FORM SB-2

Optional form for registration of securities to be sold to the public by small business issuers

Filing Date: **2001-08-03**
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FILER

UPSIDE DEVELOPMENT INC

CIK:**1020367**| IRS No.: **391765590** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **SB-2** | Act: **33** | File No.: **333-66690** | Film No.: **1697321**
SIC: **3944** Games, toys & children's vehicles (no dolls & bicycles)

Mailing Address
141 N. MAIN STREET
SUITE 207
WEST BEND WI 53095

Business Address
141 N. MAIN STREET
SUITE 207
WEST BEND WI 53095
262-334-4500

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON August , 2001
REGISTRATION NO. _____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

UPSIDE DEVELOPMENT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	39-1765590
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

141 North Main Street, Suite 207
West Bend, Wisconsin 53095
(Address of Principal Executive Office) (Zip Code)

Commission File No.: 000-26235

Michael Porter, Chief Executive Officer
141 North Main Street, Suite 207, West Bend, Wisconsin 53095
(262) 334-4500
(Name, address and telephone number of agent for service)

Copies to:
Michael S. Krome, P.C.
8 Teak Court
Lake Grove, New York 11755
(631) 737-8381
(631) 737-8382 (fax)

Securities to be registered pursuant to Section 12(b) of the Act:

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the Registration Statement becomes effective.

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Securities to Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, par value $.01 per share	22,690,100	$0.075	$1,701,757.50	$449.26

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(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457, based on the closing price of the Common Stock, as reported by the OTC Bulletin Board, on July 31, 2001.

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(1) The shares of common stock are being registered hereby for the account of certain shareholders of Upside Development, Inc. No other shares of common stock are being registered pursuant to this offering. Pursuant to Rule 416, this registration statement also covers such indeterminate number of additional shares of common stock as may be issued because of future stock dividends, stock distributions, stock splits, or similar capital readjustments.

(2) Estimated solely for the purpose of calculating the filing fee pursuant to Rule 457(c) under the Securities Act of 1933.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON THAT DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SEC, ACTING PURSUANT TO SECTION 8(A), MAY DETERMINE.

This prospectus is part of a shelf registration statement, which Upside Development, Inc. has filed with the Securities and Exchange Commission. Under the shelf registration statement, Upside Development may offer shares of common stock, warrants or other rights to purchase shares of capital stock. In addition, up to 22,690,100 shares of common stock may be offered by certain selling stockholders. Under the shelf registration process, we and the selling stockholders may sell the securities from time to time in one or more separate offerings, in amounts, at prices and on terms to be determined at the time of sale. Our common stock is listed on the Nasdaq Over the Counter Bulletin Board under the symbol "UPSD". In addition to common stock, we also have shares of preferred stock issued and outstanding. The rights of holders of common stock and preferred stock differ with respect to some aspects of convertibility and voting (See" Preferred Stock"). We will not offer or sell any shares of preferred stock under this prospectus. This prospectus provides a general description of the securities that we may offer. Each time we sell shares of common stock or warrants or other rights, we will provide a prospectus supplement which will contain the specific terms of the securities being offered at that time. The prospectus supplement may add, update or change information contained in this prospectus. You should read both this prospectus and the prospectus supplement in conjunction with the additional information described under the headings "Where You Can Find More Information" and "Information Incorporated by Reference."

22,690,100 Shares

UPSIDE DEVELOPMENT, INC.

Common Stock

This prospectus relates to 22,690,100 shares of common stock of Upside Development, Inc., a Delaware corporation ("Upside Development"). These shares are offered by the selling shareholders and securityholders ("Selling Shareholders"). Upside Development will not receive any of the proceeds from any sales of the shares, except those sold pursuant to the Note Purchase Agreement, annexed hereto as Exhibit 6(j). Some of the selling shareholders are entitled to acquire the shares by converting convertible notes. If the selling securityholders fully convert their convertible notes, Upside Development will not have to repay the principal amount of the convertible notes. See "Selling Shareholders."

The common stock is traded on the OTC Electronic Bulletin Board under the symbol "UPSD." On July 27, 2001, the last reported sale price for the common stock, as reported on the OTC Electronic Bulletin Board, was $0.075 Per share. The selling shareholders may, from time to time, sell the shares at market prices prevailing on Nasdaq at the time of the sale or at negotiated prices under the terms described under the caption "Plan of Distribution."

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS" BEGINNING AT PAGE 7 .

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A

CRIMINAL OFFENSE.

AVAILABLE INFORMATION

Upside Development is subject to informational requirements of the Securities Exchange Act of 1934. In accordance with the 1934 Act, Upside Development files reports and other information with the Securities and Exchange Commission. Such reports and other information can be inspected and copies at the Public Reference Room maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-(800)-SEC-0330 for further information on the Public Reference Room. Upside Development's Securities and Exchange Commission filings are also available to the public at the Securities and Exchange Commission's Internet site at http://www.sec.gov.

Upside Development has filed a registration statement for Form SB-2 under the Securities Act of 1933, as amended, with respect to the common stock being offered. This prospectus does not contain all the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. Statements contained in this prospectus concerning the provisions of documents are necessarily summaries of such documents, and each statement is qualified in its entirety by reference to the copy of the applicable document filed with the Commission.

We will provide without charge to each person to whom a prospectus is delivered, upon written or oral request of such person, a copy of any and all of the information that has been incorporated by reference in this prospectus (excluding exhibits unless such exhibits are specifically incorporated by reference into such documents). Please direct such requests to Michael Porter, 141 N. Main Street, Suite 207, West Bend, Wisconsin 53095, telephone number (262) 334-4500.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements include the information concerning possible or assumed future results of operations of Upside Development and its subsidiaries. Also, when we use words such as "believes," "expects," "anticipates," or similar expressions, we are making forward-looking statements. Prospective investors should note that many factors, some of which are discussed elsewhere in this documents and in the exhibits, could affect the future financial results of Upside Development and its subsidiaries and could cause the results to differ materially from those expressed in our forward-looking statements contained in this document or the exhibits. These factors include the following:

- Operating, legal and regulatory risks;
- Economic, political and competitive forces affecting our financial services business; and
- The risk that our analysis of these risks and forces could be incorrect and/or that the strategies developed to address them could

be unsuccessful.

The accompanying information contained in this prospectus, as well as in Upside Development's 1934 Act filings, identifies important additional factors that could adversely affect actual results and performance. Prospective investors are urged to carefully consider such factors.

All forward-looking statements attributable to Upside Development are expressly qualified in their entirety by the foregoing cautionary statements.

SUMMARY

Alottafun!, Inc., now Upside Development, Inc., was originally established on August 15, 1993 as a distributor, and marketer of collectible toys and candy. We have marketed products that include tea sets, games, puzzles, books, plush toys, purses, ride-on cars, and a unique surprise box.

In May 1999, Alottafun!, now Upside Development, joint ventured with E-Commerce Fulfillment, LLC. which contracted with M.W Kasch, an independent U.S. toy distributor, to launch an e-commerce Internet portal called TOYPOP.COM. On February 28, 2000, we, and M.W. Kasch agreed to terminate our relationship and thereupon, M.W. Kasch Co. gave notice that effective March 28, 2000 our agreement with them was terminated. Our role was to manage marketing strategies, and to provide the electronic mediums for the sale, customer support, and fulfillment of products that joint venture purchase.

In October 1999, we commenced negotiations with a software developer, MHA, to jointly develop a business-to-business site that would allow toy manufacturers to sell direct to retailers as a further expansion of its TOYPOP site. We chose not to partner with MHA, and instead decided to pursue a business-to-business strategy ourselves. At Toy Fair 2000, we announced our strategy and began signing up both manufacturers and retailers. We announced our business-to-business Internet strategy on February 22, 2000.

On February 10, 2000, as a result of our independent pursuit of a business-to-business strategy without MHA, who hosted the TOYPOP Internet site, MHA shut down our TOYPOP site. We intend to remake the site into a channel in the new MRABA Internet initiative. Sales of toy products through the TOYPOP site amounted to $16,506 during the 1999 Holiday selling season, primarily due to the lack of marketing and the limited availability of the better selling toy products through M. W. Kasch.

We announced our business-to-business internet strategy on February 22, 2000. In May, 2000, we launched MRABA.COM; a B2B site devoted to the toy, candy and related children products industry.

As a process of developing the MRABA.com site, we developed a sophisticated software system called e-Logic. The e-Logic system is a web-based application developed for companies to provide integrated, real-time information for all aspects of a companies back office operations, including everything from order entry and processing through inventory tracking and cost accounting. We have initially entered into an agreement with Kamino International Transport, Inc., a New York based transportation and logistics company to provide the e-Logic System to their client base.

In January 2001, we signed letters of intent to acquire three tire recycling companies and a logistics company, allowing us to expand our technology expertise into a fast growth industry.

Summary Financial Information

	12/31/2000	3/31/2001
Balance Sheet Data:		
Total Assets	$ 65,572	$ 212,217
Total Liabilities	865,040	910,975
Total Stockholders' Deficit	(799,468)	(698,758)
Statement of Operations:		
Revenues	144,822	33,083
Expenses	2,498,154	293,665
Income (Loss) from Operations	(2,344,332)	(260,582)
Net Income (Loss)	(2,344,387)	(308,025)
Income (Loss) Per Share	(.18)	(.02)
Shares Used In Computing Net Income (Loss) Per Share	12,575,845	19,850,845

RISK FACTORS

You should carefully consider the risks described below before making a

decision to invest in UPSIDE DEVELOPMENT. Our business, financial condition and results of operations could be adversely affected by these risks. You should be able to bear a complete loss of your investment.

We May Not Be Able To Manage Our Planned Rapid Growth.

We expect to grow rapidly in the future. As a result, comparing our period-to-period operating results may not be meaningful and results of operations from prior periods may not be indicative of future results.

Implementation of our growth strategy is subject to risks beyond our control, including competition, market acceptance of new products, changes in economic conditions, and our ability to finance increased levels of accounts receivable and inventory necessary to support sales growth, if any. Accordingly, we cannot assure you that our growth strategy will be implemented successfully.

A Few Customers May Account For A Large Portion Of Our Sales.

In the early stage of our development of new products, a few customers may account for a large portion of sales. Except for receiving purchase orders for our products, we do expect to have written contracts with or commitments from any of our customers. A substantial reduction in or termination of orders from any large customer could adversely affect our business, financial condition and results of operations. In addition, pressure by a large customer seeking a reduction in prices, financial incentives, a change in other terms of sale or for our company to bear the risks and the cost of carrying inventory could also adversely affect our business, financial condition and results of operations.

We Depend On Our Key Personnel.

Our success is largely dependent upon the experience and continued services of Michael Porter, our President and Chief Executive Officer. We cannot assure you that we would be able to find an appropriate replacement for Mr. Porter if the need should arise, and any loss or interruption of Mr. Porter's services could adversely affect our business, financial condition and results of operations.

We don't maintain key-man life on Mr. Porter. Should either or both die, there may be serious and adverse consequences for the company.

Future Business Acquisitions.

The Company is engaging in preliminary talks to make further acquisitions in the tire recycling business. Tire recycling business is volatile. There is no assurance that we will be successful in operating in this field.

The Market Price Of Our Common Stock Will Be Volatile.

Market prices of the securities of recycling companies are often volatile. The market price of our common stock will be affected by many factors, including:

- fluctuations in our financial results;
- the actions of our customers and competitors (including new product line announcements and instructions);
- new regulations affecting foreign manufacturing;
- other factors affecting the toy industry in general; and
- sales of our common stock into the public market.

In addition, the stock market periodically has experienced significant price and volume fluctuations which may have been unrelated to the operating performance of particular companies. The registration of these shares will have a depressive effect on the market price of our common stock.

Future Sales Of Our Shares Could Adversely Affect Our Stock Price.

As of January 1, 2001, there were 16,360,437 shares of our common stock outstanding. An additional 58,300,000 shares of our common stock are issuable upon the conversion of our convertible preferred stock and upon the exercise of currently exercisable warrants and options. If all these shares were issued, we would have 44,660,437 shares of our common stock outstanding. Of this, 50,000,000 are shares that may be obtained from the conversion of the convertible preferred stock that requires the company to obtain sales of $5 million to $25 million.

Our Management Exercises Substantial Control Over Our Business.

As of August 1, 2001, our directors and executive officers beneficially own upon conversion of stock options, in the aggregate, 6,521,407

shares of our common stock, representing approximately 39.9% of common stock outstanding. In addition, the Series A Preferred Stock held by Mr. Porter and Mr. Kashayar Pashakhan has the right to cast 25 votes per share on all matters submitted to the vote of other holders of Common Stock. The Series A Preferred Stock was issued to Mr. Porter and Mr. Pashakhan, to assure complete and unfettered control of the Company by its founders during its formative stages. The issuance of the Series A Preferred Stock constitute an anti-takeover device since the approval of any merger or acquisition of the Company will be completely dependent upon the approval of Mr. Porter and Mr. Pashakan.

Each share of the Series A Preferred Stock is convertible into 10 shares of the Company's Common Stock at any time by the election or either Mr. Porter or Mr. Pashakanl. If either Mr. Porter or Mr. Pashakan elect to convert the Series A Preferred Stock into Common Stock, their relative ability to control the affairs of the Company would be reduced because upon conversion the Common Stock, which replaces the Preferred Stock, would only have one (1) per share as opposed to 25 votes per share.

In Our Operating History, We May Not Be Able To Successfully Manage Our Business To Achieve Profitability.

We may not be able to grow our business as planned or ever become a profitable business. We began the most recent phase of our commercial operations that includes the MRABA web network in January 2000. Because of this very limited operating history, there are no meaningful financial results, which you can use to evaluate the merits of making an investment in us. Accordingly, investment decisions must be made based on our business prospects. Our business prospects are subject to all the risks, expenses and uncertainties encountered by any new venture. We also face the risks inherent in operating in the rapidly evolving markets for Internet products and services. If we are unable to successfully address these risks or grow our business as planned, the value of our common stock will be diminished.

The Report Of Our Independent Accountants Contains A Going Concern Qualification Which States That We May Not Be Able To Continue Our Operations.

Our independent certified public accountants' report for the last fiscal year ended December 31, 2000 contains an explanatory paragraph. This paragraph states: "The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 2 to the financial statements, the Company has sustained substantial losses since inception that total approximately $7,060,000 and has used cash in operations of approximately $804,000 and $687,000 for the years ended December 31, 2000 and 1999, respectively. The Company also has a negative working capital of $633,000 at December 31, 2000, negative net worth of approximately $799,000 at December 31, 2000, and is currently in default on approximately $80,000 of notes payable. Additionally, the Company has not had significant revenues over the past two years. These issues raise substantial doubt about the Company's ability to continue as a going concern. Realization of the Company's assets is dependent upon the Company's ability to raise additional capital, as well as generate revenues sufficient to result in future profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty."

This Prospectus Contains Forward-Looking Statements. These Statements May Prove To Be Inaccurate.

Some of the statements in this prospectus are forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements about our plans, objectives, expectations, intentions and assumptions that are not statements of historical fact. You can identify these statements by the following words:

"may," "plans," "will," "expects," "should," "believes," "estimates," "intends" and similar expressions. We cannot guarantee our future results, performance or achievements. Our actual results and the timing of corporate events may differ significantly from the expectations discussed in the forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements.

USE OF PROCEEDS

The Company will not receive any proceeds from the sale by the Selling Shareholders. The Company will receive the proceeds from the sale of securities registered herein and held until the Company determines it is needed to sell the securities pursuant to the Note Purchase Agreement with Augustine Associates, L.L.C., and annexed hereto as Exhibit 6(k). All the Selling Shareholder's will have the opportunity to sell their registered shares after the effective date of this registration statement become effective.

THE OFFERING

Common stock offered by selling shareholders: 22,690,100 shares

Common stock outstanding, June 28, 2001, prior to the offering:40,678,214 shares

Common stock to be outstanding after the offering: 63,368,214 shares

Nasdaq BB LISTING Market symbol.... UPSD

DILUTION

A company's net tangible book value is equal to its total tangible assets minus its total liabilities. A company's net tangible book value per share is calculated by dividing its net tangible book value, by the total number of shares of common stock outstanding. As of December 31, 2000, we had a net tangible book value of (-831,200), or approximately (-.05) per share of common stock.

There is no dilution upon the registration of the shares of the Selling Shareholders.

SELLING SHARE HOLDERS and SECURITY HOLDERS

Except as otherwise indicated, the following table sets forth certain information regarding the beneficial ownership of our common stock as of January 1, 2001 by the shareholders of the Company who are offering securities pursuant to this prospectus. Beneficial ownership includes shares for which an individual, directly or indirectly, has or shares, voting or investment power or both. All of the listed persons have sole voting and investment power over the shares listed opposite their names unless otherwise indicated in the notes below. None of the Selling Shareholders have been an officer, or held any other material relationship with Upside Development, or its affiliates or predecessors, other than Gerald Couture, within the last three years. We will receive no proceeds from the sale of these shares.

Name	Number of shares offered	% of shares Outstanding
SAS Trust #1	150,000(1)	*
T-3 Group, Ltd	48,750(1)	*
Roger Trevino Sr.	73,334(1)	*
Roger Trevino Jr.	73,333(1)	*
Patrick X. Trevino	73,333(1)	*
Merger Communications	15,000(1)	*
CDF Investor Relations	135,000(1)	*
Robert Mitchell	25,000(1)	*
Leibold Associates	400,000(1)	*
Gordon G. Schmiedl	7,000(1)	*
Ted Weintraub	3,000(1)	*
Vilar Arts, Inc.	40,000(1)	*
Traci Hutchings	30,000(1)	*
Michael Lynch	30,000(1)	*
Treat Entertainment	100,000(1)	*
Great Lakes Packaging	40,000(1)	*
Joseph Grinbaum	60,000(2)	*
Robert Vivari	25,000(2)	*
Gerald Couture	500,000(4)	*
Edward Risdon	15,000(2)	*
Norman Sugarman	53,000(2)	*
A. William Lind	22,500(2)	*
James Hohrine	75,000(2)	*
Totte Multimedia	150,000(1)	*
Vince Abbott	556,000(2)	1.14%
Jacob Perl	900,000(2)	1.84%
Robert Vivari	250,000(1)	*
F.G.P. Inc.	430,000(3)	*
Michele Carew	100,000(3)	*
Paul Clemente	100,000(3)	*
Dorothy Colamartino	420,000(3)	*
Scott Moore	350,000(3)	*
OTC Success Partners	1,000,000(3)	2.05%
eWebplace.com, Inc.	1,300,000(2)	2.66%
Augustine Associates	5,000,000(2)	10.2%
Clay Realty	2,306,850(2)	4.73%
Louis Mydlach	112,000(3)	*

Hau & Associates	50,000(1)	*
John Tenaglia	278,000(2)	*
William Caparelli	278,000(2)	*
Markhin Holdings	3,500,000(2)	7.1%
Richard Ferrera	75,000(2)	*
Anthony Mauriello	40,000(2)	*
HRE Holdings, LLC	1,000,000(2)	2.05%
Shares for Future Sale	2,500,000	5.1%
TOTAL TO REGISTER	22,690,100	

(1) Represents shares issued in exchange for services and settlement of debt.
(2) Represents shares issued for cash to the Company
(3) Represents shares issued in exchange for services.
(4) Exercise of Options

(*) Equals less that 1% of the issued and outstanding shares of the Company

SHARES ELIGIBLE FOR FUTURE SALE

As of the date of this Prospectus, the Company had outstanding 40,678,214 shares of its Common Stock. Of this amount, 22,690,100 shares of Common Stock are being registered on behalf of the Selling Shareholders. Of these shares, the 22,690,100 shares of Common Stock sold in this offering will be freely tradable without restriction or limitation under the Securities Act, except for any shares purchased by "Affiliates" or persons acting as "Underwriters" as these terms are defined under the Securities Act.

