the Software.

3.3 Customer Sublicense Agreement. If at any time Licensor gives Licensee notice of circumstances in Licensor's business judgment make continued use of an approved form of the Sublicense Agreement inappropriate to protect Licensor's Intellectual Property Rights or other rights, then Licensee shall discontinue use of that form and change to a new form of Sublicense Agreement approved by both Licensee and Licensor. In the event Licensor initiates such change, Licensee shall be required to obtain new Sublicense Agreements from all of its existing and future Sub licensees.

3.4 Copies. Except as expressly authorized by Licensor, Licensee shall not copy, modify or distribute the Software or any portions thereof. Licensor will provide reasonable backup copies of the Software to Licensee upon written request. Licensee shall keep all copies of the Software at the Licensee's Authorized Site, and all copies of the Software should include all of

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3.5 No Modifications or Reverse Engineering. Licensee shall not modify, adapt or transcribe the Software, or create Derivative Works based on the Software or portions thereof. Licensee shall not reverse engineer, decompile, disassemble, or otherwise translate the Software.

3.6 Maintenance. Licensee agrees that only Licensor shall have the right to alter, maintain, enhance or otherwise modify the Software, and if Licensee does alter, maintain, enhance or otherwise modify the Software, the License granted under this Agreement may be terminated as provided herein.

Article 4. Property Rights

4.1 Title to Software. Licensor shall be the owner of all copies of the Software made by Licensee or by Licensor for Licensee. As between the parties, Licensee agrees that Licensor is the owner of all Intellectual Property Rights in and to the Software. The parties agree that Licensor shall own any improvements, updates, adaptations, modifications, and error corrections to the Software and any Derivative Works based on the Software.

4.2 Use of Software Trademark. Except for merely descriptive use, Licensee shall not use the mark and any sub marks, variation of modifications of, and/or same or similar trademarks or service marks of Licensor (all sometimes referred to hereinafter as "Mark") as a trademark or service mark. Any use of the Mark shall be followed by a "TM" designation and the following notice shall be provided:

"RushTrade trademark of RushTrade Software Service, Inc."

If Licensor notifies Licensee that the Mark has been registered with the United States Patent and Trademark Office, then any such use of the Mark shall be followed by a ?designation and the following notice shall be provided:

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Licensors shall have the right, but not the obligation, to inspect Licensee's use of the Software and related materials to ensure that they are consistent with

proper quality standards set by Licensor. Upon reasonable prior written notice, Licensor shall have the right to terminate any right of Licensee to use the Mark if said quality standards are not being materially and reasonably met.

Article 5. Fees

5.1 Periodic Payment. Licensee shall pay Licensor a fee of \$0.75 per execution of each 1,000 units and/or \$.60 per unique order identifier executed on exchanges for utilization of both RushTrade Direct Pro Level II or Rushtrade Direct. The fee structure between licensee and each sub licensee shall be determined exclusively by licensee, and may be changed at anytime. RushTrade Direct Level I software, in addition to a license fee described, each Sublicensee shall pay an initial \$10,000 set-up fee directly to Licensor for the use of RushTrade Direct Level I software for private labeling the program.

5.2 In the event that the license fee charged to any licensee of Licensor which is an application service provider or conducts itself as a "Service Bureau" during the term of this Agreement is less than 110% of the license fee which Licensee is obligated to pay hereunder, if not cured within 30 days, then this Agreement shall be immediately and automatically amended to be 90% of such lower license fee.

5.3 Other Transaction Fees. Licensor shall not be liable for any other fees that are necessary for Licensee to complete any executions. The Licensee and Licensee's customers shall be solely responsible for such other fees that are necessary to complete the executions.

5.4 Payment of Taxes. Licensee shall pay all taxes that may be assessed on its use of the Software, including, but not limited to, personal property taxes, sales and use taxes, and excise taxes, but excluding taxes based on the income of Licensor. Licensor shall not be liable to pay any taxes that may be assessed on Licensee's use of the Software, including but not limited to, personal property taxes, income taxes, sales and use taxes, excise taxes, or other fees or tariffs.