The 18,831,667 shares of Common Stock held by existing shareholders are "Restricted" within the meaning of Rule 144 adopted under the Securities Act (the "Restricted Shares"), and may not be sold unless they are registered under the Securities Act or sold pursuant to an exemption from registration, such as the exemptions provided by Rule 144 and Rule 701 promulgated under the Securities Act. The Restricted Shares were issued and sold by the Company in private transactions in reliance upon exemptions from registration under the Securities Act and may only be sold in accordance with the provisions of Rule 144 or Rule 701 of the Securities Act.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, any person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares for a period of at least one year is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

(1) 1% of the then-outstanding shares of common stock; and
(2) the average weekly trading volume in the common stock during the four calendar weeks immediately preceding the date on which the notice of such sale on Form 144 is filed with the Securities and Exchange Commission.

Sales under Rule 144 are also subject to provisions relating to notice and manner of sale and the availability of current public information about us. In addition, a person (or persons whose shares are aggregated) who has not been an affiliate of us at any time during the 90 days immediately preceding a sale, and who has beneficially owned the shares for at least two years, would be entitled to sell such shares under Rule 144(k) without regard to the volume limitation and other conditions described above. While the foregoing discussion is intended to summarize the material provisions of Rule 144, it may not describe all of the applicable provisions of Rule 144, and, accordingly, you are encouraged to consult the full text of that Rule.

In addition, our employees, directors, officers, advisors or consultants who were issued shares pursuant to a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, which permits non-affiliates to sell their Rule 701 shares without having to comply with the public information, holding period, volume limitation or notice provisions of Rule 144, and permits affiliates to sell their Rule 701 shares without having to comply with Rule 144's holding period restrictions, in each case commencing 90 days after the date of this prospectus.

The possibility of future sales by existing stockholders under Rule 144 or otherwise including the sale of 22,690,100 shares registered under the Securities Act pursuant to this prospectus, will, in the future, have a depressive effect on the market price of our Common Stock, and such sales, if substantial might also adversely affect the Company's ability to raise additional capital. See "Description of Securities" and "Plan of Distribution."

PLAN OF DISTRIBUTION

Upside Development is registering the shares on behalf of the selling shareholders, as well as registering shares for sale by the Company to raise capital. Selling shareholders include donees and pledgees selling shares received from a named selling shareholder after the date of this prospectus. All

costs, expenses and fees in connection with the registration of the shares offered by this prospectus will be borne by Upside Development. Brokerage commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by the selling shareholders.

Sales of shares may be effected by selling shareholders from time to time in one or more types of transactions (which may include block transactions) on Nasdaq, in the over-the-counter market, in negotiated transactions, through

put or call options transactions relating to the shares, through short sales of shares, or a combination of such methods of sale, at market prices prevailing at the time of sale, or at negotiated prices. Such transactions may or may not involve brokers or dealers.

The selling shareholders have advised Upside Development that they have not entered into any agreements, understandings or arrangements with any underwriters or brokers-dealers regarding the sale of their securities. In addition, there is not an underwriter or coordinating broker acting in connection with the proposed sale of shares by the selling shareholders.

The selling shareholders may effect such transactions by selling shares directly to purchasers or to or through broker-dealers, which may act as agents or principals. Such broker-dealers may receive compensation in the form of discounts, concessions, or commissions from the selling shareholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal, or both. The compensation paid as to a particular broker-dealer might be in excess of customary commissions.

The selling shareholders and any broker-dealers that act in connection with the sale of shares might be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act. And, any commissions received by such broker-dealers and any profit on the resale of the shares sold by them while acting as principals might be deemed to be underwriting discounts or commissions under the Securities Act.

Because selling shareholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, the selling shareholders will be subject to the prospectus delivery requirements of the Securities Act. Upside Development has informed the selling shareholders that the anti-manipulative provisions of Regulation M promulgated under the Exchange Act may apply to their sales in the market.

Upon Upside Development being notified by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Act. The supplement shall disclose (1) the name of each such selling shareholder and of the participating broker-dealer(s), (2) the number of shares involved, (3) the price at which such shares were sold, (4) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (5) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus and (6) other facts material to the transaction. In addition, upon Upside Development being notified by a selling shareholder that a donee or pledgee intends to sell more than 500 shares, a supplement to this prospectus will be filed.

WHERE YOU CAN FIND MORE INFORMATION

We will continue to file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings will be available to the public over the Internet at the SEC's web site at http://www.sec.gov. You may also read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. These documents are also available at the public reference rooms at the SEC's regional offices in New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms.

We have filed a registration statement on Form SB-2 under the Securities Act of 1933 with the SEC. This prospectus is part of that registration statement and, as permitted by the SEC's rules, does not contain all of the information included in the registration statement. For further information about us and our common stock, you may refer to the registration statement and its exhibits and schedules. You can review and copy these documents at the public reference facilities maintained by the SEC or on the SEC's web site as described above.

This prospectus may contain summaries of contracts or other documents. If you would like complete information about a contract or other document, you should read the copy filed as an exhibit to the registration statement.

LEGAL PROCEEDINGS

The Company has an action pending wherein it is being sued by Paychex, the former payroll service for the Company for approximately $20,000. The Company anticipates that the matter will be settled and paid within the next thirty (30) days.

There is threatened litigation against the company from MHA, the company's past web site host and e-commerce provider that terminated the company's TOYPOP website and refused to provide additional e-commerce support services. This dispute involves a claim that we failed to timely pay for past services rendered. However, there is no executed written contract between the parties. Also, MHA is refusing to turn over the HTML web pages that comprise our TOYPOP web site. MHA has also asserted certain copyright infringement and trade secret misappropriation claims. No lawsuit has been filed, merely an exchange of letters between respective counsel. If necessary, and if litigation is instituted, we plan to vigorously defend and assert substantial counterclaims. The likelihood of an unfavorable outcome is impossible to assess at this time. The maximum potential loss to us is also impossible to assess at this time.

MANAGEMENT

Because we are a small company, we are currently dependent on the efforts of a limited number of management personnel. We believe that, given the development stage of our business and the large amount of responsibility being placed on each member of our management team, the loss of the services of any member of this team at the present time would harm our business. Each member of our management team supervises the operation and growth of one or more integral parts of our business.

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth certain information with respect to each person who is a director or an executive officer of the Company as of April 16, 2001.

NAME	AGE	POSITION
Michael Porter	47	Chairman of the Board of Directors and Chief Executive Officer
Peter Paril	56	President, Director

Executive officers are elected by the Board of Directors and serve until their successors are duly elected and qualify, subject to earlier removal by the Board of Directors. Directors are elected at the annual meeting of shareholder to serve for their term and until their respective successors are duly elected and qualify, or until their earlier resignation, removal from office, or death. The remaining directors may fill any vacancy in the Board of Directors for an unexpired term.

BUSINESS EXPERIENCE OF EXECUTIVE OFFICERS AND DIRECTORS

Michael Porter, Chief Executive Officer of Alottafun!, Inc. Founded the company in 1993. From 1985 through 1993, Mr. Porter co-founded and served as President and Chief Executive Officer of Everything's a $1.00, a one-price close out variety store. Mr. Porter served as Executive Vice President of its international operations. Prior to his involvement with Everything's a $1.00, Mr. Porter practiced law in the State of Virginia.

Peter Paril, President. Mr. Paril was formerly Senior Vice-President, Marketing and Sales of the Fruit and Flavors Division of Beatrice Foods. He has extensive experience in developing and managing various businesses. In 1989 he started Recyclers International, the first complete tire recycling business in New Jersey. The facility was able to collect and recycle 10,000 tires a day. The company was sold to Sumitomo Corporation in 1997, and since then Mr. Paril has been involved in the sale and marketing of crumb rubber.

Gerald Couture resigned as Vice President, Chief Financial Officer and Director on February 22, 2001, as part of the plan to restructure the management team of the company.

David Bezalel resigned as an officer and director of the Company, effective June 1, 2001.

Board of Directors

The Company's Bylaws fix the size of the Board of Directors at no fewer than one and no more than seven members, to be elected annually by a plurality of the votes cast by the holders of Common Stock, and to serve until the next annual meeting of stockholders and until their successors have been elected or until their earlier resignation or removal. Currently, there are three (3) directors who were elected on April 20, 1999. One Director was elected September 5, 2000.

Director Compensation

A director who is an employee of the Company receives no additional compensation for services as director or for attendance at or participation in meetings except reimbursement of out-of-pocket expenses and options. Outside directors will be reimbursed for out-of-pocket expenditures incurred in attending or otherwise participating in meetings and may be issued stock options for serving as a director. The Company has no other arrangements regarding compensation for services as a director.

A person is deemed to beneficially own voting securities that can be acquired by that person within 60 days from the date of this prospectus upon the exercise of options. Each beneficial owner's percentage ownership is determined by assuming that the options held by that person, but not those held by any other person, and which are exercisable within 60 days of the date of this prospectus have been exercised. Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Because our CEO and chairman of the board, Michael Porter, and Mr. Pashakhan, will together continue to control UPSIDE DEVELOPMENT after the offering, your ability as a stockholder to influence the management of UPSIDE DEVELOPMENT will be extremely limited. Messrs Porter and Pashakahn through their beneficially ownership and the control afforded by the preferred stock issue can cast approximately 126,431,000 votes in all shareholder matters prior to this offering, and can similarly cast 126,431,000 votes or equivalent to a majority of the total votes that can be cast by the common stock holders and the preferred shareholders upon completion of this offering. They will continue to be in a position to significantly influence any matter put to a vote of our stockholders, including with respect to the election of our directors.

DESCRIPTION OF SECURITIES

GENERAL

Our authorized capital stock consists of 50,000,000 shares of common stock, $.01 par value per share, and 5,000,000 shares of preferred stock, $.0001 par value per share. Upon consummation of this offering, there will be 63,368,214 shares of common stock and 5,000,000 shares of preferred stock outstanding. The Company is currently obtaining the approval of the majority of the shareholders to amend the Certificate of Incorporation and increase the authorize Common Stock to 200,000,000 shares. It is expected that such amendment will be filed and effective prior to the registration statement being declared effective.

COMMON STOCK

The authorized capital stock consists of 50,000,000 shares of common stock, $.01 par value ("Common Stock"), and 5,000,000 of preferred stock, $.0001 par value ("Preferred Stock"), issuable in series. The following description of our capital stock does not purport to be complete and is subject to and qualified in its entirety by our Certificate of Incorporation and Bylaws, which are included as exhibits to this registration statement and by the provisions of applicable Delaware law.

As of May 3, 2001, there were 23,428,114 shares of Common Stock outstanding, held of record by approximately 200 stockholders. In addition, as of March 31, 2001, there were 8,300,000 shares of Common Stock subject to outstanding options.

The holders of Common Stock are entitled to one vote per share for the selection of directors and all other purposes and do not have cumulative voting rights. However, Mr. Porter and Mr. Pashakhan, through their holdings of the voting Preferred Stock, control the affairs of the Company, including the election of directors. The holders of Common Stock are entitled to receive dividends when, as, and if declared by the Board of Directors, and in the event of the liquidation by the Company, to receive pro-rata, all assets remaining after payment of debts and expenses and liquidation of the preferred stock. Holders of the Common Stock do not have any pre-emptive or other rights to

subscribe for or purchase additional shares of capital stock, no conversion rights, redemption, or sinking-fund provisions. In the event of dissolution, whether voluntary or involuntary, of the Company, each share of the Common Stock is entitled to share ratably in the assets available for distribution to holders of the equity securities after satisfaction of all liabilities. All the outstanding shares of Common Stock are fully paid and non-assessable.

PREFERRED STOCK

The Board of Directors of the Company (without further action by the shareholders), has the option to issue from time to time authorized un-issued shares of Preferred Stock and determine the terms, limitations, residual rights, and preferences of such shares. The Company has the authority to issue up to 5,000,000 shares of Preferred Stock pursuant to action by its Board of Directors. As of the date of this registration statement, the Company has outstanding 5,000,000 shares of Series A Preferred Stock. Two and One Half million of these shares are held by Mr. Porter and the other Two and One Half million are held by Mr. Pashakhan. Each share of the Series A Preferred Stock has the right to cast 25 votes per share on each and any matter on which the Common Stock is entitled to vote. Accordingly, Mr. Porter and Mr. Pashakhan are able to control the affairs and operations of the Company including, but not limited to, election of directors, sale of assets or other business opportunities. The Series A Preferred Stock has no dividend rights, redemption provisions, sinking fund provisions or preemptive rights. However, the Series A Preferred Stock holders have the right to convert each share of Series A Preferred Stock into ten (10) shares of the Company's Common Stock based upon the following targets. Each one-half (1/2) share of Series A Preferred Stock is convertible into five (5) shares of Common Stock at such time as the Corporation generates $5,000,000 of annual revenues in any twelve month period. Each 500,000 shares is convertible into 10 shares of Common Stock at such time as the Corporation generates $5,000,000 to $25,000,000 of annual revenue.

In the future, the Board of Directors of the Company has the authority to issue additional shares of Preferred Stock in series with rights, designations and preferences as determined by the Board of Directors. When any shares of Preferred Stock are issued, certain rights of the holders of Preferred Stock may affect the rights of the holders of Common Stock. The authority of the Board of Directors to issue shares of Preferred Stock with characteristics which it determines (such as preferential voting, conversion, redemption and liquidation rights) may have a deterrent effect on persons who might wish to take a takeover bid to purchase shares of the Company at a price, which might be attractive to its shareholders. However, the Board of Directors must fulfill its fiduciary obligation of the Company and its shareholders in evaluating any takeover bid.

CERTAIN PROVISIONS OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

The Company's Certificate of Incorporation provides that no director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director except as limited by Delaware law. The Company's Bylaws provide that the Company shall indemnify to the full extent authorized by law each of its directors and officers against expenses incurred in connection with any proceeding arising by reason of the fact that such person is or was an agent of the corporation.

Insofar as indemnification for liabilities may be invoked to disclaim liability for damages arising under the Securities Act of 1933, as amended, or the Securities Act of 1934, (collectively, the "Acts") as amended, it is the position of the Securities and Exchange Commission that such indemnification is against public policy as expressed in the Acts and are therefore, unenforceable.

DELAWARE ANTI-TAKEOVER LAW AND OUR CERTIFICATE OF INCORPORATION AND BYLAW PROVISIONS

Provisions of Delaware law and our Certificate of Incorporation and Bylaws could make more difficult our acquisition by a third party and the removal of our incumbent officers and directors. These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of the Company to first negotiate with us. We believe that the benefits of increased protection of our ability to negotiate with proponent of an unfriendly or unsolicited acquisition proposal outweigh the disadvantages of discouraging such proposals because, among other things, negotiation could result in an improvement of their terms.

We are subject to Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions. In general, Section 203 prohibits a

publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless:

- the Board of Directors approved the transaction in which such stockholder became an interested stockholder prior to the date the interested stockholder attained such status;
- upon consummation of the transaction that resulted in the stockholder's becoming an interested stockholder, he or she owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers; or
- on or subsequent to such date the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders.

A "business combination" generally includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status, did own, 15% or more of the corporation's voting stock.

DIVIDENDS

The Company has not paid any cash dividends on its common or preferred stock and does not anticipate paying any such cash dividends in the foreseeable future. Earnings, if any, will be retained to finance future growth. The Company may issue shares of its common stock and preferred stock in private or public offerings to obtain financing, capital or to acquire other businesses that can improve the performance and growth of the Company. Issuance and or sales of substantial amounts of common stock could adversely affect prevailing market prices in the common stock of the Company.

LEGAL MATTERS

Legal matters in connection with this offering are being passed upon by the law firm of Michael S. Krome, P.C. Michael S. Krome, P.C., was issued 175,000 shares of Common Stock, paid in exchange for legal services performed in connection with this registration statement.

EXPERTS

The financial statements included in this prospectus and in the registration statement have been audited by Pender Newkirk and Company, independent certified public auditors, to the extent and for the period set forth in their report appearing elsewhere herein and in the registration statement, and are included in reliance upon such report, given upon the authority of Pender Newkirk and Company, as experts in auditing and accounting. This report contains an explanatory paragraph indicating substantial doubt about our ability to continue as a going concern.

TRANSFER AGENT

The transfer agent for the Company is: Manhattan Transfer Registrar Company of Lake Ronkonkoma, New York.

INDEMNIFICATION

Our by-laws include provisions permitted under Delaware law by which our officers and directors are to be indemnified against various liabilities. These provisions of the by-laws have no effect on any director's liability under federal securities laws or the availability of equitable remedies, including injunction or rescission, for breach of fiduciary duty. We believe that these provisions will facilitate our ability to continue to attract and retain qualified individuals to serve as our directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of

this prospectus.

BUSINESS STRATEGY and GROWTH

Our growth strategy will focus on the following:

1. Expand our technology expertise into the scrap tire business.
2. Market and expand the e-Logic software system.
3. Expand and develop the MRABA.COM site to help implement a business to business interaction between retailers and manufacturers.

The Scrap Tire Market

General

The scrap tire market in the United States is one of the largest in the world. The Scrap Tire Management Council (STMC), based in Washington, D.C., estimates that there are over 270,000,000 tires discarded each year. In addition, there are currently over one billion tires stockpiled in the United States and an estimated 1,400,000,000 tires discarded annually worldwide. Although millions of tires are discarded every year, there has been no consensus on the best way to dispose of the tires. One of the early governmental responses to this problem was to require the tires be shred into small pieces to reduce the size of the tire dumps, the potential for fires, and the health hazards which existed because of mosquitoes and rodents which inhabit these tire dumps. The European Union, however, has issued a directive banning land filling of all tires, whether whole or shredded, by the year 2007. In an effort to induce recycling of tires in the United States, many states have enacted laws charging recycling fees on all new tire sales. The fees are deposited into state operated funds which are used for grants to fund tire recycling technology research projects and to compensate tire recyclers for recycling tires.

Estimated Total Scrap Tire Market: 1998 (in Millions)

Fuel	114
Cement kilns	38
Pulp/Paper mills	20
Dedicated tires to energy	16
Electric Utilities	25
Industrial boilers	15
Civil Engineering	20
Products	23
Ground Rubber	15
Cut/Punched/Stamped	8
Miscellaneous/Agriculture	5.5
Export	15.0
Subtotal	177.5
Total Generation	270.0

The Tire Collection/Processing Industry

1. Generators

These are the entities that generate the scrap tires, and include Retailers and Small Operators, Municipalities, Consumers, Junkyards, and Tire Manufacturers.

2. Collectors

Tire are collected by a variety of entities, including Licensed dealers, Unlicensed (Tire Jockeys) and Municipalities

3. Processors

There are approximately 400 companies processing tires in the United States and their output includes Whole tires, Shreds, Chips, Popcorn, and Ground or Crumb.

4. Markets

o Tire Derived Fuel (TDF)

Currently, tire-derived fuel (TDF), or energy recovery, is the largest application for scrap tires in the United States. Overall, TDF consumed 114 million of the 270 million scrap tires generated in 1998.

o Facilities that can use TDF as a supplemental fuel include:

Cement kilns (whole and processed tire chips)
Pulp and paper mills and boilers (chips)

Industrial boilers (chips)
Utility boilers (chips)
Dedicated scrap tire to energy plant (whole or chips)
Resource recovery facilities (chips)

o Recycled rubber products

Sidewalls
Automobile mats
Other rubber products

o Civil Engineering Applications

One of the fastest growing markets in the United States is the use of scrap tires in civil engineering applications. Civil engineering applications are generally defined as the use of scrap tires, either whole or processed, in lieu of conventional construction materials (i.e., clean fill, gravel, sand). In this regard, scrap tires have been/are being used as a light weight backfill, as road embankment fill, in leachate collection systems, as septic field drainage material, as alternate daily cover in landfills, as road base, as a thermal insulator (along housing foundations), as breakwaters, as side slope stabilizers, among other applications. This market application did not exist even six years ago. Today it consumes 20+ million scrap tires a year nation-wide. However, profitability in this market depends on the cost of traditional materials with which scrap tire materials compete. Because aggregate (gravel, etc.) is often less expensive than even the cost of processing scrap tire into chips, landfill applications often represent a net cost to the processor.

o Crumb Rubber Applications

Upside Development, Inc. is currently focusing it's the majority of its efforts on crumb rubber applications. Scrap tires can be processed into a product referred to as ground rubber. This material, also known as crumb rubber, can vary from particles as large as three-quarters of an inch in diameter to a particle size of 100 mesh (150 microns, or the consistency of talc powder). As would be expected, the uses for this material are a function of size and shape. Larger-sized particles (half to quarter inch) are used as cover material for playgrounds, as a soil amendment, as a turf treatment, and in several manufactured products (running tracks and mulch). The "larger" ground rubber sizes (4 - 16 mesh) are used as an amendment for asphalt binders, which is the largest single market for ground rubber. Ground rubber in the 20 - 80 mesh sizes is also incorporated into a wide range of manufactured products, including but not limited to soaker hoses, mats, carpet backing and mold and extruded copolymer materials. The ultra fine mesh (100 mesh and smaller) is used in tire manufacturing. This is the second largest market application for ground rubber.

Prices of crumb rubber vary according to the mesh (size) of the rubber. The March 2001 issue of Scrap Tire and Rubber Users Directory, 2001, published by Recycling Research Institute, provided information regarding historical market prices of tire-derived materials, including crumb rubber.

In 1999-2000, the average price of crumb rubber with a mesh of minus 10 was $.05 - .18 per pound. This is the size most commonly used in asphalt paving. Aftermarket products manufactured from press equipment use rubber of approximately minus 30 mesh, which for 1999-2000 was priced at $.08 - .32 per pound. Very finely ground crumb rubber which issuitable for de-vulcanization is usually minus 80-100 mesh. In 1999-2000 crumb this size ranged in price from $.17 - .75 per pound.

There are over 1500 industries using crumb rubber today. Demand far exceeds supply. New industries and new uses surface at the rate of 25-50 a day as the crumb rubber industry advances its' techniques, accelerates its' output and improves its' quality., Windshield wipers, brake pedals and many more items used everyday can now be molded from crumb rubber. Customized mats and traffic safety devices are currently a high priority.

The demand by environmental groups for a solutions to the tire "pile-up" has been persistent, loud and unyielding for over thirty years, culminating today in laws that render the production of crumb rubber no longer just a commercial venture, but now a government requirement.

In an effort to minimize injuries, educational agencies have been budgeting in advance just on the hopes of acquiring enough crumb rubber to resurface their playgrounds, their tennis courts, swimming pools, tracks and gym floors. The days of using sand, concrete and wood are long gone. Some areas have resorted to using wood chips in a desperate attempt to find a safer surface, but this material has its' own set of problems. The reported injuries to both man and beast (horses, dogs etc.) in those areas using crumb rubber today have dropped dramatically since resurfacing. Government, educational and health agencies all agree, the only durable, cost-effective and safe surface for such use is crumb rubber, either in bulk or mat form. The safety of our children and the reduction of litigation stemming from such injuries more than justify

expenditures budgeted for crumb rubber installation.

Health agencies are now insistent on the use of crumb rubber in public facilities such as parks, golf courses, race tracks, sports arenas and other recreation areas. "Sand boxes", as we have known them for over 100 years are slowly being banned in public domains because of the incidence of stray cats using our children's play areas as litter boxes. The finest mesh crumb, which can be washed, sterilized and reused, is the product of choice now and will be the product-of-law over the next decade.

Any industry using rubber, in any form, as its' principle raw material is now able to use crumb rubber to augment production. The probability is that future laws will require recycled rubber in production and the cost-effectiveness over raw rubber will demand it. Manufacturers will have no choice. Construction materials, i.e. roofing, siding and paints are but a few of those products already utilizing crumb in production. There are thousand of such uses as yet unexplored and thousands more which will completely improve the products we've come to know.

As a result of today's increased use and proven success, crumb rubber is now a spot commodity on the Chicago Board of Trade. The advent of crumb rubber will open doors to products and solutions to problems far beyond anyone's wildest dreams.

The Production of crumb rubber

To produce crumb rubber, it is usually necessary to further reduce the size of the tire shred or chip. This is accomplished by grinding techniques generally categorized as ambient or cryogenic.

Ambient Process

Ambient grinding can be accomplished in two ways: granulation and cracker-mills. Ambient describes the temperature of the rubber or tire as it is being size reduced. Typically, the material enters the cracker-mill or granulator at "ambient" or room temperature. The temperature of the rubber will rise significantly during the process due to the friction generated as the material is being "torn apart." Granulators size reduce the rubber by means of a cutting and shearing action. Product size is controlled by a screen within the machine. Screens can be changed to vary end product size.

Rubber particles produced in the granulation process generally have a cut surface shape, rough in texture, with similar dimensions on the cut edges.

Cracker-mills - primary, secondary or finishing mills - are all very similar and operate on basically the same principle: they use two large rotating rollers with serrations cut in one or both of them. The roll configurations are what make them different. These rollers operate face-to-face in close tolerance at different speeds. Product size is controlled by the clearance between the rollers. Cracker-mills are low speed machines and the rubber is usually passed through 2-3 mills to achieve various particle size reductions and further liberate the steel and fiber components. The crumb rubber particles produced by the cracker-mill are typically long and narrow in shape and have a high surface area.

Cryogenic Process

Cryogenic processing refers to the use of liquid nitrogen or other materials/methods to freeze tire chips or rubber particles prior to size reduction. Most rubber becomes embrittled or "glass-like" at temperatures below -80(degree)F. The use of cryogenic temperatures can be applied at any stage of size reduction of scrap tires. Typically, the size of the feed material is a nominal 2 inch chip or smaller. The material is cooled in a tunnel style chamber or immersed in a "bath" of liquid nitrogen to reduce the temperature of the rubber or tire chip. The cooled rubber is ground in an impact type reduction unit, usually a hammermill. This process reduces the rubber to particles ranging from 1/4 inch minus to 30 mesh.

Cryogenicsystems are expensive, costing from 4 to 20 million dollars. To date, the Company is not aware of any facility using a cryogenic system that is not subsidized by government grants or private grants from producers of liquid nitrogen. Although this process uses much more sophisticated technology, the process tends to be cumbersome and expensive to operate. Moreover, if the equipment is shut down for maintenance or repairs the entire system must be taken off line for a period of days. Another disadvantage of such systems is that the crumb rubber made by the cryogenic process has reduced elasticity, which limits the usefulness of the crumb rubber for after market products.

Other Processes

In addition to conventional ambient grinding techniques and the cryogenic process, there are several proprietary wet-grinding processes in use today in the U.S. for producing fine and super-fine grades of crumb rubber. Production of finer crumb rubber (40-60 mesh) and very fine (60- mesh) requires a secondary high intensity grinding stage.

Micromilling, also called wet-grinding, is a patented grinding process in which tiny rubber particles are further size reduced by grinding in a liquid medium, usually water. Grinding is performed between two closely spaced grinding wheels. Fine mesh crumb or ground rubber can be used in asphalt rubber, roofing product, coating and sealant products, and as an ingredient in numerous automotive products including new tires.

Crumb Rubber Markets - North America - 2000

Asphalt Modification - 200 million lbs. - up from 97 million lbs. in 1995. Strong growth potential.

Molded Products - 190 million lbs. - up from 14 million lbs. per year in 1995. Continuing R&D and equipment advances make this a good growth market. Products and applications include solid tires, truck bed liners, flooring tiles, traffic control products, home & garden products, wheels and wheel chocks.

Tires/Automotive (includes brakes/friction market and other automotive parts) - 70 million lbs. - 11% of crumb rubber being consumed annually. Manufacturers currently use up to 5% per tire and are testing compounds with 10% or more recycled rubber content. Good growth potential. Products and applications include hoses, belts, friction materials (brake pads), trailer bumpers, mud flaps, pickup truck bed liners, brake pedal covers, door step pads (Vans), air deflectors and splash guards.

Athletic & Recreational - 60 millions lbs. - 9.8% of crumb rubber being consumed annually. Steadily growing market. Products and applications include soil amendments, top dressings, playground surfacing, parking lots/mulch applications, indoor/outdoor equestrian footing, asphalt, mats, running tracks and pour-in-place surfaces.

Rubber/Plastic Blends - 20 million lbs. - 4% of crumb rubber being consumed annually. Products include truck bed liners, golf cart fenders, bumpers, etc.

Construction - 17 million lbs.- includes roofing products, building materials, insulation and sound proofing.

Surface Modified/Reclaim - 25 million lbs. - includes imported quantities.

Animal Bedding - 25 million lbs. - new applications and production methods continue to push growth in this market.

Other	5 million lbs.
TOTAL	612 million lbs.

STRATEGY

The first stage of Upside Development, Inc., is to enter into acquisition and joint venture agreements with strategically located companies. Each company is unique and provides a different service to the recycling effort, and each one will support one another with services that would normally be provided by a competitor.

We plan on establishing, through acquisitions and joint ventures, strong presence in NY, NJ, PA, and OH. These particular states offer us access to used tires and countless crumb rubber applications. For manufacturers and consumers alike, the demand for crumb is well documented.

We have signed letters of intent to acquire the following companies, however, there is no assurance that a definitive agreement will be reached resulting in the consummation of these acquisitions:

In Ohio, Adriatic Tire is currently relocating its facilities. Adriatic's new location will be able to handle over 500,000 tires the first year and will have a rail siding. Tire shred will supplement any supply needs in West Virginia. In addition, Adriatic will take in overproduction and scrap EPDM rubber from local manufacturers to crumb into play ground mulch. This will go back into its distributor network for resale.

Emert Grinding is a small manufacturer of crumb rubber, scrap tire processing machines and value added products, i.e., mats. The company is over 25 years old and is a very creative tire recycling company. It is located in Somerset, PA and fits perfectly into our line of distribution. The equipment, at this site, can shred and make crumb rubber at over 6,000 pounds per hour. Specialty products can also be made with their specially developed equipment.

Ramping up to produce plastic and rubber lumber is currently on the drawing board.

Canales Tire in Somers Point, NJ has over 50 years in the recycling business. They cover the lower two thirds of the State of New Jersey and can process over 2 million tires. The location of this facility is ideal, since they are 5 minutes from the Garden State Parkway and one mile south of the Atlantic City Expressway. This acquisition will provide us with land and hundreds of customers.

The concerns of all of the States are basically the same. They need someone to collect and properly destroy the tires. Our expertise allows us to take tire recycling to the next level. Collect, shred, crumb and market are the four basic levels in our endeavor. There are, in addition numerous grants and subsidies that haven't been explored, that we will pursue.

THE E-LOGIC SOFTWARE SYSTEM

e-Logic is a web-based application developed for companies to provide integrated, real-time information for all aspects of their back office operations. This includes everything from order entry and processing through inventory tracking and cost accounting.

e-Logic is designed to reduce both the burden and expense associated with the operational and administrative aspects of managing a business. e-Logic helps by interfacing with other existing platforms and applications to allow a company to both generate and manage its' business at e-Speed.

Unlike other software applications and EDI systems that are placed on their own servers or desktops, e-Logic is a secured, web-based application. Through static IP connections, e-Logic allows real-time information access to traveling executives, sales people and other branch office staff from any standard Internet connection.

How is e-Logic different from other applications on the market?

Unlike other software, e-Logic is a daily, real-time system accessible 24/7 by anyone throughout your company. Other applications developed by business-to-business exchanges promise increased sales or business resulting from a high traffic exchange. Most other applications involve a large investment of time, resources and money by paying high start-up and monthly fees. e-Logic is a cost-effective, user-friendly application that will enhance user ability to manage its' business.

Overview of Application Functions & Features:

Functions
- Order Entry Module
- Order Processing Module
- Order Tracking System
- Inbound/Outbound Tracking System
- Real-time Inventory Tracking

- Accounting Functions
- Transportation Cost Tracking

Features & Capabilities

- XML Import Capability
- Allows for EDI Interfacing
- Virtual Accessibility
- Interface Capability
- Unlimited Access
- Commerce Controls Capability
- Easy Upgrade Flexibility
- Adding Modules
- Interfaces with Internet Explorer
- Internet Connection Needed

Order Entry

Flow of Data

An EDI system relies on transmitting data in batches and sending information hours later creating delays, inefficiencies, and operational breakdowns (not to mention getting an overwhelming amount of orders at one time). With e-Logic, when orders are entered, real-time data flows automatically from the Order Entry Module to the other application modules without human intervention. This will allow a company to keep pace with daily orders and take special attention to orders when placed, instead of being overwhelmed with an abundance of batched orders.

User-Friendly

Unlike other systems, e-Logic provides user-friendly tools that make processing orders extremely easy from any Internet connection with the point-and-click of a mouse.

Customer Information

e-Logic embeds customer information into the Order Entry module. With two clicks of a mouse, customer billing and shipping information is right in front of the user on a drop down screen displaying the entire product line with tiered pricing. Each order will generate an email to any related party requesting notification and customized invoices are ready for delivery.

Accounting Interface

The average company plugs in and re-enters data numerous times to complete one transaction. e-Logic solves this problem by eliminating much of the human invention required in finishing a transaction. Streamlining the data from the Order Entry module into the Accounting module replaces redundant data entry and increases accuracy.

Payment Processing

e-Logic has the ability to process orders for payment right from the Order Entry page. e-Logic currently accepts all major credit cards and processes checks online. In large volume businesses, using e-Logic reduces credit card and online check rates.

Viewing Client History

Immediately upon entering an order, e-Logic users have the ability to view client history from any Internet connection. e-Logic allows users to quickly gather information from multiple tracking numbers including client name, client number, purchase order number and reference number. This is a great feature for both traveling sales staff wanting to view customer information prior to meeting or for customer service associates needing quick access to information.

Real-Time Inventory
Real-Time Information

EDI systems claim to provide real-time inventory levels. Unfortunately, this is not always true since EDI systems send information in large batches providing obsolete information. Through continuous data flow, e-Logic provides users with real-time access to availability of product, pending orders and back orders.

The e-Logic Inventory module does not have to be installed or placed in any location. Through any Internet connection, all distribution stations, branch offices, customer service representatives, sales teams and independent brokers can now view all information through one application.

Interfacing with the Order Entry module, the Inventory module provides customer service, sales people and independent broker's with instant access to availability and gives management the tools needed for product / sale forecasts.

Multiple Level Inventory Management

Real-time inventory management allows the user to view inventory at a number of levels: product number, product name, warehouse and location within warehouse(s).

Inbound / Outbound Tracking

The Inbound and Outbound Tracking module allows users to track product movement for both the receiving and sending end. The I/O Tracking module allows users and related people to get instant notification on designated points of transportation. This reduces the time and expense associated with traditional tracking done via telephone, fax, and paper.

Financial Reporting

e-Logic produces detailed financial reports needed to manage a business. It quickly identifies targets to focus on to yield "higher impact results." This is crucial in determining customer or product level profitably. Through the Order Entry and I/O Tracking modules, e-Logic provides related financial information to aid management in achieving targeted profit margins and monitoring your customer base.

We will continue to develop the e-Logic platform and apply that platform to our acquisitions. We plan on licensing this system for $12,500 per installation and

we plan on charging a monthly maintenance fee of $250 - $1,000, based upon the number of transactions processed. In comparison to other products in the marketplace, our product should be competitive. To-date, we have not sold or licensed our e-Logic platform as we are continuing to develop its capabilities.

The e-Logic system will be used to integrate the recycling facilities to enable real-time management of inventory and processing. We believe this will give us a tremendous advantage over other companies in the marketplace.

MRABA.COM

MRABA.COM allows companies to sell products on the internet via a giant network of thousands of retailers. This is an opportunity to increase the distribution base and profits of e-Commerce participants. We believe that MRABA.COM will provides business customers with the combined abilities to purchase a broad range of quality products, access a wide variety of business-related services and research comprehensive business information, all at a single, user-friendly web site.

We currently offer business and business-related products in the following categories: Toys, candy, video games, software, computer hardware and office supplies.

We provide superior technology to showcase a company's merchandise and provide superior customer service. These elements include:

o Superior Technology
Superior technology provides the MRABA.COM merchant and enables various product departments to offer merchandise with excellent product presentations that are instantaneously published and fully integrated into the MRABA.COM network. The result is a compelling shopping experience for the retailer. Completed product sales through the system automatically generate orders for fulfillment.

o Showcasing Merchandise
With very little effort, MRABA.COM's flexible design capabilities exploit and presents product values. Quality photographs and descriptions are the raw materials needed to create an effective online presentation. Our internet specialists work with a company to create the initial product offering. When this initial product selection is launched, a participant can add, remove or modify the offering at any time using our simple internet-based management tools that require no special installation or training. By logging into the MRABA.COM BackOffice with a password, changes can be made directly through the desktop web-browser (Netscape, Internet Explorer or AOL) at any time. In addition to merchandising products in MRABA.COM's network, a company can also get to view all transactions and orders on a real time basis.

Product pages become easily accessed through the appropriate departments. A participant company also gains access to a variety of special promotional options that move merchandise in ways that will benefit their product offerings. Featured Selections and What's New are both areas that focus retailer's attention on specific products at the head of department pages. The Outlet Store and Auction House are other examples that present MRABA.COM member's selections including refurbished items, production over-runs and short-term clearance sales.

o Superior Customer Service
One of the biggest barriers to merchandising on the web is reliable and trustworthy customer service. We make the process easy for the participant company. We have refined and developed simple policies and procedures that are easy to use for the consumer.