5.5 Payment Terms. Licensor shall invoice Licensee in arrears on a monthly basis no earlier than the fifth day of each month after the Effective Date until termination of this Agreement. All amounts shown due on such invoice shall be paid within fifteen (15) business days after the date of the invoice. Late payments shall be subject to a late fee equal to one and one-half percent (1.5%) per month on the overdue amount (not to exceed \$500 per month), or the maximum allowable legal rate by any applicable state or federal law, whichever is less. Any invoicing of any amounts that are not allowable by state and federal law and/or exceed the maximum allowable rate by such state or federal laws shall be null and void and shall be deemed to only be billing for the maximum allowable legal rate of interest allowed by such state or federal laws. In the event Licensee disputes any amount shown due on such invoice, Licensee shall pay timely any undisputed amounts and send written notice detailing any disputed amounts to Licensor. Licensor shall then have the right to hire an independent auditor to audit the portion of Licensee's books and records that

relate to the subject of the dispute.

5.6 Records of Transactions. Licensee shall maintain accurate and complete records to allow verification of all transactions that were executed using the Software, including transactions originating from Licensee's Authorized Site and remote customer transactions. Licensee shall at least twice a month (or at intervals designated by Licensor that may be more often), on the dates requested by Licensor, provide Licensor with a summary report of all such transactions for the period since the last such report. Licensee shall retain such records for so long as the records are required to be obtained by any exchange upon which they were executed.

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5.7 Audit Rights. Licensor, at its sole discretion, upon ten (10) days notice to Licensee, may inspect, audit, and copy Licensee's books, records, files and any other items related to Licensee's use of Software and the trading activity files deemed necessary by Licensor to verify compliance with the terms of this Agreement. Any and all information requested shall be held confidential for Licensor purposes, including but not limited to ensuring proper payment to Licensor and other compliance issues. Licensee shall allow, or cause to be allowed, Licensor, or Licensor's agents, access to the above items. If, upon inspection and audit of Licensee's books, records, files and other items, it is determined that Licensee's accounting of payments due under this Agreement was deficient in excess of five percent (5%) of the amount actually due, then Licensee shall reimburse Licensor for the costs of Licensor's audit (including accountants' and attorneys' fees) and, shall immediately pay Licensor the amount due.

Article 6. Installation, Performance and Support

6.1 Initial Delivery of Software. If Licensor has not already done so, Licensor shall deliver to Licensee one copy of the Software and any associated documentation as soon as reasonably, practical after c Effective Date of this Agreement ("Initial Delivery and Installation"). Until further notice, RushTrade Software Services Inc. will maintain server room and house software until CentraTrade Services, Ltd. has completed and tested its Data Center.

6.2 Installation Services. If Licensor has not already done so, Licensor or its authorized designated installer shall make the Initial Delivery and Installation of the Software on the Designated Hardware at Licensee's Authorized Site as soon as reasonably practical after the Effective Date of this Agreement.

6.3 Testing. Licensee shall conduct tests of the Software after it has been installed. This testing shall establish that the Software is functioning as designed. Licensor will provide to Licensee a complete list of

all new features of the Software as such are initiated during the testing period.

6.4 Updates. Licensor, at its option, may provide Licensee with updates and error corrections for the Software. Licensee agrees to install the updates and error corrections in accordance with Licensor's instructions. If Licensee is unable to install the updates and error corrections in accordance with Licensor's instructions, Licensee agrees to request that Licensor may install the updates and error corrections under the terms of Section 6.4.

6.5 Customer Support. Licensee is solely responsible for providing support to its customers and instructing them on how to use the Software. If Licensee is unable to resolve a customer question or problem, Licensee may request Licensor's assistance under the terms of Section 6.4. Licensor shall not be obligated to provide such service to any one not authorized to Licensee to request such service. Licensee shall periodically provide to Licensor a list of individuals authorized to bind Licensee to be obligated to incur the cost set forth in 6.4 above.