We have made selling merchandise through the Internet an easy process for the participant company. The complexities of presenting and marketing merchandise as well as administrating customer service are all expeditiously and timely handled. By providing and delivering quality merchandise, a participant company benefits within the MRABA.COM internet portal community.

We regularly seek to expand our product offering categories and the breadth of products available in these categories through the creation of relationships with vendors and distributors. We believe that one of MRABA's competitive strengths will be our highly diverse product mix, allowing us to offer low margin commodity products as well as higher-margin specialty goods.

EMPLOYEES

As of April 13, 2001, we employed 6 persons, all of whom are full-time employees, including three executive officers. Our employment reflects our outsourcing of manufacturing and the establishment of strategic partnerships that allows us to minimize staffing. We believe that we have good relationships

with our employees. None of our employees belong to a labor union.

MANAGEMENT'S DISCUSSION AND ANAYLSIS

The statements contained in this Report on Form SB-2, that are not purely historical, are forward-looking information and statements. These include statements regarding the Company's expectations, intentions, or strategies regarding future matters. All forward-looking statements included in this document are based on information available to the Company on the date hereof. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements contained in this Form SB-2. The forward-looking statements contained here-in are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments regarding, among other things, the Company's ability to secure financing or investment for capital expenditures, future economic and competitive market conditions, and future business decisions. All these matters are difficult or impossible to predict accurately and many of which may be beyond the control of the Company. Although the Company believes that the assumptions underlying its forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this form SB-2 will prove to be accurate.

GENERAL

We were founded in August 1993. Until we generated significant revenues in 1996, we were a development stage enterprise. During the development stage period, we devoted the majority of our efforts to development of a viable product line, testing of product concepts, developing channels of distribution, financing and marketing. These activities were funded by investments from stockholders and borrowings from unrelated third parties.

We have not, through the present time, been in a position to generate sufficient revenues during our limited operating history to fund on-going operating expenses or product development activities. As a result, we resorted to raising capital through equity fundings and from borrowings. In June of 1998, we acquired inventory, equipment, and goodwill of the Mother Hubbard's Creations toy line. We renamed the Mother Hubbard's Creations toy line Hearthside Treasures.

In May 1999, Alottafun! joint ventured with E-Commerce Fulfillment, LLC. which contracted with M.W Kasch, an independent U.S. toy distributor, to launch an e-commerce Internet portal called TOYPOP.COM. The Joint venture was owned 33.3% by E-Commerce Fulfillment and 67.7% by Alottafun!, Inc. E-Commerce Fulfillment (ECF) was a wholly owned by Jeffrey C. Kasch, President of M.W. Kasch Company. On February 28, 2000, the M. W. Kasch and us agreed to terminate our relationship and thereupon, M.W. Kasch Co. gave notice that effective March 28, 2000 our agreement with them was terminated.

We announced our business-to-business Internet strategy on February 22, 2000. Our e-commerce site was originally launched on September 21, 1999. The Web-site e-commerce development program cost about $235,144 during 1999. In comparison with other retailers of toys, our expenditures were relatively small. Marketing expenditures included limited newspapers, radio, magazine, and internet advertisements. Our expected marketing program was not funded for the 1999 holiday selling season. Our lack of marketing resources has had a negative impact on our sales and our ability to meet our sales projections. Our Toypop.com site was processing orders through February 10, 2000 when it was closed.

Our operating results may hinder our ability to raise additional capital to fund our operations going forward. To date, we have funded our Web-site e-commerce development with working capital provided by the sales of our securities and borrowings. However, there is no assurance that these working capital reserves will be sufficient to complete, launch, and market our e-commerce site. Furthermore, there is no assurance that we will be able to raise additional funds through securities sales and borrowings in the future.

We have sustained significant operating losses since inception resulting in an accumulated deficit of approximately $7,400,000 at March 31, 2001.

Because of the need for capital and the diminishing prospects for obtaining new monies, we have reduced our focus on the toy industry and concentrated our efforts on the scrap tire market. In an effort to develop a viable business model to realize value for our shareholders we were presented with "roll-up" opportunities with the scrap tire industry. This strategy utilizes proprietary experience that we developed in our business-to-business Internet initiatives. We have identified a strategy to focus all our future resources to develop a business model that focuses on the acquisition of smaller privately owned regional operations in the scrap tire recycling industry.

In January 2001, we signed letters of intent to acquire three tire recycling companies and a logistics company, allowing us to expand our technology expertise into a fast growth industry. We are currently seeking capital in order to complete these acquisitions, however, there is no assurance that we will be successful in securing this funding to secure these potential acquisitions.

We will continue to incur losses until we are able to complete acquisition within the tire recycling industry that will increase sales to a sufficient level to offset ongoing operating and administrative costs.

RESULTS OF OPERATIONS

Year ended December 31, 2000 compared to year ended December 31, 1999

Revenues

Total revenues for 2000 were $144,822 compared to $128,844 for 1999, which represents a increase of $15,978, or 12%. The increase was primarily the result of higher sales relating to our logistic product supply business. We focused our efforts primarily on expanding into the warehousing logistic industry and decreased our focus on toy and candy sales. There was no contribution from the Mother Hubbard product line during 2000.

Cost of Sales

Cost of sales for 2000 increased $48,522 or 49.1% to $147,190 from $98,669 in 1999. Cost of sales as a percentage of sales increased from 53% to 102% from

1999 to 2000. This increase was the result of lack of margins realized on logistic services as compared to the sale of our toy products in the prior year. Our lack of gross margins in 2000 are the result of higher than expected logistics costs incurred. During the year ended December 31, 2000, logistics costs were approximately $138,000. There was no comparable cost in the prior year.

Selling, General and Administrative Expenses

For the year ended December 31, 2000, total selling, general and administrative expenses ("S, G & A") were $2,167,645 as compared to $1,278,780, for 1999, a 70% increase. This increase is attributed to additional expenses of personnel compensation, consultant fees and investor relation expenses incurred., which increased by approximately $96,000. These higher expenses were paid with our common stock. In addition, we incurred charges of $455,400 related to the write-off of warrants issued as deferred financing costs.

Interest Expense

Interest expense decreased 69%, or $173,031 to $80,154 for 2000 from $253,187 in 1999. This decrease in interest expense is attributed to the substantial charge for issuance of warrants at par value, a significant discount to the then market price of the common stock, as part of the funding of $400,000 through a convertible debenture in 1999.

Loss on disposal of impaired assets

During 2000, we experienced a loss from a write-off of fixed assets in the amount of $130,392 that were no longer being used in our business. These items consisted of dies, films, molds, trademarks, and packaging design costs. These assets were adjusted because of impairment associated with our ability to generate future cash flows from our toy business. These assets were adjusted for impairment in the year ended December 31, 2000 and there were no similar charges during the prior 1999 year.

Other expenses

During 2000 we realized a gain of $5,347 from trading securities while in the prior year we experienced losses of $271,686 from securities trading activities. The company discontinued securities trading in early 2000 after experiencing substantial losses.

Net Loss

The net loss and the net loss per share were $2,344,387 and $0.18 per share respectively, for 2000, as compared to a net loss and net loss per share of $1,816,158 and $0.23 per share respectively, for 1999. During 2000, there was a benefit from the forgiveness of debt of $74,352, or $0.01 per share. In 1999, there was also a benefit of $28,018 and $0.01 per share. The loss in 2000 over 1999 was an increase of $8,562 over the previous year. The loss per share was about 22% less than the previous year as more shares of our common stock was outstanding. For 2000, there were 16,360,437 shares of common stock outstanding at year end as compared to 3,808,033 shares outstanding at the year end 1999.

This represents more than a fourfold increase in shares outstanding in 2000 over the previous year.

Three months ended March 31, 2001 compared to three months ended March 31, 2000

Total revenue for the three months ended March 31, 2001 was $33,083 compared to $(44) for the same period of 2000, which represents an increase of $33,127. This increase was primarily the result of higher sales relating to our logistic product supply business. We focused our efforts primarily on expanding into the warehousing logistic industry and decreased our focus on toy sales.

Gross profit was $31,344 and $(3,579), respectively, for the three-month period ended March 31, 2001, as compared to the prior period ended March 31, 2000, an increase of $34,923. This increase is primarily attributable to the sale of $25,500 of confectionary products assumed by us at little or no cost.

For the three months ended March 31, 2001, total selling expenses were $17,974 as compared to $13,192 for the same period of the previous year, an increase of $4,782 or 36%. This increase is the result of higher marketing expenses relating to our logistic supply business. Total general and administrative expense for the three months ended March 31, 2001, was $262,897 as compared to $221,989 for the same period of the previous year, an increase of $40,908, or 18%. This increase is primarily due to legal and consulting expenses paid during the three month period ended March 31, 2001.

We had a net loss of $308,025 for the period ended March 31, 2001 as compared to a loss of $191,272 for the same prior year period. This increase in the operating loss over that of the preceding year period primarily reflects higher selling, general and administrative expenses despite lower depreciation and amortization expenses. General and administrative costs included accounting, legal and consulting expenses of approximately $173,000 in the three month period ended March 31, 2001.

The loss and loss per share were $308,025 and $0.02 per share respectively, for the three months ended March 31, 2001 as compared to a loss and loss per share of $191,272 and $0.02 respectively, for the same period in 2000. This loss represents a 61% increase over the loss experienced in the year ago quarter. The weighted average shares outstanding for the quarter ended March 31, 2001 was 19,850,845 as compared to 10,040,642 for the preceding year quarter ended March 31, 2000.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has largely funded its operations and its product development activities with funds provided by issuing securities and from borrowings. During the year ended December 31 2000, the Company received

$731,899 as equity investments for the issuance of 4,827,833 shares of common stock. These funds were used for working capital purposes. In addition the company borrowed $165,000 in the form of notes payable and convertible debt during the year ended December 31, 2000.

Net cash used in operating activities for the year ended December 31, 2000 was $803,828 compared to net cash used of $687,039 for the year ended December 31, 1999. This increase in cash used by operating activities is primarily due to increased operating losses in the year ended December 31, 2000.

Cash used in investing activities for the year ended December 31, 2000 and 1999 was $76,411 and $387,127, respectively. We acquired equipment and intangible assets of $81,758 during the year ended December 31, 2000 as compared to $115,441 in the prior year ago period.

Cash provided by financing activities for the year ended December 31, 2000 was $875,460 as compared to cash provided by financing activities of $668,362 for the year ended December 31, 1999. During the recent period, the Company issued common stock that generated proceeds of $731,899 and notes payable of $165,000 to provide working capital and to support its' expenditures. In the year ago period, we received note proceeds of $693,851 from the issuance of common stock.

As of December 31, 2000, the Company had a net working capital deficit of $632,757. The Company is not presently profitable and continues to fund itself from the proceeds of securities placements. Only when the Company achieves profitability, will then be in a position to fund itself on an operating basis.

During the three months ended March 31, 2001, the Company received $250,000 in the form of notes payable and convertible debt.

Net cash used in operating activities for the three months ended March 31, 2001 was $84,221 compared to net cash used of $280,543 for the three months ended March 31, 2000. This decrease in cash used by operating activities is primarily

due to increases in accounts payable and accrued expenses.

Cash used in investing activities for the three months ended March 31, 2001 and 2000 was $158,108 and $62,938, respectively. This increase reflects deposits made pursuant to letters of intent signed with three tire recycling companies and a logistics company.

Cash provided by financing activities for the three months ended March 31, 2001 was $245,830 as compared to cash provided by financing activities of $551,089 for the three months ended March 31, 2000. During the recent period, the Company issued notes payable that generated proceeds of $250,000 to provide working capital and to support our expenditures. In the year ago period, we issued common stock with an aggregate value of $560,500.

As of March 31, 2001, the Company had a net working capital deficit of $896,665. The Company is not presently profitable and continues to fund itself from the proceeds of securities placements, notes payable, and convertible debt.

We do not presently have sufficient cash to operate for more than the next 90 days. We will need capital to development our scrap tire recycling business. We will need this capital to provide for our anticipated working capital needs over the next twelve months. We are presently seeking $500,000 in equity to allow us to sustain ourselves.

We cannot provide any assurance that we will be successful in raising such capital as such undertakings are difficult to complete. We are optimistic that we will be successful in obtaining future financing.

SEASONALITY AND FLUCTUATIONS IN QUARTERLY OPERATING RESULTS

There are no significant seasonal factors that result in revenue and sales being concentrated in any quarter within the scrap tire recycling business. When we were engaged in the toy industry, the last half of the calendar year would provide a significant portion of sales.

INFLATION

Inflation has not proven to be a factor in our business since our inception and is not expected to have a material impact on our business in the foreseeable future.

DESCRIPTION OF PROPERTY

We lease approximately 2,000 square feet of space at 141 N. Main Street, Suite 207, West Bend, Wisconsin, 53095, which is currently used for our principal executive offices. The lease for the offices expires on December 31, 2001. The monthly rent for the offices is approximately $1,000.00.

We also lease an office at 1055 Parsippany Blvd, Suite 501-19, Parsippany, New Jersey, 07054. The monthly rent for the office is approximately $950.00.

MARKET FOR COMMON EQUITY

Our Common Stock is listed and traded on NASDAQ OTC Bulletin Board under the symbol UPSD. Manhattan Transfer Registrar Company of Lake Ronkonkoma, New York is the transfer agent and registrar for our Common Stock. The following table sets forth for the periods indicated the high and low sale prices for shares of the Common Stock as reported on the OTC. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

	High	Low
1998	----	---
First Quarter	3	1
Second Quarter	2 5/8	9/16
Third Quarter	2 1/16	7/8
Fourth Quarter	1 1/2	5/32
1999		
First Quarter	3 1/4	1/8
Second Quarter	1 3/4	13/16
Third Quarter	1 3/4	5/8
Fourth Quarter	7/8	11/16
2000		

First Quarter	1/2	15/32
Second Quarter	17/32	7/16
Third Quarter	1/4	1/4
Fourth Quarter	1/16	1/16
2001		
First Quarter		

(1) Our Common Stock began trading on approximately March 11, 1997. There is no trading market for our warrants.

As of December 31, 2000, there were approximately 200 holders of record for our common stock. However, the Company' management believes that approximately 3,088 of shareholder's beneficially own the Company's Common Stock as of December 31, 2000

EXECUTIVE COMPENSATION

The following table shows the compensation paid or accrued by the Company for the year ended December 30, 2000, to or for the account of the Chief Executive Officer. No other executive officer of the Company received an annual salary and bonus in excess of $100,000 or more during the stated period. Accordingly, the summary compensation table does not include compensation of other executive officers.

SUMMARY COMPENSATION TABLE

Annual Compensation Long-Term Compensation Awards

<TABLE>
<CAPTION>

Name & Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Options/LTIP SARs ($)	Payouts ($)	All Other Compensation ($)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Michael Porter	2000	63,462	--	--	--	--	--	--
President, CEO	1999	75,000	--	--	--	--	--	--
	1998	89,561	--	--	--	--	--	--
David Bezalel,(2)	2000	63,462	--	--	--	--	--	--
COO	1999	54,231	--	--	--	--	--	--
	1998	15,500	--	--	--	--	--	--

</TABLE>

(1) Excludes options to acquire up to 2,500,000 shares at $.15 per share issued to Mr. Porter in January 1999.
(2) Mr. Bezalel resigned as COO of the Company on June 1, 2001.

Employment and Other Agreements

In January 1999, the Company entered into written employment agreements with Michael Porter and David Bezalel. Each employment agreement has a term of five (5) years. Each employment agreement has annual base compensation beginning at $75,000 annually starting May 31, 1999 and increasing $10,000 per year to annual compensation of $115,000 for 2004. Mr. Bezalel resigned and terminated his agreement as of June 1, 2001.

Each executive has the right, at his election, to receive compensation in the form of the Company's restricted common stock valued at 50% of the closing bid price as such stock as of the date of executive's election. Each executive is entitled to bonuses as approved by the Company's Board of Directors and reimbursement for ordinary and necessary business expenses.

Upon execution of each agreement, each executive was granted non-qualified stock options to purchase 2,500,000 shares of the Company's Common Stock at an exercise price of $.15 per share. These options were immediately exercisable, contain a cashless exercise provision, and have an exercise period of ten (10) years. Each executive's employment agreement provides for an automobile allowance of $800 per month.

During the term of these employment agreements, each executive agrees not to compete in the Collectible Toy business. The agreements provide for severance payments equal to 299% of the annual base compensation then due under each agreement in the event there is a "change of control" of the Company, as defined in the agreement, and the executive is subsequently terminated without cause.

Incentive Stock Option Plan

The Company has in effect a stock option plan, which authorizes the grant of incentive stock options under Section 422 of the Internal Revenue Code (the "Plan"). The Plan was adopted in January, 1999. A total of 10,000,000 shares have been reserved for issuance under the Plan. As of September 1, 2000, 5,500,000 options to purchase a total of 5,500,000 shares at $.15 a share were issued and outstanding under the Plan.

The Plan provides that (a) the exercise price of options granted under the Plan shall not be less than the fair market value of the shares on the date on which the option is granted unless an employee, immediately before the grant, owns more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiaries, whereupon the exercise price shall be at least 10% of the fair market value of the shares on the date on which the option is granted; (b) the term of the option may not exceed ten years and may not exceed five years if the employee owns more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiaries immediately before the grant; (c) the shares of stock may not be disposed of for a period of two years from the date of grant of the option and for a period of one year after the transfer of such shares to the employee; and (d) at all time from the date of grant of the option and ending on the date three months before the date of the exercise, the employee shall be employed by Company, or a subsidiary of the Company, unless employment is terminated because of disability, in which cased such disabled employee shall be employed from date of grant to a year preceding the date of exercise, or unless such employment is terminated due to death.

UPSIDE DEVELOPMENT, INC.
Financial Statements - December 31, 1999 and 2000

Financial Statements

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Years Ended December 31, 2000 and 1999
Independent Auditors' Report

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Financial Statements

Years Ended December 31, 2000 and 1999

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Independent Auditors' Report

Board of Directors
Upside Development, Inc.
(f/k/a Alottafun!, Inc.)
West Bend, Wisconsin

We have audited the accompanying balance sheet of Upside Development, Inc. (f/k/a Alottafun!, Inc.), hereinafter referred to as the Company, as of December 31, 2000 and the related statements of operations, changes in stockholders' deficit, and cash flows for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2000 and the results of its operations and its cash flows for the years ended December 31, 2000 and 1999 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 2 to the financial statements, the Company has sustained substantial losses since inception that total approximately $7,060,000 and has used cash in operations of approximately $804,000 and $687,000 for the years ended December 31, 2000 and 1999, respectively. The Company also has a negative working capital of $633,000 at December 31, 2000, negative net worth of approximately $799,000 at December 31, 2000, and is currently in default on approximately $80,000 of notes payable. Additionally, the Company has not had significant revenues over the past two years. These issues raise substantial doubt about the Company's ability to continue as a going concern. Realization of the Company's assets is dependent upon the Company's ability to raise additional capital, as well as generate revenues sufficient to result in future profitable operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Pender Newkirk & Company
Certified Public Accountants
Tampa, Florida
April 11, 2001

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Balance Sheet

December 31, 2000

Assets	
Current assets:	
Cash	$ 531
Accounts receivable	13,594
Inventory	593
Total current assets	14,718
Property and equipment, net of accumulated depreciation	19,123
Other assets	31,731
	$ 65,572
Liabilities and Stockholders' Deficit	
Current liabilities:	
Bank overdrafts	$ 9,210
Notes payable, net of discounts	81,500

Accounts payable	364,040
Accrued expenses	192,725
Total current liabilities	647,475
Long-term liabilities:	
Accounts payable and accrued expenses	158,158
Notes payable	59,407
Total long-term liabilities	217,565
Stockholders' deficit:	
Preferred stock; par value of $.0001 per share;	
5,000,000 shares authorized;	
2,000,000 shares issued and outstanding	200
Common stock; par value of $.01 per share;	
50,000,000 shares authorized;	
16,360,437 shares issued and outstanding	163,604
Additional paid-in capital	6,270,387
Accumulated deficit	(7,059,784)
	(625,593)
Prepaid consulting	(50,375)
Stock subscription receivable	(123,500)
Total stockholders' deficit	(799,468)
	$ 65,572

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Operations

<TABLE>
<CAPTION>

	Year Ended December 31,	
	2000	1999
<S>	<C>	<C>
Sales, net of allowance and discounts	$ 144,822	$ 128,844
Cost of sales	147,190	98,669
Gross (loss) profit	(2,368)	30,175
Operating expenses:		
Selling	102,688	204,809
General and administrative	2,064,957	1,073,971
Depreciation and amortization	43,927	51,801
Loss on impairment of assets	130,392	
	2,341,964	1,330,581
Loss from operations	(2,344,332)	(1,300,406)
Other income (expense):		
Net realized gain (loss) on sale of securities, trading	5,347	(161,128)
Net unrealized loss on trading securities		(110,558)
Interest expense	(80,154)	(253,187)
Other expense		(18,897)
Total other income (expense)	(74,807)	(543,770)

Net loss before extraordinary gain	(2,419,139)	(1,844,176)
Extraordinary gain on forgiveness of debt	74,752	28,018
Net loss	$ (2,344,387)	$ (1,816,158)
Loss per common share:		
Loss before extraordinary gain	$(.19)	$(.24)
Extraordinary gain	.01	.01
Net loss per common share	$(.18)	$(.23)

</TABLE>

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Changes in Stockholders' Deficit

Years Ended December 31, 2000 and 1999

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock	
	Shares Issued	$.0001 Par Value	Shares Issued	$.01 Par Value
<S>	<C>	<C>	<C>	<C>
Balance, December 31, 1998			3,808,033	$ 38,080
Stock issued for subscription and debt			249,007	2,490
Issuance of common stock for services			621,700	6,217
Issuance of preferred stock for services	2,000,000	$ 200		
Issuance of common stock for cash			1,100,100	11,002
Issuance of common stock from conversion of debentures and interest			3,250,621	32,506
Conversion of mandatorily redeemable equity instruments			4,643	46
Intrinsic value of conversion feature on detachable warrants				
Retirement of treasury stock				
Net loss for year				
Balance, December 31, 1999	2,000,000	200	9,034,104	90,341

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Prepaid Consulting Services	Stock Subscription Receivable	Deferred Financing Costs	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
$ 2,875,905	$ (2,899,239)	$ (67,888)				$ (53,142)
146,111				$ (123,500)		25,101
307,288						313,505
						200
682,849						693,851
328,655						361,161
22,668						22,714
455,400					$ (455,400)	
(67,888)		67,888				
	(1,816,158)					(1,816,158)
4,750,988	(4,715,397)	0		(123,500)	(455,400)	(452,768)

</TABLE>

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Changes in Stockholders' Deficit

Years Ended December 31, 2000 and 1999

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock	
	Shares Issued	$.0001 Par Value	Shares Issued	$.01 Par Value
<S>	<C>	<C>	<C>	<C>
Balance, December 31, 1999	2,000,000	200	9,034,104	90,341
Issuance of common stock for cash, net of offering costs of $1,226,830			4,827,833	48,278
Issuance of common stock and stock options for services			1,498,500	14,985
Stock issued to settle debt			400,000	4,000
Intrinsic value of conversion feature on convertible debt				
Issuance of common stock to settle contract requiring liquidating damages			500,000	5,000
Issuance of common stock as deposit on acquisition			100,000	1,000
Write-off of deferred financing costs				
Net loss for year				

Balance, December 31, 2000	2,000,000	$ 200	16,360,437	$ 163,604			

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

<TABLE>
<CAPTION>

Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Prepaid Consulting Services	Stock Subscription Receivable	Deferred Financing Costs	Total
<S>	<C>	<C>	<C>	<C>	<C>	
4,750,988	(4,715,397)	0		(123,500)	(455,400)	(452,768)
683,621						731,899
608,278			$ (50,375)			572,888
11,000						15,000
130,000						130,000
25,000						30,000
61,500						62,500
					455,400	455,400
	(2,344,387)					(2,344,387)
$ 6,270,387	$ (7,059,784)	$ 0	$ (50,375)	$ (123,500)	$ 0	$ (799,468)

</TABLE>

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Cash Flows

<TABLE>
<CAPTION>

	Year Ended December 31, 2000	1999
<S>	<C>	<C>
Operating activities		
Net loss	$ (2,344,387)	$ (1,816,158)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	43,927	51,801
Loss on impairment of assets	130,392	
(Gain) loss on sale of marketable securities	(5,347)	161,128
Unrealized gain on marketable securities		110,558
Interest on conversion of convertible debentures		192,043
Amortization of discount on note payable	20,000	
Write-off of deferred finance costs	455,400	
Write-off of deposit	62,500	
Preferred stock issued for services		200

Common stock and options issued for services and liquidating damages	602,888	313,505
Loss on disposal of assets		20,626
(Increase) decrease in:		
Accounts receivable	(10,909)	(2,685)
Inventory	(593)	4,914
Other assets	(37,975)	3,204
Deposits		19,450
Increase in:		
Accounts payable	177,755	226,007
Accrued expenses	102,521	28,368
Total adjustments	1,540,559	1,129,119
Net cash used by operating activities	(803,828)	(687,039)
Investing activities		
Acquisition of equipment and intangible assets	(81,758)	(115,441)
Proceeds from sale of marketable securities	5,347	6,466,046
Purchase of marketable securities		(6,737,732)
Net cash used by investing activities	(76,411)	(387,127)
Financing activities		
Bank overdraft	9,210	
Proceeds from common stock and related paid-in capital	731,899	693,851
Proceeds from issuance of notes payable and convertible debt	165,000	
Net payments on credit lines	(30,000)	
Principal reductions of long-term debt	(649)	(25,489)
Net cash provided by financing activities	875,460	668,362
Net decrease in cash	(4,779)	(405,804)
Cash at beginning of year	5,310	411,114
Cash at end of year	$ 531	$ 5,310

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Cash Flows

	Year Ended December 31,	
	2000	1999
Supplemental disclosures of cash flow information and noncash financing activities		
Cash paid during the year for interest	$ 9,748	$ 30,494

The Company issued approximately $400,000 in convertible debentures in 1998 that were convertible into common stock. The Company recorded interest of approximately $223,500 to reflect the intrinsic value of the conversion feature of these debentures. In December 1998, $40,000 of the debentures were converted into 269,590 shares of common stock. During December 31, 1999, $361,161 of the balance of the debentures was converted into 3,250,621 shares of common stock.

In connection with the convertible debentures, the Company issued detachable

stock warrants to acquire 411,000 shares of common stock valued at $217,420, which was recorded as other intangible assets. The Company used the Black-Scholes pricing model to value these warrants. These debentures were converted in December 1999 and the intangible asset fully amortized.

In 2000, the Company issued $150,000 in a convertible note, which was discounted $130,000 to reflect the intrinsic value of the conversion feature of this note. The Company recorded interest of $20,000 as part of the amortization of the discount. In relation to this note, the Company issued 500,000 shares of common stock valued at $30,000 to the note holder. These shares were issued as a penalty for not filing a registration statement with the Securities and Exchange Commission.

During 2000, the Company issued 1,498,500 shares and 100,000 options for services valued at $623,763. Additionally, the Company issued 100,000 shares of common stock valued at $62,500 as a deposit on an acquisition. The acquisition was not completed and the deposit was written off at December 31, 2000.

During 1999, the Company issued 249,007 shares of common stock for satisfaction of a note payable totaling $25,101 and a stock subscription totaling $123,500 to a stockholder of the Company. In 2000, the Company issued 400,000 shares of common stock in satisfaction of a note payable totaling $15,000.

In connection with the equity line commitment, the Company issued warrants to purchase 700,000 shares of common stock in 1999. The Company used the Black-Scholes pricing model to value the options, which were valued at $455,400. This intrinsic value has been recorded as capital in excess of par value. On February 7, 2000, the equity line was terminated and the $455,400 was written off to expense.

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Notes to Financial Statements

Years Ended December 31, 2000 and 1999

1. Background Information and Subsequent Events

Upside Development, Inc. (the "Company") was incorporated in the state of Wisconsin on August 2, 1993, and effectively re-incorporated in the state of Delaware on September 17, 1998 by merging the Wisconsin corporation into a newly created Delaware corporation. The Company headquarters is located in West Bend, Wisconsin.

In February 2001, the Company changed its corporate name to Upside Development, Inc. from Alottafun!, Inc.

Initially, the Company operated as an assembler of toy and candy packages. Its customers were retailers and distributors located primarily throughout the mid-eastern United States.

In 1997, the Company ceased its assembly operations and changed its focus to distribution of toys and candy packages. Starting in late 1998, the Company again shifted its focus, this time towards becoming a toy manufacturer and marketer with a more extensive toy line. Included in this line are tea and cook sets, housekeeping toys, games and puzzles, purses, and ride-on cars. The Company plans to distribute the product line through toy retailers and over the Internet. Due to the lack of financial resources and the ability to generate future cash flows, the Company deemed the assets to manufacture the toy line impaired and recorded an impairment loss of $130,392 at December 31, 2000.

The Company has past experience with the assembly of candy products. During the year ended December 31, 2000, the Company entered into an agreement to package and distribute candy products for several vendors. These products were processed in warehouses located in Wisconsin and North Carolina. The North Carolina operations were closed in December 2000.

During 2000, the Company issued a convertible note to Clay Realty. Per this note, the Company is required to issue shares as penalty if the Company fails to file a registration statement with the Securities and Exchange Commission by the filing date stated in the agreement. During 2000, the Company issued 500,000 shares of common stock, and subsequent to year-end, issued 250,000 shares of common stock to Clay Realty as penalties for failure to file the registration statement.

Subsequent to the year ended December 31, 2000, the Company signed several letters of intent to purchase the assets or business of several tire recycling companies. The Company will process and sell scrap tires and crumb rubber for playgrounds and industrial use. This business will be reported as a separate segment in the Company's operations.

Subsequent to year-end, the Company issued 5,894,250 shares of common stock in lieu of payment due to various creditors and lenders.

2. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. However, the Company has sustained substantial losses since inception that total approximately $7,060,000 and has used cash in operations of approximately $804,000 and $687,000 for the years ended December 31, 2000 and 1999, respectively. The Company has a negative working capital of $633,000 at December 31, 2000 and has negative net worth of approximately $799,000 at December 31, 2000. In addition, as further explained in Note 5 to the financial statements, the Company is currently in default on approximately $80,000 of notes payable. The Company also has no significant revenues. Presently, the Company's ability to develop a product and transition to attaining profitable operations is dependent upon obtaining adequate financing and achieving a level of sales adequate to support the Company's cost structure. These factors raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

3. Significant Accounting Policies

The significant accounting policies followed are:

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

The Company extends credit to its various customers based on the customer's ability to pay. Based on management's review of accounts receivable, no allowance for doubtful accounts is considered necessary.

Property and equipment are stated at cost. Additions and improvements to property and equipment are capitalized. Maintenance and repairs are expensed as incurred. When property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations. Depreciation is computed on the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years.

3. Significant Accounting Policies (continued)

Selling costs related to the issuance of debentures have been capitalized and are being amortized over the life of the debentures

using the interest method. Amortization for the years ended December 31, 2000 and 1999 amounted to $5,769 and $32,390, respectively.

The Company records revenue and related profit when the product is shipped to the customer.

The Company accounts for marketable securities in accordance with Financial Accounting Standards Board (FASB) Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Management determines the appropriate classification on its investments in marketable securities at the time of purchase and reevaluates such determination at each balance sheet date. Management has classified its marketable securities as "trading securities." Trading securities are bought and held principally for the purpose of selling them in the near term. Unrealized holding gains and losses are deemed temporary and are included in earnings. The cost of the marketable securities is based on the specific identification method. Interest and dividends on equity securities are included in investment income.

The costs of the trademark acquired were written off in 2000. Prior to 2000, these costs were amortized using the straight-line method over the estimated useful life of five years.

FASB issued Statement No. 123, "Accounting for Stock-Based Compensation," effective for fiscal years beginning after December 15, 1995. This statement provides that expense equal to the fair value of all stock-based awards on the date of the grant be recognized over the vesting period. Alternatively, this statement allows entities to continue to apply the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," whereby compensation expense is recorded on the date the options are granted to employees equal to the excess of the market price of the underlying stock over the exercise price. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide pro forma disclosure of the provisions of FASB No. 123.

3. Significant Accounting Policies (continued)

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective income tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that included the enactment date.

The Company follows FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Statement No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. In performing the review for recoverability, the Company estimates the future cash flows are expected to result from the use of the assets and their eventual disposition.

The Company issues stock in lieu of cash for certain transactions. Generally, the fair value of the stock, based on comparable cash purchases, is used to value the transactions.

Offering costs associated with the sale of stock are capitalized and offset against the proceeds of the offering or expensed if the offering is unsuccessful.

The Company records the intrinsic value of the beneficial conversion feature of convertible debentures as additional paid-in capital and amortizes the interest over the life of the debenture.

Basic loss per share is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Common stock equivalents are not considered because their effect would be anti-dilutive.

Advertising costs are charged to operations when incurred and amounted to $3,420 and $96,298 for the years ended December 31, 2000 and 1999, respectively.

4. Property and Equipment

Property and equipment consist of office equipment valued at $43,924, less accumulated depreciation of $24,801 as of December 31, 2000. During 2000, dies, files, and mold equipment were deemed to be impaired and written down to zero ($0). An impairment loss of $130,392 has been charged to operations in 2000.

5. Notes Payable and Long-Term Debt

Notes payable and long-term debt consist of:

<TABLE>
<CAPTION>

<S>	<C>
Convertible note payable of $150,000, less amortization discount of $110,000; convertible into 2,000,000 shares of common stock; interest at 12%; due December 1, 2001	$ 40,000
Note payable to Private Industry Council of Milwaukee County, Inc.; interest at 18.0%; unsecured; in default	70,000
Note payable, unsecured; payable in monthly installments of $903, including principal and interest at 18.0% per annum	9,907
Note payable, unsecured; interest at 10.0% per annum; due on demand; approximately $10,000 in default	21,000
	140,907
Less current maturities	81,500
	$ 59,407

</TABLE>

Subsequent to December 31, 2000, the Company issued 370,000 shares of common stock to satisfy $59,407 of the notes payable listed above and has reclassified $59,407 to long-term liabilities. This reclassification is reflected in the December 31, 2000 financial statements.

6. Stock

The Company issued $400,000 in convertible debentures in December 1998. The debentures paid interest at two percent per annum and mature on December 8, 2003. The debentures were convertible into shares of common stock at the option

of the holder and could be converted at any time commencing on the issue date. The conversion price for each debenture at the date of conversion was the lessor of $1.25 or 65 percent of the average closing bid price for the five trading days immediately preceding the conversion date. If the closing price was less than or equal to $.10 per share, the Company, at its sole option, may allow the holder to proceed with the conversion or may redeem the unconverted amount of debentures at 154 percent of such unconverted amount, plus any accrued and unpaid interest. The stock was trading at $.53 per share on the date of issuance. The Company has recorded interest of approximately $223,500 in 1998 to reflect the intrinsic value of the conversion feature of these debentures. During 1999, the debentures were converted into 3,250,621 shares of common stock.

In association with the convertible debentures listed above, the Company issued detachable stock warrants to acquire 411,000 shares of common stock. The warrants entitle the holders to purchase common stock at $.001 per share at any time prior to December 31, 2003. The Company used the Black-Scholes pricing model to value the warrants. Based on this pricing model, the value of the warrants is $217,420, which was amortized over the five-year life of the convertible debentures; however, the conversion of debentures to stock accelerated this amortization. The Company has amortized $25,377 of the intrinsic value during the year ended December 31, 1998. During the year ended December 31, 1999, these warrants were exercised and the balance of the intangible asset of $192,043 was expensed as interest.

In October 2000, the Company issued $150,000 in convertible debentures. These debentures are convertible into 2,000,000 shares of stock, pay interest at 12 percent per annum, and mature on December 31, 2001. The Company calculated the intrinsic value of the beneficial conversion feature to be $130,000 and is amortizing this over the life of the debentures. The interest amortization amounted to $20,000 for the year ended December 31, 2000. The agreement contains a clause to issue additional shares if the conversion price falls below a specified formula documented in the contract. In association with these debentures, the Company was required to issue 500,000 shares of common stock as liquidating damages to the note holder since the Company failed to file a registration statement with the Securities and Exchange Commission by a specified date. The shares were valued at $30,000 and are recognized as a general and administrative expense in the accompanying statement of operations.

6. Stock (continued)

On June 4, 1999, the Company entered into an investment agreement with Swartz Private Equity, LLC ("Swartz"). The investment agreement entitles the Company to issue and sell common stock for up to an aggregate of $20 million from time to time during a three-year period through June 3, 2002. This is also referred to as a put right. In order to invoke a put right, the Company must file a registration statement with the Securities and Exchange Commission, registering the resale of the common shares.

On each put right, the Company must indicate the number of shares of common stock or maximum dollar amount of common stock (not to exceed $2 million) that it will sell to Swartz. The number of common shares sold may not exceed 15 percent of the aggregate daily reported trading volume for 20 business days after the date of the put right. Swartz will pay the Company either the lesser of the market price minus $.10 or 91 percent of the market price.

In partial consideration of the equity line commitment, the Company issued to Swartz, or its designee, warrants to purchase 450,000 shares of common stock. Each warrant is exercisable at $1.00625. These warrants were valued at $292,757 using the Black-Scholes pricing model and recorded as deferred financing costs in the financial statements. Following each purchase of common stock, the Company is obligated to issue to Swartz, a warrant to purchase shares of common stock equal to 15 percent of the common shares issued in each put right. Each warrant is to be exercisable at a price equal to 110 percent of the market price. In addition, the Company issued warrants to acquire up to 250,000 shares of common stock at an exercise price of $1.00625 to Dunwoody Brokerage Services, Inc., an affiliate of Swartz. These warrants were valued at $162,643 and are also recorded as deferred financing costs in the financial statements. No shares of the Company's common stock have been issued under this agreement as of December 31, 2000. On February 7, 2000, the Company and Swartz agreed to waive

certain fees. As consideration, Swartz shall retain the 450,000 warrants and Dunwoody shall retain the 250,000 warrants. The Company has expensed the $455,400 of deferred financing costs. In addition, if the Company does not reinstate the equity line and file a registration statement registering the shares under the equity line by February 7, 2001, the Company will be obligated to pay Swartz 200,0000 shares of common stock or $200,000 cash, at Swartz' option.