Article 7. Confidentiality and Security

7.1 Confidentiality of Software. Licensee acknowledges that the Software is a confidential proprietary trade secret belonging to Licensor, except where explicitly provided for in this Article 7 Licensee agrees to hold the Software and all other Confidential Information in confidence for Licensor. Except as permitted above, Licensee agrees not to sell, rent, sublicense, distribute, transfer, or disclose the Software or its contents, including methods or ideas used in the Software, to anyone. Licensee may, however, disclose front-end, human eye read only portions of the Software and other Confidential Information to employees of Licensee when disclosure to such employees is necessary to use the License as granted in this Agreement and when such disclosure is limited to a "need-to-know" basis. Licensee shall instruct all employees to whom any such disclosure is made that the disclosure is confidential and that the employee must keep the Software and Confidential Information confidential by using at least the same care and discretion that they use with other data designated by Licensee as confidential. The confidentiality requirements of this Article 7 shall be in effect while this Agreement is in force and effect and after it terminates or expires.

7.2 Employee Confidentiality Agreements. Licensee agrees that any material breach of its obligations pursuant to this Article 7 of this Agreement

constitutes a material breach of this Agreement. The Parties agree that any alleged breach of the obligations of Article 7 of this Agreement by a former employee of Licensee shall enable Licensor to have Licensee's right, if any, to assert a claim against such former employee with respect to such breach, and Licensee shall provide reasonable assistance to Licensor in pursuing such a claim.

7.3 Disclosure as Breach. Licensee agrees that any material breach of its obligations pursuant to this Article 7 of this Agreement constitutes a material breach of this Agreement. The Parties agree that any alleged breach of the obligations of Article 7 of this Agreement by a former employee of Licensee shall enable Licensor to require, should Licensor choose such action, Licensee to take all necessary actions to repair any damage resulting from a breach of the obligations set forth in this Article 7, failing which, Licensor may terminate Licensee's right to use the Software under this Agreement as provided in Section 8.2.

7.4 Court Ordered Disclosure. If Licensee is ordered by a court, administrative agency, or other governmental body of competent jurisdiction to disclose the Software or any other Confidential Information, or if it is served with a motion that such an order be issued, then Licensee shall immediately notify Licensor of the motion or order by the most expeditious possible means; and Licensee shall join or agree to (or at a minimum shall not oppose) a motion or similar request by Licensor for an order protecting the confidentiality of the Confidentiality Information, including joining or agreeing to (or non opposition to) a motion for leave to intervene by Licensor.

7.5 Reporting of Attempts to Disclose. Licensee shall immediately report to Licensor any attempt by any person of which Licensee has knowledge (i) to use or disclose any portion of the Confidential Information without authorization from Licensor, or (ii) to copy, reverse assemble, reverse compile or otherwise reverse engineer any part of the Confidential Information.

7.6 Data Backup. Licensor is not responsible for the backup or storage of Licensee's data or Licensee's customers' data. Licensee agrees to maintain adequate records so as to be able to replicate any information transmitted by Licensee's customers through use of the Software.

7.7 Inspection. Licensee hereby authorizes Licensor to enter its premises in order to inspect the Software in any reasonable manner during Licensee's normal working hours to verify Licensee's compliance with the terms of this Agreement. This inspection shall only be allowed after Licensor has given twenty-four (24) hours notice for this purpose. If such notice is personally delivered, emailed, or sent by facsimile, it shall be deemed given

upon the earlier of (1) receipt of said notice and/or (2) confirmation of transmission by sender. Any other form of notice shall be controlled by Article 10.2 below.

7.8 Injunction. Licensee acknowledges that, in the event of a breach by Licensee or any of Licensee's customers of any of the foregoing provisions or of the provisions of Article 2 (License), Article 3 (Limitations on Use) or Article 7 (Confidentiality), Licenser will not have an adequate remedy in money damages. Licenser shall therefore be entitled to obtain an injunction against such breach from any court of competent jurisdiction immediately upon request. Licenser's right to obtain injunctive relief shall not limit its right to seek further remedies.

7.9 Confidentiality of Licensee's Customers. In the event that Licenser gains ,access to any Confidential Information belonging to Licensee or its customers under the terms of this Agreement, Licenser agrees to maintain that information as Confidential, and not use that information for any purpose not specified in this Agreement, or otherwise disclose the information to any other parties.

Article 8. Termination

8.1 Effective Life of Agreement. This Agreement shall remain in force from the Effective Date for a period of two (2) years from the Effective Date, unless earlier terminated as provided for herein.

8.2 Termination. Licensee may terminate this Agreement upon (a) the failure of Licenser to cure a material breach within sixty (60) days of written notice of the material breach, or (b) for any reason upon 60 days advance notice to Licenser. Licenser will -have the right to terminate this Agreement if Licensee has (a) breached any material term of this Agreement and failed to cure such breach within 30 days after receipt of written notice from Licenser, or may terminate with reasonable cause upon 180 day advance notice to Licensee. In the event that Licenser should wrongfully terminate this Agreement, then Licenser shall be obligated to pay to Licensee the fees (for purposes of this Section 8.2, the "Termination Fees") set forth in Section 5.1 for all executable transactions on exchanges utilizing the Software by any person or entity which was, at the time of the wrongful termination, a client or customer of Licensee (each, a "Former Customer"). The Termination Fees will be paid in the same manner as set forth in Section 5.4. Termination Fees will begin accruing on the date each Former Customer begins trading with the Software through some party or means other than Licensee (for example, by the Former Customer directly, through Licenser using its own "application service provider", or through any other method or means) and ending on the 365`h day after the date of such first trade. The obligation of Licenser to pay Termination Fees survives the expiration or termination of this Agreement, and does not preclude Licensee from seeking any other remedy at law or in equity in the event of a wrongful termination of this Agreement by Licenser.

8.3 Events of Default. This Agreement may be terminated by either

Party if the other Party is at any time placed in bankruptcy, if it goes into voluntary dissolution, if it has a receiver appointed, if it compromises with its creditors, or if it has any material judgment given against it and such judgment is final or becomes final and is not satisfied within twenty-one (21) days of the final judgment (after all appeals) or of the date of the judgment becoming final (after all appeals).

8.4 Effect of Termination. All rights and obligations of the Parties hereunder shall cease upon the termination of this Agreement except that (i) the obligations of the parties pursuant to Article 7 (relating to Confidentiality) shall continue in full force and effect, and (ii) any amounts owed to a Party hereunder shall continue to be owed. Upon termination of this Agreement all license grants from Licensor to Licensee shall cease, Licensee shall immediately cease all use of the Software, and, at Licensor's request, Licensee shall either destroy or send to Licensor all copies of the Software and related materials in its possession.

Article 9. Warranties and Indemnification

9.1 Compliance. Each party warrants that it will comply with all applicable laws and regulations of the United States, including all Securities and Exchange Commission regulations, and with all applicable rules of the National Association of Securities Dealers (NASD, New York Stock Exchange, or other applicable security exchanges' rules and regulations). This Agreement shall not be construed to require any party to take any action in violation of any such applicable laws, rules or regulations.