6. Stock (continued)

The Company has authority to issue up to 5,000,00 shares of preferred stock pursuant to action by the board of directors. In February 1999, the Company entered into an agreement with two stockholders/directors that granted them 1,000,000 shares each of Series A voting preferred stock. These shares were issued for nominal consideration since the shares are restricted and cannot be freely traded, and were valued at $.0001 par value. Each share of the Series A preferred stock has the right to cast 25 votes per share on each and any matter that the common stock is entitled to vote. Accordingly, the two stockholders/directors are able to control the affairs and operations of the Company including, but not limited to, election of directors, sale of assets, or other business opportunities. The Series A preferred stock has no dividend rights, redemption provisions, sinking fund provisions, or preemptive rights. However, Series A preferred stockholders have the right to convert each share of the Series A preferred stock into common stock based on the Company attaining specified annual revenue limits.

In January 1999, the Company initiated a stock option plan for employees of the Company. A total of 10,000,000 shares have been reserved for issuance under the plan. Approximately 5,500,000 options to purchase a total of 5,500,000 shares of stock were granted to executives of the Company as part of their employment agreements.

During the year ended December 31, 1999, the Company issued 150,000 shares of common stock for $26,500 and a stock subscription of $123,500. The subscription is non-interest bearing and contains no formal repayment term.

In February 2000, the Company issued 100,000 shares of restricted common stock valued at $62,500 as a deposit on an acquisition. This acquisition was expected to be completed pending the resolution of specific terms in the stock purchase agreement. Those terms were not completed and the Company wrote off the deposit at December 31, 2000.

During the year ended December 31, 2000, the Company issued 1,498,500 shares of restricted common stock and options to purchase 100,000 shares of common stock for consulting services, investor relations services, and legal fees. These shares and options were valued at $623,263. Part of these shares were for future services and are recorded as prepaid consulting. The Company amortizes these consulting fees over the life of the consulting agreement. Unamortized prepaid consulting fees amounted to $50,375 at December 31, 2000.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Notes to Financial Statements

Years Ended December 31, 2000 and 1999

6. Stock (continued)

During the year ended December 31, 2000, the Company issued non-qualified stock options to purchase 2,000,000 shares of common stock to two officers of the Company. The options have an exercise price of $.60 per share, will be exercisable one year from the date of issuance, and have an exercise period of

10 years from the date of the agreement. Since the exercise price was equal to the fair market value of the underlying common stock, no compensation expense was recorded.

In addition, the officers shall receive additional options on December 31, 2001 equal to 10 percent of the outstanding shares of common stock of the Company. These options carry an exercise price of $.0275 per share providing that the Company has received at least $10,000,000 in candy revenues.

The Company grants options and warrants to purchase shares of the Company's common stock to individuals under various agreements. The following is a summary of stock option and warrant activity during the year ended December 31, 2000:

<TABLE>
<CAPTION>

	Options		Warrants	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>
Outstanding at December 31, 1998	0	$ .00	0	$ .00
Granted in 1999	5,500,000	.15	700,000	1.01
Exercised in 1999	0	.00	0	.00
Outstanding at December 31, 1999	5,500,000	.15	700,000	1.01
Granted in 2000	2,100,000	.63	0	.00
Exercised in 2000	0	.00	0	.00
Outstanding at December 31, 2000	7,600,000	$ .78	700,000	$ 1.01

</TABLE>

The following table summarizes the status of outstanding options and warrants at December 31, 2000:

Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life
$0.15	5,500,000	8.06
$1.01	700,000	3.41
$.75 - $1.50	2,100,000	4.61
	8,300,000	

6. Stock (continued)

As of December 31, 2000, 5,600,000 of the above were exercisable, the options issued in 1999 expire 10 years after the date granted, and the warrants expire five years after the date of grant. The options granted in 2000 have a five-year contractual life.

FASB No. 123 requires disclosure of pro forma net income as if the fair value based methods had been applied in measuring compensation costs for common stock options and warrants granted. Pro forma net income and net income per common share are as follows for the year ended December 31:

<TABLE>
<CAPTION>

	2000	1999
<S>	<C>	<C>
As reported:		
Net loss	$ (2,344,387)	$ (1,816,158)
Basic loss per common share	$ (.18)	$ (.23)

Pro forma:		
Net loss	$ (2,816,387)	$ (2,606,658)
Basic loss per common share	$ (.13)	$ (.34)

</TABLE>

The weighted average fair value of the options at their grant date during the year ended December 31, 2000 was $.32. The estimated fair value of each option granted is calculated using the Black-Scholes option pricing model. The following summarizes the weighted average of the assumptions used in the model:

Risk-free interest rate	6.150% - 6.380%
Expected years until exercise	4.61 Years
Expected dividend yield	0

7. Operating Leases

The Company is obligated under various month-to-month operating leases for the rental of space and related equipment. For 2000 and 1999, total rent amounted to $140,000 and $11,960, respectively.

8. Income Taxes

The Company has incurred significant operating losses since its inception and, therefore, no tax liabilities have been incurred for the years presented. These operating losses give rise to a deferred tax asset at December 31, 2000 and are as follows:

Deferred tax assets	$ 2,569,000
Allowance	2,569,000
	$ 0

The difference between the provision for income taxes and the amounts obtained by applying the statutory U.S. federal income tax rate to the net loss before income taxes is as follows:

	2000	1999
Tax benefit at statutory rate	$ (919,300)	$ (700,800)
Extraordinary gain on forgiveness of debt	28,400	10,600
Valuation allowance on net operating loss	890,900	690,200
Tax expense	$ 0	$ 0

The Company has available at December 31, 2000 approximately $6.7 million of unused operating loss carryforwards that may be applied against future taxable income, which would reduce taxes payable by approximately $2.6 million in the future. These operating loss carryforwards expire beginning in 2008. Due to the Company's history of operating losses, management has established a valuation allowance in the full amount of the deferred tax assets arising from these losses because management believes it is more likely than not that the Company will not generate sufficient taxable income within the appropriate period to offset these operating loss carryforwards. Income tax benefits resulting from the utilization of these carryforwards will be recognized in the periods in which they are realized for federal and state tax purposes.

9. Extraordinary Gain

During 2000 and 1999, several creditors accepted partial payments on balances due to each of them as payments in full. The net differences between amounts accepted as full payments and the vendors outstanding balances as of the date of acceptance are shown in the accompanying financial statements as extraordinary gain of $74,752 and $28,018, respectively.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Notes to Financial Statements

Years Ended December 31, 2000 and 1999

10. Earnings Per Share

The following data shows the amounts used in computing earnings per share:

	2000	1999
Net loss	$ (2,344,387)	$ (1,816,158)
Weighted average number of common shares used in basic EPS	12,575,845	7,771,193

11. Employment Agreements

In January 1999, the Company entered into employment agreements with two stockholders of the Company. Each employment agreement has a term of five years and has an annual base compensation beginning at $75,000 annually for the 12-month period ending May 31, 2000. The agreements increase $10,000 per year to an annual compensation of $115,000 for the 12-month period ending May 31, 2004. Each executive has the right, at his election, to receive compensation in the form of the Company's restricted common stock valued at 50 percent of the closing bid price as of the date of the executive election. In addition, upon execution of the employment agreements, each executive was granted non-qualified stock options to purchase 2,500,000 shares of the Company's common stock at an exercise price of $.15 per share, which was the fair value at the date of the grant. These options are immediately exercisable and have an exercise period of 10 years.

Additionally, in January 1999, the Company entered into an employment agreement with its chief financial officer. This employment agreement has a term of five years. The annual compensation is $60,000 for 480 hours of service. As consideration for this employment agreement, the chief financial officer received an option to purchase 500,000 shares of the Company's common stock over a 10-year period at $.15 per share, which was the fair value at the date of the grant. These options may be immediately exercisable.

Each of the above employment agreements has a non-compete clause. The agreements also generally provide for severance payments equal to 299 percent of the annual base compensation then due under each agreement in the event of termination without cause.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Notes to Financial Statements

Years Ended December 31, 2000 and 1999

12. Contingencies

The Company's past website host and e-commerce provider terminated the Company's website and refused to provide additional e-commerce support services. This dispute involves a claim that the Company has failed to timely pay for past services rendered. However, there is no executed written contract between the parties. Also, the website provider is refusing to turn over the HTML web pages that comprise the Company's website and has asserted certain copyright infringement and trade secret misappropriation claims. No lawsuit has been filed. If necessary, and litigation is instituted, the Company plans to vigorously defend and assert substantial counterclaims. Management of the Company and its legal counsel indicate that the likelihood of an unfavorable outcome, as well as the maximum potential loss, if any, is impossible to assess

at this time.

UPSIDE DEVELOPMENT, INC.
(f/k/a ALOTTAFUN!, INC.)

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Statements of Changes in Stockholders' Deficit - Three months ended March 31, 2001	F-23
Statements of Cash Flows - Three months ended March 31, 2001 and 2000	F-24
Notes to Financial Statements	F-25 - F-26

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Balance Sheet

March 31, 2001
(unaudited)

<TABLE>
<S> <C>

Assets	
Current assets:	
Cash	$ 4,032
Accounts receivable	10,278
	14,310
Property and equipment, net of accumulated depreciation	16,723
Deposit on acquisitions	158,108
Other assets	23,076
	181,184
	$ 212,217
Liabilities and Stockholders' Deficit	
Current liabilities:	
Bank overdrafts	5,040
Notes payable, net of discounts	368,503
Accounts payable	285,919
Accrued expenses	251,513
Total current liabilities	910,975
Stockholders' deficit:	
Preferred stock; par value of $.0001; 5,000,000 shares authorized; 2,000,000 shares issued and outstanding.	200
Common stock; par value of $.01 per share; 50,000,000 shares authorized; 22,104,687 shares issued and outstanding.	221,047
Additional paid-in capital	6,591,454
Accumulated deficit	(7,367,809)

	(555,108)
Stock subscription receivable	(123,500)
Prepaid assets consulting	(20,150)
Total stockholders' deficit	(698,758)
	$ 212,217

</TABLE>

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Operations
(unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Sales, net of allowance and discounts	$ 33,083	$ (44)
Cost of sales	1,739	3,535
Gross profit	31,344	(3,579)
Operating expenses:		
Selling	17,974	13,192
General and administrative	262,897	221,989
Depreciation and amortization	11,055	8,660
	291,926	243,841
Loss from operations	(260,582)	(247,420)
Other expenses:		
Net realized gain on sale of securities, trading	-	5,344
Interest expense	(58,677)	(11,220)
Total other expenses	(58,677)	(5,876)
Net loss before extraordinary gain	(319,259)	(253,296)
Extraordinary gain on forgiveness of debt	11,234	62,024
Net loss	$ (308,025)	$ (191,272)
Loss per common share:		
Loss before extraordinary gain	(0.02)	(0.03)
Extraordinary gain	-	0.01
Net loss per common share	$ (0.02)	$ (0.02)
Weighted average shares outstanding	19,850,845	10,040,642

</TABLE>

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Changes in Stockholders' Deficit
(unaudited)

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock						
	Shares Issued	$.0001 Par Value	Shares Issued	$.01 Par Value	Additional Paid-in Capital	Accumulated Deficit	Prepaid Consulting Services	Stock Subscription Receivable	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 2000	2,000,000	$ 200	16,360,437	$163,604	$6,270,387	$(7,059,784)	$(50,375)	$(123,500)	$(799,468)
Issuance of common stock for offering costs	-	-	500,000	5,000	(5,000)	-	-	-	-
Issuance of common stock for services	-	-	2,098,750	20,988	121,912	-	-	-	142,900
Issuance of common stock to settle debt	-	-	2,845,000	28,450	143,722	-	-	-	172,172
Common stock and warrants issued in connection with-debt	-	-	300,500	3,005	60,433	-	-	-	63,438
Amortization of prepaid consulting services	-	-	-	-	-	-	30,225	-	30,225
Net loss for the three months ended March 31, 2001	-	-	-	-	-	(308,025)	-	-	(308,025)
Balance, March 31, 2001	2,000,000	$ 200	22,104,687	$221,047	$6,591,454	$(7,367,809)	$(20,150)	$(123,500)	$(698,758)

</TABLE>

The accompanying notes are an integral part of the financial statements.

Upside Development, Inc.
(f/k/a Alottafun!, Inc.)

Statements of Cash Flows
(unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Operating activities		
Net loss	$ (308,025)	$ (191,272)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	11,055	8,660
Loss on marketable securities		(5,344)
Amortization of discount on notes payable	55,442	-
Amortization of prepaid consulting services	30,225	-
Common stock issued for services	142,900	-
Purchase of marketable securities	-	-
(Increase) decrease in:		
Accounts receivable	3,316	2,685
Inventory	593	-
Other assets	-	(321)
Increase (decrease) in:		-
Accounts payable	(81,721)	(113,679)
Accrued expenses	61,994	18,728
Total adjustments	223,804	(89,271)
Net cash used by operating activities	(84,221)	(280,543)
Investing activities		
Deposit on acquisitions	(158,108)	-
Acquisition of equipment and intangible assets	-	(68,282)
Proceeds from sale of marketable securities	-	5,344
Net cash used by investing activities	(158,108)	(62,938)

Financing activities		
Reduction in bank overdraft	(4,170)	-
Proceeds from issuance of note payable	250,000	-
Proceeds from common stock and related paid-in capital	-	560,500
Reduction in note payable	-	(9,411)
Net proceeds/payments on credit line	-	-
Net cash provided by financing activities	245,830	551,089
Net increase in cash	3,501	207,608
Cash at beginning of period	531	5,310
Cash at end of period	$ 4,032	$ 212,918
Supplemental disclosures of cash flow information and noncash financing activities		
Cash paid during the period for interest	$ 57,430	$ 11,197

</TABLE>

During the three month period ended March 31, 2001, the Company issued 370,000 shares of restricted common stock in satisfaction of notes payable, including interest, of $33,327.

During the three month period ended March 31, 2001, the Company issued 2,475,000 shares of restricted common stock in satisfaction of debt of $138,845.

During the three month period ended March 31, 2001, the Company issued 500,000 shares of restricted common stock valued at $35,000 for the payment of offering costs.

During the three month period ended March 31, 2001, the Company issued $250,000 of notes payable. In connection with the notes, the Company issued 300,500 shares of restricted common stock valued at $21,143 and detachable warrants to purchase 1,312,500 shares of restricted common stock valued at $42,295. These amounts have been recorded as a discount on the notes and are being amortized over the life of the note.

During the three month period ended March 31, 2001, the Company issued 2,098,750 shares of restricted common stock for services valued at $142,900.

The accompanying notes are an integral part of the financial statements.

UPSIDE DEVELOPMENT, INC.
(f/k/a ALOTTAFUN!, INC.)

Notes to Financial Statements

Note 1 - Basis of presentation

In the opinion of the Company, the accompanying unaudited financial statements contain all adjustments (which are of a normal and recurring nature) necessary for a fair presentation of the financial statements. The results of operations for the three month periods ended March 31, 2001 and 2000 are not necessarily indicative of the results to be expected for the full year.

The unaudited financial statements and notes are presented as permitted by Form 10-QSB. Accordingly, certain information and note disclosures that are normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted. The accompanying financial statements and notes should be read in conjunction with the audited financial statements and notes for the Company for the fiscal year ended December 31, 2000. The results of operations for the three-month period ended March 31, 2001 are not necessarily indicative of those to be expected for the entire year.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. However, the Company has sustained substantial losses since inception that total approximately $7,400,000 and has used cash in operations of approximately $84,000 and $281,000 for the three month periods ended March 31, 2001 and 2000, respectively. The Company has a negative working capital of approximately $897,000 at March 31, 2001 and has negative tangible net worth of approximately $699,000 at March 31, 2001. In addition, the Company is currently in default on approximately $82,000 of notes

payable. Additionally, the Company has not had significant revenues over the past two years. These issues indicate that the Company may be unable to continue as a going concern. Realization of the Company's assets is dependent upon the Company's ability to raise additional capital, as well as generate revenues sufficient to result in future profitable operations. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note 2 - Per share calculations

Per share data was computed by dividing net loss by the weighted average number of shares outstanding during the three and month periods ended March 31, 2001 and 2000. The weighted average shares outstanding for the three month period ended March 31, 2001 was 19,850,845 as compared to 10,040,642 for the three months ended March 31, 2000.

Note 3 - Equity Transactions

Please refer to Audited Financial Statements consisting of the Company's balance sheet as of December 31, 2000, and related statements of operations, changes in stockholders' equity, and cash flows ended December 31, 2000, as audited by Pender, Newkirk & Company, Certified Public Accountant.

During the three month period ended March 31, 2001, the Company issued 370,000 shares of restricted common stock in satisfaction of notes payable, including interest, of $33,327.

During the three month period ended March 31, 2001, the Company issued 2,475,000 shares of restricted common stock in satisfaction of debt of $138,845.

During the three month period ended March 31, 2001, the Company issued 500,000 shares of restricted common stock valued at $35,000 for the payment of offering costs.

During the three month period ended March 31, 2001, the Company issued $250,000 of notes payable. In connection with the notes, the Company issued 300,500 shares of restricted common stock valued at $21,143 and detachable warrants to purchase 1,312,500 shares of restricted common stock valued at $42,295. These amounts have been recorded as a discount on the notes and are being amortized over the life of the note.

During the three month period ended March 31, 2001, the Company issued 2,098,750 shares of restricted common stock for services valued at $142,900.

Note 4 - Deposits on Acquisitions

During the three month period ended March 31, 2001, the Company signed letters of intent to acquire three tire recycling companies and a logistics company. To-date the Company has made deposits of $158,108 on these acquisitions.

Until August 28, 2001, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions

The following table sets forth the expenses, other than the underwriting discounts and commissions, paid or payable by the Registrant in connection with the distribution of the securities being registered. All amounts are estimates except the SEC registration fee, the NASD filing fee and the Nasdaq National Market listing fee.

Securities and Exchange Commission registration fee.....	$
Accounting fees and expenses.....	$10,000
Legal fees and expenses.....	$10,000
Printing and engraving expenses.....	$ 2,500
Blue Sky fees and expenses (including legal fees).....	$ 2,500
TOTAL.....	$

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UPSIDE DEVELOPMENT, INC.

PROSPECTUS

August , 2001

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 24. Indemnification of Directors and Officers.

Limitation of Liability and Indemnification matters

The Registrant's certificate of incorporation limits the liability of the Registrant's directors to the maximum extent permitted by Delaware law. Delaware law provides that a director of a corporation will not be personally liable for monetary damages for breach of that individual's fiduciary duties as a director except for liability for (1) a breach of the director's duty of loyalty to the corporation or its stockholders, (2) any act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law, (3) unlawful payments of dividends or unlawful stock repurchases or redemptions, or (4) any transaction from which the director derived an improper personal benefit.

This limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

The Delaware General Corporation Law provides that a corporation may indemnify directors and officers, as well as other employees and individuals, against attorneys' fees and other expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person was or is a party or is threatened to be made a party by reason of such person being or having been a director, officer, employee or agent of the corporation. The Delaware General Corporation Law provides that this is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The Registrant's certificate of incorporation and bylaws provide that the Registrant is required to indemnify its directors and officers to the maximum extent permitted by law. The Registrant's bylaws also require the Registrant to advance expenses incurred by an officer or director in connection with the defense of any action or proceeding arising out of that party's status or service as a director or officer of the Registrant or as a director, officer, employee benefit plan or other enterprise, if serving as such at the Registrant's request. The Registrant's bylaws also permit the Registrant to secure insurance on behalf of any director or officer for any liability arising out of his or her actions in a representative capacity. The Registrant intends to enter into indemnification agreements with its directors and some of its officers containing provisions that (1) indemnify, to the maximum extent

permitted by Florida law, those directors and officers against liabilities that may arise by reason of their status or service as directors or officers except liabilities arising from willful misconduct of a culpable nature, (2) to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified, and (3) to obtain directors' and officers' liability insurance if maintained for other directors or officers.

The Registrant's predecessor limited liability company had liability insurance for its management committee members and officers and the Registrant intends to obtain directors' and officers' liability insurance for its directors and officers.

Reference is also made to the Underwriting Agreement to be filed as Exhibit 3(g) to the Registration Statement for information concerning the underwriters' obligation to indemnify the Registrant and its officers and directors in certain circumstances.

Item 26. Recent Sales of Unregistered Securities.

The following information describes sales of unregistered securities by the Registrant since December 31, 2000.

None.

Item 27. Exhibits and Financial Statement Schedule.

(a) The following documents are filed as part of this report:

(1)(2) CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES. A list of the Consolidated Financial Statements filed as part of this Report is set forth in Item 8 and appears at Page F-1 of this Report; which list is incorporated herein by reference. The Financial Statement Schedules and the Report of Independent Auditors as to Schedules follow the Exhibits.

(b) (3) EXHIBITS.

All of the items below are incorporated by reference to the Registrant's General Form 10-SB and amendments for Registration of Securities as previously filed.

<TABLE>
<CAPTION>

EXHIBITS AND SEC REFERENCE NUMBERS

Number	Title of Document
2(a)	Certificate of Incorporation (2)
2(b)	Plan of Merger (2)
2(c)	Agreement and Plan of Merger (2)
2(d)	Certificate of Merger (2)
2(e)	Amendment to Certificate of Incorporation to Increase Authorized Shares (2)
2(f)	ByLaws (2)
3(a)	Amended and Restated Certificate of Designation, Preferences and Rights of Preferred Stock(2)
3(b)	Convertible Debenture Agreement by and between Alottafun! and Lampton, Inc. and GEM Management Limited dated December 8, 1998 (2)
3(c)	2% Convertible Debenture (2)
3(d)	Warrant to Purchase Common Stock (2)
3(e)	Escrow Agreement (2)
3(f)	Preferred Shareholder Agreement (2)
3(g)	Form of Subscription Agreement for Selling Shareholders (5)
5.1	Legal Opinion of Johnson, Blakely, Pope, Bokor, Ruppel & Burns, P.A. (1)
6(a)	Agreement by and between Michael Porter and Brian Henke (2)
6(b)	Employment Contract with Michael Porter dated 1/22/99 (2)
6(c)	Employment Contract with David Bezalel dated 1/22/99 (2)
6(d)	Employment Contract with Gerald Couture dated 1/22/99 (2)
6(e)	Amended Investment Agreement by and between Alottafun! and Swartz Private Equity, LLC dated June 3, 1999 (4)
6(f)	Amended Registration Rights Agreement by and between Alottafun! and Swartz Private Equity, LLC dated June 3, 1999 (2)
6(g)	Stock Option Plan of Alottafun! dated May 1999 (3)
6(h)	Joint Venture Agreement by and between Alottafun! and E-Commerce Fulfillment, L.L.C. dated May 17, 1999 (3)
6(i)	Agreement of Waiver dated February 7, 2000 between Alottafun and Swartz Private Equity, LLC (5)
6(j)	Note Purchase Agreement between Upside Development, Inc. and Augustine Associates, L.L.C. (1)
6(k)	STOCK ESCROW AND SECURITY AGREEMENT (1)
6(l)	Promissory Note (1)
23.1	Consent of Pender, Newkirk & Company, C.P.A.'s, independent auditors (1)

</TABLE>

(1) Filed herewith.

(2) Filed as exhibits to Form 10-SB filed on June 9, 1999.

(3) Filed as exhibits to Form 10-SB/A filed on September 21, 1999.

(4) Filed as exhibits to Form 10-SB/A filed on November 2, 1999.

(5) Filed as exhibits to Form SB-2 filed on July 12, 2000

(c) Reports on Form 8-K

Item 28. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing, specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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

The undersigned registrant hereby further undertakes that:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Act");

(ii) To reflect in the Prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereto) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of Prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filled by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Form SB-2 to Registration Statement to be signed

on its behalf by the undersigned, thereunto duly authorized, in West Bend, Wisconsin, on this 1st day of August, 2001.

UPSIDE DEVELOPMENT, INC.

Date: August 1, 2001

By: /s/ Michael Porter

Michael Porter
Chief Executive Officer,
Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons, in the capacities indicated, on the dates stated.

Signature	Capacity	Date
/s/ Michael Porter --- Michael Porter	Chairman of the Board Chief Executive Officer,	August 1, 2001
/s/ Peter Paril --- Peter Paril	President and Director	August 1, 2001

LEGEND TO BE INSERTED ALONG LEFT-HAND SIDE OF COVER PAGE OF PROSPECTUS:

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

Exhibit 5.1
OPINION OF MICHAEL S. KROME, P.C.

MICHAEL S. KROME, P.C.
8 Teak Court
Lake Grove, New York 11755

August 1, 2001

The Board of Directors
Upside Development, Inc.
14 W. Main Street
West Bend, Wisconsin

Gentlemen:

You have requested my opinion as counsel for Upside Development, Inc., a Delaware corporation (the "Company"), in connection with the registration under the Securities Act of 1933, as amended (the "Securities Act"), and the Rules and regulations promulgated thereunder, of an aggregate of 22,690,100 Shares (the "Shares") of the Company's common stock, par value $0.01 per share (the "Common Stock"), pursuant to a Registration Statement on Form SB-2 (the "Registration Statement").

For purposes of this opinion, I have examined the Registration Statement filed with the Securities and Exchange Commission on or about the date hereof, including the prospectus which is a part thereof (the "Prospectus") and the exhibits thereto. I have also been furnished with and have examined originals or copies, certified or otherwise identified to my satisfaction, of all such records of the Company, agreements and other instruments, certificates of officers and representatives of the Company, certificates of public officials and other documents as I have deemed it necessary to require as a basis for the opinions hereafter expressed. As to questions of fact material to such opinions, I have, where relevant facts were not independently established, relied upon certifications by principal officers of the Company. I have made such further legal and actual examination and investigation as I deem necessary for purposes of rendering the following opinions.

In my examination I have assumed the genuineness of all signatures, the legal capacity of natural persons, the correctness of facts set forth in certificates, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies, and the authenticity of the originals of such copies. I have also assumed that such documents have each been duly authorized, properly executed and delivered by each of the parties thereto other than the

Company.

I am a member of the bar of the State of New York. My opinions below are limited to the laws of the State of New York, the General Corporation Law of the State of Delaware and the federal securities laws of the United States.

Based on the foregoing, it is my opinion that all of the Shares, when issued and delivered and upon conversion in accordance with the terms of a Convertible Note, when applicable, and when sold and delivered in the manner described in the Prospectus, will be legally and validly issued, fully paid and nonassessable.

I consent to the filing of this opinion as an exhibit to the Registration Statement and consent to the use of my name under the caption "Legal Matters" in the Prospectus.

Sincerely,

/s/ Michael S. Krome, Esq.

Exhibit 6(j)

NOTE PURCHASE AGREEMENT

UPSIDE DEVELOPMENT, INC.

THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE PURCHASE AGREEMENT (AS IT MAY BE AMENDED FROM TIME TO TIME, THE "AGREEMENT') HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE AND WILL BE OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THESE LAWS BY VIRTUE OF THE INTENDED COMPLIANCE BY STAMPEDE WORLDWIDE, INC., WITH SECTION 3(b) OF THE SECURITIES ACT, THE PROVISIONS OF REGULATION D UNDER SUCH ACT AND SIMILAR EXEMPTIONS UNDER STATE LAW. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Agreement has been executed by the undersigned purchaser (hereafter, the "Purchaser") in connection with the private placement of that certain 7% Convertible Promissory Note (referred to herein as the "Note"), of Upside Development, Inc. (the "Company"), a publicly-held and traded corporation formed under the laws of the State of Delaware. The Note is being offered and sold in partial reliance upon the exemption from securities registration afforded by the provisions of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "1933 Act" or the "Securities Act"). This Note Purchase Agreement (this "Agreement") is made as of May 15, 2001.

Section 1.1 Purchase and Sale of the Note. Upon the following terms and conditions, the Company shall issue and sell the Note to the Purchaser, and the Purchaser shall purchase the Note from the Company. The Note shall be represented in the form of Exhibit A attached hereto and incorporated herein by reference. The Note is convertible in accordance with its terms into non-legended common stock of the Company, $.001 par value per share ("Common Stock"). The Note shall be in the aggregate principal amount of US$1,000,000.00, and shall be sold at the Purchase Price (defined below), at the Closing (defined below). Interest on the Note shall be paid in accordance with the terms of the Note.

Section 1.2 Purchase Price. The total aggregate purchase price for the Note (the "Purchase Price") shall be One Million Dollars ($1,000,000.00).

Section 1.3 Closing.

(a) The closing of the purchase and sale of the Note (the "Closing"), shall take place at the law offices of H. Glenn Bagwell, Jr. (the "Escrow Agent"), 3005 Anderson Drive, Suite 204, Raleigh, N.C., USA 27609 (telephone:

919.785.3113, telecopier 919.785.3116), on the later of the following (the "Closing Date"): (i) the date on which the last to be fulfilled or waived of the conditions set forth in Sections 4.1 and 4.2 hereof and applicable to the Closing shall be fulfilled or waived in accordance herewith, or (ii) such other time and place and/or on such other date as the Purchaser and the Company may agree.

(b) On the Closing Date, the Company shall, through the Escrow Agent, deliver to the Purchaser the Note issued in the name of the Purchaser, and the Escrowed Shares (defined below) to the Escrow Agent. The Purchaser shall on the Closing Date deliver to the Escrow Agent on behalf of the Company the Purchase Price for the Note by wire transfer in immediately available funds to such account as shall be designated in writing by the Escrow Agent. Upon receipt of the Note and the Escrowed Shares, the Escrow Agent shall immediately deliver via wire transfer the Purchase Price (less any fees agreed to be paid by the Company) to the Company, and the Note to the Purchaser. The Escrowed Shares shall be held by the Escrow Agent in accordance with the terms of the Escrow Agreement (defined below), pending conversion of the Note in accordance with their terms. In addition to the above, each party shall deliver to the Escrow Agent on behalf of the other all documents, instruments and writings required to be delivered by such party pursuant to this Agreement at or prior to the Closing.

Section 1.4 Reporting Status; Registration of Securities; Compliance with Regulation D. The Company represents and warrants that, as of the date of this Agreement, the Company is subject to the reporting requirements of Section 13 or 15(d) of the Securities 1934 Act of 1934, as amended (the "1934 Act"), and the Company is otherwise in compliance with the requirements of Regulation D with respect to the offerings contemplated hereby. The Common Stock underlying the Note has been registered pursuant to an SB-2 registration statement, Registration No. _____ (the "Registration Statement") filed in final form with the SEC on _____, 2000, and declared effective by the SEC on _____, 200__. The Company is able to and does hereby offer and sell the Note and the underlying Common Stock (collectively the "Securities") without restrictive legend, in accordance with the provisions of Regulation D and/or pursuant to the Registration Statement.

Section 2.1 Representations and Warranties of the Purchaser. The Purchaser makes the following representations and warranties to the Company.

(a) Accredited Investor. The Purchaser is an "accredited investor" under the definition set forth in Rule 501(a) of Regulation D, promulgated under the Securities Act.

(b) Speculative Investment. The Purchaser is aware that an investment in the Securities is highly speculative and subject to substantial risks. The Purchaser is capable of bearing the high degree of economic risk and the burden of this venture, including, but not limited to, the possibility of complete loss of the Purchaser's investment in the Securities which make liquidation of this investment impossible for the indefinite future.

(c) Privately Offered. The offer to acquire the Note was directly communicated to the Purchaser in such manner that the Purchaser was able to ask questions of and receive answers concerning the terms and conditions of this transaction. At no time was the Purchaser presented with or solicited by or through any leaflet, public promotional meeting, television advertisement, or any other form of general advertising.

(d) Purchase for Investment. The Note is being acquired solely for the Purchaser's own account, and is not being purchased with view to the resale, distribution, subdivision or fractionalization thereof without proper registration with applicable securities administrators or an applicable exemption from such registration.

(e) Access to Information. Purchaser or Purchaser's professional advisor has been granted the opportunity to ask questions or and receive answers from representatives of the Company, its officers, directors, employees and agents concerning the terms and conditions of the offering of Securities, the Company, its business and prospects, and to obtain any additional information which Purchaser or Purchaser's professional advisor deems necessary to verify the accuracy and completeness of the information received.

(f) Reliance on Own Advisors. Purchaser has relied on the advice of, or has consulted with, Purchaser's own tax, investment, legal or other advisors and has not relied on the Company or any of it affiliates, officers, directors, attorneys, accountants or any affiliates of any thereof and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Securities Act for any tax or legal advice. The foregoing, however, does not limit or modify Purchaser's right to rely upon representations and warranties of the Company in Section 2.2 of this Agreement and any representations of any third parties acting as agents for or on the Company's behalf.

(g) Capability to Evaluate. Purchaser has such knowledge and experience in financial and business matters so as to enable such Purchaser to utilize the information made available to it in connection with the offer of the Securities in order to evaluate the merits and risks of the prospective investment.

(h) Authority. Purchaser has full power and authority to execute and deliver this Agreement and each other document included herein for which a signature is required in such capacity and on behalf of the subscribing individual, partnership, trust, estate, corporation or other entity for whom or which Purchaser is executing this Agreement.

Section 2.2 Representations and Warranties of the Company. The Company hereby makes the following representations and warranties to the Purchaser:

(a) Organization and Qualification. The Company (and each of its subsidiaries, if applicable) is a corporation duly incorporated and existing in good standing under the laws of the State of Delaware and has the requisite

corporate power to own its properties and to carry on its business as now being conducted. The Company and each subsidiary, if any, is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction

in which the nature of the business conducted or property owned by it makes such qualification necessary other than those in which the failure so to qualify would not have a Material Adverse Effect. "Material Adverse Effect", for purposes of this Agreement, means any adverse effect on the business, operations, properties, prospects, or financial condition of the entity with respect to which such term is used and which is material to such entity and other entities controlled by such entity taken as a whole.

(b) Authorization; Enforcement. (i) The Company has the requisite corporate power and authority to enter into and perform this Agreement and to issue Securities and the Escrowed Shares in accordance with the terms hereof, (ii) the execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and no further consent or authorization of the Company or its Board of Directors or stockholders is required, (iii) this Agreement has been duly executed and delivered by the Company, (iv) this Agreement constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application) and (v) prior to the Closing Date, any necessary amendment to the Company's Articles of Incorporation authorizing Company to issue all of the Securities and the Escrowed Shares will have been filed with the Secretary of State of the state in which the Company is incorporated and will be in full force and effect, enforceable against the Company in accordance with the terms of such amended Articles of Incorporation.

(c) Authorized Capital; Rights or Commitments to Stock. As of May 1, 2001, the authorized capital stock of the Company consists of 200,000,000 shares of Common Stock, of which approximately 27,000,000 shares are issued and outstanding as of such date; and 5,000,000 shares of preferred stock, of which 2,000,000 are issued and outstanding as of such date.

All of the outstanding shares of the Company's Common Stock have been validly issued and are fully paid and non-assessable. Except as stated above or as described in Exhibit C (attached only if applicable), no shares of Common Stock are entitled to registration rights or preemptive rights, and there are no (I) outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities (not including the Note) or rights convertible into, any shares of capital stock of the Company, (II) contracts, commitments, understandings, or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company or (III) options, warrants, scrip, rights to subscribe to, or commitments to purchase or acquire, any shares, or securities (whether the

Note or other notes, debentures, preferred stock or otherwise) or rights convertible into shares of capital stock of the Company. Exhibit C shall specifically indicate registration rights associated with any such securities and whether the Company intends to register such securities or capital stock underlying such securities within one (1) year after the Closing Date.

(d) Issuance of Securities. The issuance of the Securities, including without limitation the Escrowed Shares, has been duly authorized and, when paid for and issued in accordance with the terms hereof, the Note shall be validly issued, fully paid and non-assessable and entitled to the rights described in Exhibit A hereto. The Common Stock issuable upon conversion of the Note and the Escrowed Shares will be duly authorized and reserved for issuance and, upon conversion, will be validly issued, fully paid and non-assessable, and the holders shall be entitled to all rights and preferences accorded to a holder of Common Stock.

(e) No Conflicts. The Company has furnished or made available to the Purchaser true and correct copies of the Company's Articles of Incorporation as in effect on the date hereof (the "Articles"), and the Company's By-Laws, as in effect on the date hereof (the "By-Laws"). The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not (i) result in a violation of the Company's Articles or By-Laws or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party, or result in a violation of any federal, state, local or foreign law, rule, regulation, order, judgment or decree (including Federal and state securities laws and regulations) applicable to the Company or any of its subsidiaries or by which any property or assets of the Company or any of its subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect); provided that, for purposes of such representation as to federal, state, local or foreign law, rule or regulation, no representation is made herein with respect to any of the same applicable solely to the Purchaser and not to the Company. The business of the Company is not being conducted in violation of any law, ordinance or regulations of any governmental entity, except for violations that either singly or in the aggregate do not and will not have a Material Adverse Effect. The Company is not required under federal, state or local law, rule or regulation in the United States to obtain any consent, authorization or order of, or make any filing (other than any filing of a vote establishing a class or series of stock with the Secretary of State or similar authority of the state in which the Company is incorporated) or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or issue and sell the Note in accordance with the terms hereof, except the filing of Form D with the SEC, if required by the provisions of Regulation

D; provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of the Purchaser herein. If applicable, the Company will send a copy of the Form D to the Escrow Agent once filed with the SEC.

(f) Reporting Status; Financial Statements. The Company is as of the date hereof subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act. The Company is not an investment company or a developmental stage company that has no specific business plan or purpose.

Except as set forth in Exhibit C, no information or documentation provided to the Purchaser as of the date hereof has contained any untrue statement of a material fact or has omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Except as set forth in Exhibit C, the financial statements of the Company provided to the Purchaser, if any, comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the Note thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(g) No Material Adverse Change. Since at least December 31, 1999, no Material Adverse Effect has occurred or exists with respect to the Company or any of its subsidiaries.