9.2 No Warranties. THE SOFTWARE IS PROVIDED "AS IS WITH ALL FAULTS" AND NO WARRANTIES, EXPRESS OR OTHERWISE, ARE MADE REGARDING THE PERFORMANCE OR RESULTS OF THE SOFTWARE. LICENSEE FURTHER ACKNOWLEDGES AND AGREES THAT LICENSOR DOES NOT WARRANT THAT THE SOFTWARE WILL DELIVER ORDERS TO NASDAQ OR OTHER EXCHANGES OR THAT THE DATA IT RECEIVES IS TRUE, ACCURATE OR IN REAL TIME. IN ADDITION, LICENSEE AGREES AND ACKNOWLEDGES THAT THE SOFTWARE CALCULATIONS MAY NOT BE CORRECT AND THAT THE SOFTWARE MAY FAIL WITHOUT WARNING. LICENSEE AGREES TO RELY ON THE SOFTWARE AND ITS RESULTS SOLELY AT LICENSEE'S OWN RISK. LICENSEE HEREBY AGREES AND UNDERSTANDS THAT LICENSOR MAKES NO WARRANTIES OR GUARANTIES AS TO A TIMELY INSTALLATION OF THE SOFTWARE OR ANY DOWNTIME THAT THE SOFTWARE MAY CAUSE LICENSEE IN ITS BUSINESS.

9.3 Allocation of Risk. Licensee acknowledges and agrees that the risk concerning the quality and performance of the Software is assumed by Licensee. As between the parties, Licensee assumes all liability for any corruption or delay of data that occur in Licensee's computers, Licensee's customers' computers, or the various exchanges and networks used to execute trades. Licensee agrees that Licensor is merely providing software services through which customers may communicate with the exchanges to execute trades.

Licensor is not responsible for verifying the accuracy of the information entered into the Software by Licensee or Licensee's customers, Licensee assumes all responsibility for obtaining an executed contract from each of Licensee's customer that governs Licensee's obligations and liabilities to the customer, Licensee acknowledges that Licensor has no control over Licensee's and Licensee's customer's entry of data and that Licensor assumes no responsibility for Licensee's or Licensee's customers' computers or networks, the NASDAQ, AMEX, or NYSE, or any other exchange.

9.4 Disclaimer. THE WARRANTIES AND LIMITATIONS SET FORTH IN THIS ARTICLE CONSTITUTE THE ONLY WARRANTIES MADE BY THE PARTIES. THE PARTIES SPECIFICALLY DISCLAIM ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF DESIGN, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES

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9.5 Limitations of Liability. NOTWITHSTANDING THE ABOVE PROVISIONS, AT ANY TIME THERE SHALL BE NO LIABILITY ON THE PART OF LICENSOR BY VIRTUE OF THIS AGREEMENT, OR THE PERFORMANCE OR NONPERFORMANCE OF ITS RESPONSIBILITIES UNDER THE AGREEMENT, OR BY VIRTUE OF A BREACH BY LICENSOR OF ANY REPRESENTATION OR WARRANTY CONTAINED HEREIN WHETHER DUE TO THE NEGLIGENCE OF LICENSOR OR OTHERWISE LICENSEE AGREES THAT IN NO EVENT WILL THE TOTAL AGGREGATE LIABILITY OF LICENSOR FOR ANY CLAIMS, LOSSES, OR DAMAGES EXCEED THE GREATER OF (A) \$10,000, OR (B) THE TOTAL AMOUNT PAID BY LICENSEE TO LICENSOR UNDER THIS AGREEMENT FOR THE THREE MONTH PERIOD IMMEDIATELY PRECEDING THE DATE UPON WHICH THE FIRST ACT OR OMISSION OCCURRED THAT GAVE RISE TO LICENSOR'S LIABILITY. THE FOREGOING LIMITATION OF LIABILITY IS COMPLETE AND EXCLUSIVE, SHALL APPLY EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL CLAIMS, LOSSES, OR DAMAGES, AND SHALL APPLY REGARDLESS OF THE SUCCESS OR EFFECTIVENESS OF ANY OTHER REMEDIES POSSESSED BY LICENSEE OR THIRD PARTIES. THIS LIMITATION OF LIABILITY REFLECTS AN ALLOCATION OF RISK BETWEEN LICENSOR AND LICENSEE IN VIEW OF THE FEES CHARGED BY LICENSOR.

9.6 Infringement Issues. Licensee shall notify Licensor of the assertion of any claim that the Software or Licensee's use of the Software under

this Agreement violates the trade secret, trademark, copyright, patent, or other proprietary right of any other party, and shall cooperate with Licensor in the investigation and resolution of any such claim. If the Software becomes, or is likely to become, the subject of a claim of infringement of a copyright or patent, Licensor, at its option, may procure for Licensee the right to continue using the Software, may replace or modify the Software to render it non-infringing, or may require that Licensee discontinue use of the Software.

Article 10. Additional Terms.

10.1 Assignment. Licensee shall not assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual firm or corporation without the prior written consent of Licensor, which consent shall not be unreasonably withheld, Any assignment with consent does not release Licensee from any of its obligations under this Agreement unless the consent so states.

10.2 Notices. Any and all notices (except for invoicing and inspection as provided for herein to the contrary) to be given under this Agreement by either Party to the other may be effected by personal delivery in writing, by telecopy, or by mail, registered or certified, postage prepaid with return receipt requested. Notices shall be sent to the Parties at their respective addresses set forth on the first page of this Agreement. Notices delivered personally or telecopied shall be deemed given as of seven (7) days after mailing.

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10.3 Taxes. Licensee shall reimburse Licensor for any state, local, and federal taxes (excluding taxes imposed upon Licensor's income) applicable to the transactions contemplated under this Agreement provided (i) Licensor has the legal obligation to collect the tax from Licensee, and (ii) Licensor either charges Licensee the tax at the time of invoicing, if applicable, or if assessed by a taxing jurisdiction at a later date, sufficient notice is given to Licensee so Licensee may provide documentation to Licensor that either Licensee has already paid such taxes to the taxing jurisdiction, or that the tax is not legally due.

10.4 Severability. If any provision of this Agreement shall be held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, that provision shall be modified, if possible, or deleted, if not possible, and the remainder of this Agreement shall remain in full force and effect.

10.5 Entire Agreement. This Agreement represents the final agreement of the parties with regard to the subject matter hereof, supersedes

all previous agreements and understandingly whether written or oral, between the Parties with respect thereto. There are no unwritten oral agreements between the Parties hereto. This Agreement may not be modified except by an instrument in writing signed by a duly authorized representative of each Party hereto.

10.6 No Agency. Nothing in this Agreement shall be construed to create an agency, joint venture, partnership, or other form of business association between the Parties.

10.7 Governing Law Jurisdiction Venue. This Agreement is deemed to have been entered into in the State of Texas, and its interpretation, construction, and the remedies for enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of Texas except for choice of law principles. Venue and jurisdiction for any action or claim, brought under this Agreement shall be in the courts with proper jurisdiction located in the State of Texas, and the Parties expressly submit themselves to the personal jurisdiction of such courts.

10.8 Attorneys' Fees and Costs. If any legal proceeding is necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which that Party may be entitled.

10.9 Force Majeure. The obligations of the Parties under this Agreement (other than the obligation to make payments) shall be suspended to the extent a Party is hindered or prevented from complying therewith because of labor disturbances (including strikes or lockouts) war, terrorist act, actions of God, earthquakes, fires, storms, accidents, governmental regulations, failure of vendors or suppliers, or any other cause whatsoever beyond a party's control. For so long as such circumstances prevail, the Party whose performance is delayed or hindered shall continue to use all commercially reasonable efforts to recommence performance without delay.

10.10 Headings. The headings in this Agreement are for purposes of reference only and shall not be construed a part of this Agreement.

10.11 No Bias. This Agreement shall be interpreted as written and negotiated jointly by the Parties. It shall not be strictly construed against either Party, regardless of the actual drafter of the Agreement.

10.12 Duplicate Counterparts. This document may be executed in duplicate and, if so, either copy or both copies are considered originals.

10.13 No Representations. Each party acknowledges that it enters into this Agreement of its own accord and does not do so on the basis of, and

does not rely on, any representation, warranty or other provision except as expressly provided herein, and all conditions, warranties or other terms implied by statute or common law are hereby excluded to the fullest extent permitted by law.

10.14 Binding. This Agreement shall be binding on the Parties, their affiliated companies, subsidiaries, successors, and assigns (if any), and they each warrant that the undersigned are authorized to execute this Agreement on behalf of the respective Party. This Agreement is also binding upon the officers, directors, agents, employees, partners and shareholders of the Parties and any other persons acting in concert with them.

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IN WITNESS WHEREOF, the Parties have respectfully caused this Agreement to be executed by their duly authorized representative on the date hereinafter indicated.

LICENSEE:
CENTRATRADE SERVICES, LTD.,
A Texas limited partnership
By: PSJ Management, LLC, a Texas limited
Liability company
Its: General Partner

LICENSOR.
RushTrade Software Services, Inc.

By: /s/ Paul A. Mougel

Paul A. Mougel, CEO

By: /s/ D.M. (Rusty) Moore, Jr.

D.M. (Rusty) Moore, Jr., President

Name: Paul Mougel

Title: CEO

Title:

Date: March 7, 2002

Date: March 7, 2002

<TABLE>
<CAPTION>

Rushmore Financial Group, Inc.
Common Stock Issued & Outstanding

Date	Cash Date	Issued	Outstanding	Description	Cash/Subscr	Price	Per Share	Key	9/30/01 YTD Days Outstand	6/30/01 QTD Days Outstand
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance	12/31/2000	4,644,253	4,554,780						273	
	02/01/2001	606,400	606,400	Northstar	-	454,800.00	0.750	Northstar	241	
	02/01/2001	75,000	75,000	Northstar	-	56,250.00	0.750	Northstar	241	
	02/01/2001	50,000	50,000	Northstar	-	37,500.00	0.750	Northstar	241	
	02/01/2001	175,000	175,000	Northstar	-	131,250.00	0.750	Northstar	241	
Balance	03/31/2001	5,550,653	5,461,180							
	05/15/2001	333,332	333,332	InvestScape	164,829.00	164,829.00	0.494	sale1	138	
	05/15/2001	333,334	333,334	InvestScape	165,171.00	165,171.00	0.496	sale1	138	
	05/15/2001	333,334	333,334	InvestScape	166,667.00	166,667.00	0.500	sale1	138	
Balance	06/30/2001	6,550,653	6,461,180							92
	07/15/2001	3,245	3,245	Preferred stock dividends		1,784.75	0.550	div	77	77
	08/01/2001	-	(597,405)	Vann treasury stock		(304,676.55)	0.510	treasury	60	60
	08/27/2001	300,000	300,000	21st Century Partners	87,000.00	87,000.00	0.290	exp2	34	34
Balance	09/30/2001	6,853,898	6,167,020							
	10/15/2001	5,317	5,317	Preferred stock dividends		2,126.80	0.400	div	288	
	05/08/2001	20,000	20,000	Russ Tarbett issue		13,000.00	0.650	sbc		
	11/13/2001	2,500	2,500	John Moore issue		725.00	0.290	sbc		
	11/13/2001	(300,000)	(300,000)	21st Century Partners	-	(87,000.00)	0.290	exchange		
	11/13/2001	50,000	50,000	Michael Jordan (21st)	-	14,500.00	0.290	exchange		
	11/13/2001	100,000	100,000	Charles Chreitzberg (21st)	-	29,000.00	0.290	exchange		
	11/13/2001	39,350	39,350	Toni Keller (21st)	-	11,411.50	0.290	exchange		
	11/13/2001	50,000	50,000	Carl Mauthe (21st)	-	14,500.00	0.290	exchange		
	11/13/2001	60,650	60,650	George Blanton (21st)	-	17,588.50	0.290	exchange		
	11/13/2001	25,000	25,000	Charles Middleton issue	3,300.00	7,250.00	0.290	sale2	7,000.00	
	11/13/2001	22,674	22,674	Martha Moore issue	3,809.22	6,575.46	0.290	sale2	6,348.72	
	11/13/2001	12,500	12,500	Michael Jordan issue bonus		3,625.00	0.290	InvestRel		3,500.00
	11/13/2001	12,503	12,503	Carl Mauthe issue bonus		3,625.87	0.290	InvestRel		3,500.84
	11/13/2001	15,000	15,000	James Keller IRA issue	2,509.91	4,350.00	0.290	sale2	4,200.00	
	11/13/2001	990	990	Toni Keller IRA issue	178.98	287.10	0.290	sale2	277.20	
	11/13/2001	2,375	2,375	T&K Trust (Keller) issue	388.98	688.75	0.290	sale2	665.00	
	11/13/2001	6,250	6,250	Toni Keller Trust issue	1,039.96	1,812.50	0.290	sale2	1,750.00	
	11/13/2001	9,838	9,838	Toni Keller issue bonus		2,853.02	0.290	InvestRel		2,754.64
	11/13/2001	25,000	25,000	Charles Chreitzberg issue bonus		7,250.00	0.290	InvestRel		7,000.00
	11/13/2001	142,304	142,304	Dewey Moore Sr. issue	23,906.97	41,268.16	0.290	sale2	39,845.12	
	11/13/2001	8,321	8,321	George Blanton IRA issue bonus		2,413.09	0.290	sale2	2,329.88	
	11/13/2001	15,163	15,163	George Blanton IRA issue bonus		4,397.27	0.290	InvestRel		4,245.64
	11/20/2001	30,000	30,000	Jack Williams issue	9,227.00	9,227.00	0.280	exp		
	11/20/2001	5,000	5,000	Kamela Boyd issue		1,400.00	0.280	sbc		
	11/20/2001	5,000	5,000	Richard Ballard issue		1,400.00	0.280	sbc		
	11/20/2001	10,000	10,000	Paige Dawson issue	2,800.00	2,800.00	0.280	exp		
Balance Dec 31, 2001		7,229,633	6,542,755	12/31/2001	630,828.02	1,077,650.22		x		
	01/25/2002	7,520	7,520	Hailiang Fu expense settle		1,955.20	0.260	exp	25	

01/15/2002	6,859	6,859	Preferred stock dividends	2,126.29	0.310	div	15
02/27/2002	7,500	7,500	Hailiang Fu expense settle	1,575.00	0.210	exp	58
02/06/2002	10,000	10,000	Drew Hayes	2,000.00	0.200	sbc	37
02/06/2002	20,000	20,000	Hailiang Fu	4,000.00	0.200	sbc	37
02/06/2002	12,000	12,000	Randy Rutledge	2,400.00	0.200	sbc	37
02/06/2002	20,000	20,000	Richard Rainbolt	4,000.00	0.200	sbc	37
02/06/2002	10,000	10,000	Danny Bordelon	2,000.00	0.200	sbc	37
02/06/2002	2,000	2,000	John Towers	400.00	0.200	sbc	37
02/06/2002	10,000	10,000	Shawn McConnell	2,000.00	0.200	sbc	37
02/06/2002	20,000	20,000	Howard Stein	4,000.00	0.200	sbc	37
02/06/2002	10,000	10,000	Tom Fincher	2,000.00	0.200	sbc	37
03/25/2002	-	-	Hailiang Fu	-	0.200	sbc	84
03/25/2002	5,050	5,050	Dale Moore	1,010.00	0.200	exp	84
03/25/2002	10,000	10,000	Dave Demas	2,000.00	0.200	exp	84
03/25/2002	1,200,000	1,200,000	NewportX	300,000.00	0.250	OTA	84
03/25/2002	5,040	5,040	NewportX	1,008.00	0.200	sbc	84
03/25/2002	2,160	2,160	O'Donnell, J	432.00	0.200	sbc	84
03/25/2002	800	800	McMahon, M	160.00	0.200	sbc	84
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Balance Mar 31, 2002	8,588,562	7,901,684	03/31/2002	90.00			
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