(h) No Undisclosed Liabilities. The Company and its subsidiaries have no material liabilities or obligations not disclosed to the Purchaser in writing, other than those incurred in the ordinary course of the Company's or any of its subsidiaries' respective businesses since December 31, 1999, which, individually or in the aggregate, do not or would not have a Material Adverse Effect on the Company or any of its subsidiaries.

(i) No Undisclosed Events or Circumstances. No event or circumstance has occurred or exists with respect to the Company or any of its subsidiaries or their respective businesses, properties, prospects, operations or financial condition which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed.

(j) No General Solicitation. Neither the Company, nor any of its

affiliates, or, to the best of its knowledge, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Act) in connection with the offer or sale of the Securities.

(k) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any of the Company's securities or solicited any offers to buy any of such securities, under circumstances that would prevent the Company from offering the Securities and delivering the Escrowed Shares pursuant to Regulation D and/or the Registration Statement.

Section 3.1 Securities Compliance. The Company shall to the extent required notify the SEC, NASD and NASDAQ OTC Bulletin Board Market, in accordance with their requirements, of the transactions contemplated by this Agreement, and shall take all other necessary action and proceedings as may be required by applicable law, rule and regulation, for the legal and valid issuance of the Note, the Common Stock issuable upon conversion thereof, to the Purchaser.

Section 3.2 Registration and Listing. Until at least one (1) year after all of the principal of the Note has been converted into Common Stock, the Company will take all action within its power to continue the listing or trading of its Common Stock on the NASDAQ OTC Bulletin Board Market (or other principal market) and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the NASD and NASDAQ. The covenants set forth in this Section 3.2 shall not be deemed to prohibit a merger, sale of all assets or other corporate reorganization if the entity surviving or succeeding to the Company is bound by this Agreement with respect to its securities issued in exchange for or in replacement of the Note or Common Stock or the consideration received for or in replacement of the Note or Common Stock is cash.

Section 3.3 Transfer Agent Instructions.

a. The Note. Except as noted in Section 3.4 below, upon conversion of the Note, the Purchaser shall give a notice of conversion to the Company and the Company shall instruct its transfer agent to issue, and deliver to Purchaser within three business (3) days after the date of such notice of conversion, one or more certificates representing that number of shares of Common Stock into which the Note is convertible in accordance with the provisions regarding conversion set forth in Exhibit A. The Company shall act as Note Registrar and shall maintain an appropriate ledger containing the necessary information with respect to the Note.

b. Common Stock to be Issued Without Restrictive Legend. Upon the conversion of all or any portion of the Note, the Company shall instruct its transfer agent to issue certificates equivalent to the number of shares of Common Stock to be received upon such conversion, along with any shares issued

as interest in accordance with the terms of the Note, without restrictive legend in the name of the Purchaser (or its nominee) and in such denominations to be specified at conversion by the Purchaser. The Common Stock shall be immediately freely transferable on the books and records of the Company.

c. Registration. If upon conversion of the Note effected by Purchaser pursuant to the terms of this Agreement the Company fails to issue certificates for shares of Common Stock issuable upon such conversion (the "Underlying Shares") to Purchaser bearing no restrictive legend of any kind for any reason, then the Company shall be required, at the request of Purchaser and at the Company's expense, to effect the registration of the Underlying Shares under the 1933 Act and all relevant "blue sky" laws as promptly as is practicable but in any event within the time limits specified in this Paragraph 3.3(c). The Company and Purchaser shall cooperate in good faith in connection with the furnishing of information required for such registration and the taking of such other actions as may be legally or commercially necessary in order to effect such registration. The Company shall file a registration statement within thirty (30) days after Purchaser's demand therefor and shall use its best efforts to cause such registration statement to become effective as soon as practicable thereafter and in any event within one hundred twenty (120) days from the

initial filing thereof. Such best efforts shall include, without limitation, promptly responding to all comments received from the SEC and providing Purchaser's counsel with a contemporaneous copy of all written correspondence with the SEC. Once declared effective by the SEC, the Company shall cause such registration statement to remain effective until the earlier of: (i) the sale by Purchaser of all Underlying Shares registered; or (ii) one hundred eighty (180) days after the effective date of such registration statement. In the event the Company undertakes to file a registration statement on Form S-1 in connection with the Common Stock, upon the effectiveness of such registration, Purchaser shall have the option to sell the Underlying Shares pursuant thereto. The foregoing shall not in any way limit Purchaser's rights in connection with the Common Stock or the Underlying Shares pursuant to Regulation D, the Registration Statement or otherwise. If the registration statement required hereunder is not declared effective by the SEC within the time limits stated in this Paragraph 3.3(c), the Company will be liable to Purchaser for liquidated damages. Such liquidated damages shall be in the amount of three percent (3%) of the Purchase Price for each thirty (30) day period beginning on the date effectiveness was called for under this Paragraph 3.3(c) and ending on the date on which such registration statement is declared effective by the SEC. Said liquidated damages shall be pro-rated for the partial thirty (30) day period in which the registration statement is declared effective. Said liquidated damages shall be due and payable at the end of each such thirty (30) day period, and shall be paid in cash at the place specified in writing by Purchaser. After one (1) year from the Closing Date, such liquidated damages will cease to accrue, and Purchaser may rely upon Rule 144 for conversion of the Note into Common Stock and for all sales of Common Stock received upon conversion.

Section 3.4 Escrow of Common Stock. As additional security for the

transactions contemplated herein, the Company has agreed to place in escrow with the Escrow Agent 8,000,000 shares of non-restricted Common Stock ("Escrowed Shares"), in accordance with the terms of that escrow agreement attached to this Agreement as Exhibit B (the "Escrow Agreement"). With respect to the conversion of the Note, in addition to the provisions of Section 3.3 above, upon conversion of the Note into Common Stock in accordance with their terms, so long as a sufficient number of Escrowed Shares are held by the Escrow Agent to effect such a conversion, the Purchaser shall submit via facsimile a copy of each notice of conversion to the Escrow Agent, and the Escrow Agent shall transmit to the Purchaser via electronic transfer, or via delivery of one or more non-legended stock certificates (along with duly executed and Medallion guaranteed stock powers) representing, such number of Escrowed Shares as are specified in such notice of conversion. Such transfer, so long as in accordance with the terms of this Agreement, the Escrow Agreement and the notice of conversion delivered to the Escrow Agent, shall satisfy the conversion requirement of any portion of the Note so converted. If all (or such number that no further portion of the Note may be converted in full based upon the then-prevailing conversion price) of the Escrowed Shares are delivered to the Purchaser pursuant to conversion of the Note, but there is any portion of the Note still outstanding, the Purchaser may require the Company to place additional non-restricted Common Stock in escrow, which the Company shall place in escrow within three (3) business days after written request from the Purchaser to do so. The number of additional shares shall be equal to two and one-half times [(the outstanding principal of that portion of the Note not previously converted) divided by {(the then current bid price of the Common Stock, determined by taking the lowest closing bid price for the ten (10) trading days prior to such written request by Purchaser) multiplied by the then applicable conversion rate as stated in the Note}].

Likewise, the Company agrees, and does hereby reaffirm and covenant, that, should the Purchaser, in good faith, reasonably deem itself insecure upon examination and consideration of the outstanding principal amount due under the Note and the number of Escrowed Shares remaining with the Escrow Agent, then the Purchaser may give the Company written notice of such fact via facsimile, and the Company will immediately (but in any event within three (3) business days after such facsimile notice) place with the Escrow Agent sufficient additional Shares to provide reasonable security for the Purchaser. For purposes of this paragraph, "reasonable security" on any given date shall mean a sufficient number of Escrowed Shares that, if all of the then-remaining outstanding principal of the Note were converted on that date at the applicable discount rate, then there would be at least two hundred fifty percent (250%) of the required number of Escrowed Shares to effect such conversion in full. Thus, for example, if there were a $50,000 balance remaining on the Note, and the closing bid price were $4.25 per share, and the conversion price were $3.40 per share, then the Purchaser would be "reasonably secure" so long as there were 36,765 Escrowed Shares on deposit with the Escrow Agent [50,000/3.40 X 2.5 = 36,765].

Upon conversion of all the outstanding principal amount of the Note, any and all remaining Escrow Shares shall be returned to the Company by the

Escrow Agent in accordance with the terms of the Escrow Agreement or in accordance with the instructions of the Company.

Section 3.5 Use of Proceeds. The Company shall use the proceeds from the sale of the Securities for general working capital purposes. If specifically requested by the Purchaser, the Company will provide the Purchaser a schedule of the exact use of proceeds prior to Closing.

Section 4.1 General Conditions Precedent to the Obligation of the Company to Sell the Note. The obligation hereunder of the Company to issue and/or sell the Securities to the Purchaser is subject to the satisfaction, at the Closing, of each of the conditions set forth below. These conditions may be waived by the Company at any time in its sole discretion.

(a) Accuracy of the Purchaser's Representations and Warranties. The representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for any representations and warranties that are effective as of a particular, specified date).

(b) Performance by the Purchaser. The Purchaser shall have performed all agreements and satisfied all conditions required to be performed or satisfied by the Purchaser at or prior to the Closing.

(c) No Injunction, No Legal Action. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement. No legal action, suit or proceeding shall be pending or threatened which seeks to restrain or prohibit the transactions contemplated by this Agreement.

(d) [Intentionally left blank.]

(e) Execution. The Purchaser shall have executed this Agreement and the Escrow Agreement, and delivered said documents to the Escrow Agent on behalf of the Company.

(f) Purchase Price. The Purchaser shall have delivered to the Escrow Agent the applicable Purchase Price for the Note, in accordance with Sections 1.2 and 1.3 above.

Section 4.2 General Conditions Precedent to the Obligation of the Purchaser to Purchase the Note. The obligation hereunder of the Purchaser to acquire and pay for the Securities is subject to the satisfaction, at the Closing, of each of the conditions set forth below. These conditions may be waived by the Purchaser at any time in its sole discretion.

(a) Accuracy of the Company's Representations and Warranties. The

representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that are effective as of a particular, specified date).

(b) Performance by the Company. The Company shall have performed all agreements and satisfied all conditions required to be performed or satisfied by the Company pursuant to this Agreement and the Escrow Agreement at or prior to the Closing, unless any such agreement or condition is waived by the Purchaser in writing at or prior to Closing.

(c) Trading and Listing. The Company shall not have received notice of, and trading in the Company's Common Stock shall not have been, suspended by the SEC or a national securities exchange (currently the NASDAQ OTB Bulletin Board Market) (except for any suspension of trading of limited duration agreed to between the Company and the principal exchange on which the Common Stock is traded solely to permit dissemination of material information regarding the Company) or delisted by such exchange, and trading in securities generally as reported by such exchange shall note have at any prior time been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such exchange.

(d) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

(e) Execution. The Company shall have executed this Agreement, the Escrow Agreement and the Note, and delivered such documents and the Note, along with the Escrowed Shares, to the Escrow Agent on behalf of the Purchaser.

Section 5.1 No Legend on Stock. No certificate representing the Common Stock issued upon conversion of the Note shall contain any restrictive legend of any kind.

Section 6.1 Termination. This Agreement may be terminated at any time prior to the Closing by the mutual written consent of the Company and the Purchaser. This Agreement may be terminated by action of the respective Board of Directors or other governing body of the Purchaser or the Company at any time if the Closing shall not have been consummated by the tenth (10th) business day following the date of this Agreement, provided that the party seeking to terminate the Agreement is not in breach of the Agreement. This Agreement shall automatically terminate without any further action of either party hereto if the Closing shall not have occurred by the twelfth (12th) business day following the date of this Agreement, provided, however, that any such termination shall not terminate the liability of any party which is then in breach of the Agreement.

Section 7.1 Fees and Expenses. The Company shall pay the fees, commissions and expenses of its advisers, brokers, finders, counsel, accountants and other experts, if any, and all other expenses associated therewith, in accordance with their respective agreements. The Company shall pay all stamp and other taxes and duties levied in connection with the issuance of the Note and all Common Stock pursuant thereto and hereto. The Escrow Agent shall be entitled to an escrow/closing fee of two percent (2%) of the gross proceeds of the Closing, which amount shall be deducted from the Purchase Price at Closing.

Section 7.2 Specific Enforcement, Consent to Jurisdiction.

(a) The Company and the Purchaser acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which either of them may be entitled by law or equity.

(b) The Company and the Purchaser each (i) hereby irrevocably submits to the jurisdiction of the United States District Court and other courts of the United States sitting in the city of Chicago, State of Illinois for the purposes of any suit, action or proceeding arising out of or relating to this Agreement and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. The Company and the Purchaser each consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this paragraph shall affect or limit any right to serve process in any other manner permitted by law.

Section 7.3 Entire Agreement: Amendment. This Agreement contains the entire understanding of the parties with respect to the matters covered hereby and, except as specifically set forth herein, neither the Company nor the Purchaser makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by a written instrument signed by the party against whom enforcement of any such amendment or waiver is sought.

Section 7.4 Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery or delivery by telex (with correct answer back received), telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be

received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second (2nd) business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

The addresses for such communications shall be:

to the Company:	Mr. Michael Porter Upside Development, Inc. 141 N. Main Street, Suite 207 West Bend, Wisconsin 53095 FAX: 262.334.4502 TEL: 262.334.4500
to the Purchaser:	At the address set forth at the foot of this Agreement or as specified hereafter in writing by Purchaser.

Any party hereto may from time to time change its address for notices by giving at least ten (10) days' written notice of such changed address to the other party hereto.

Section 7.5 Waivers. No waiver by either party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

Section 7.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 7.7 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Illinois without regard to such state's principles of conflict of laws.

Section 7.8 Survival. The representations and warranties of the Company and the Purchaser contained in herein and the agreements and covenants set forth in Sections 1.1 through 1.4, 3.1 through 3.5 and 7.1 through 7.16 shall survive for a period of three (3) years after the Closing Date.

Section 7.9 Publicity. The Company agrees that it will not disclose, and will not include in any public announcement, the name of the Purchaser without its consent, unless and until such disclosure is required by law or applicable regulation, and then only to the extent of such requirement.

Section 7.10 NASDAQ. The term "NASDAQ" or "NASDAQ OTC Bulletin Board

Market" herein refers to the principal market on which the Common Stock of the Company is traded. If the Common Stock is listed on a securities exchange, or if another market becomes the principal market on which the Common Stock is traded or through which price quotations for the Common Stock are reported, the term "NASDAQ" or "NASDAQ OTC Bulletin Board Market " shall be deemed to refer to such exchange or other principal market.

Section 7.11 Acceptance. Execution and delivery of this Agreement by the Purchaser shall constitute an offer to purchase the Note, which offer, unless previously revoked by the Purchaser, may be accepted or rejected by the Company, in its sole discretion for any cause or for no cause and without liability to the Purchaser. The Company shall indicate acceptance of this Agreement by signing as indicated on the signature page hereof.

Section 7.12 Binding Agreement. Upon acceptance of this Agreement by the Company, the Purchaser agrees that it may not cancel, terminate or revoke any agreement of the Purchaser made hereunder, and that this Agreement shall survive the death or disability of the Purchaser and shall be binding upon heirs, successors, assigns, executors, administrators, guardians, conservators or personal representatives of the Purchaser.

Section 7.13 Incorporation by Reference. All information set forth on the signature page is incorporated as integral terms of this Agreement.

Section 7.14 Counterparts. This Agreement may be signed in multiple counterparts, which counterparts shall constitute one and the same original instrument.

Section 7.15 Severability. If any portion of this Agreement shall be held illegal, unenforceable, void or voidable by any court, each of the remaining terms hereof shall nevertheless remain in full force and effect as a separate contract.

Section 7.16 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Purchaser has executed this Agreement on the date set forth below.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO NOTE PURCHASE AGREEMENT DATED

MAY 15, 2001]

COMPANY:

UPSIDE DEVELOPMENT, INC.

By:_____
Mr. Michael Porter, Chairman and CEO

PURCHASER:

AUGUSTINE ASSOCIATES, L.L.C.

By:_____
Duly Authorized Company Representative

Purchaser's Address:
Augustine Associates, L.L.C.
141 W. Jackson Boulevard, Suite 2182
Chicago, Illinois 60604
Attn: Thomas F. Duszynski

Required Copy to:
Mr. H. Glenn Bagwell, Jr., Esq.
3005 Anderson Drive, Suite 204
Raleigh, North Carolina 27609
Telecopier: 919.785.3116

Exhibit 6(k)

EXHIBIT B

STOCK ESCROW AND SECURITY AGREEMENT

THIS STOCK ESCROW AND SECURITY AGREEMENT (this "Agreement") is dated as of May15, 2001, by and among UPSIDE DEVELOPMENT, INC. a corporation organized under the laws of the State of Delaware, U.S.A. (the "Company"), the undersigned buyer (the "Buyer") and H. GLENN BAGWELL, JR., a duly licensed attorney who practices law in the State of North Carolina, U.S.A., as Escrow Agent (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, the Buyer and the Company have entered into that Note Purchase Agreement dated as the date hereof (the "Securities Purchase Agreement"), pursuant to which the Company has agreed to sell, and the Buyer has agreed to purchase, in a closing or closings as described in the Securities Purchase Agreement (each a "Closing"), that 7% Convertible Promissory Note of the Company (the "Note"), which is convertible into shares of common stock of the Company, $.001 par value per share ("Common Stock") (collectively, the "Securities"); and

WHEREAS, the Buyer has requested certain additional security as partial consideration for Buyer's undertakings as described in the Securities Purchase Agreement and the Note; and

WHEREAS, it is a condition of the Buyer's obligation to purchase the Securities, that this Agreement be executed and delivered by all of the parties named above, and that the undertakings described herein be performed; and

WHEREAS, the Escrow Agent is willing to act hereunder on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth below, the parties hereto hereby agree as follows:

1. ESCROW ACCOUNT.

1.1 Deposit. On or before the date of the Closing, by electronic transfer or by delivery of one or more certificates, the Company shall deposit eight million (8,000,000) shares of unrestricted, free-trading Common Stock (each a "Share" and collectively the "Shares") with the Escrow Agent, to be held by the Escrow Agent in a separate brokerage account (the "Escrow Account") established with Wachovia Securities, Inc., or another brokerage account (as

applicable, the "Brokerage"), subject to the terms and provisions contained herein. The parties hereto acknowledge that the Closing shall not occur prior to the deposit of the Shares into the Escrow Account.

2. DISBURSEMENT OF SHARES.

2.1 Disbursement. None of the Shares shall be disbursed other than in accordance with the terms hereof, or in accordance with the written instructions of both the Company and the Buyer delivered to the Escrow Agent. In no event shall the Escrow Agent release or transfer any Shares to any party other than to the Buyer or to the Company in accordance with this Agreement, absent express written instructions from the Company to transfer Shares to a third party. The Shares (or such portion as may be applicable) shall be disbursed by the Escrow Agent under the following circumstances.

(a) At any time, in accordance with the terms of the Note, the Buyer exercises its right to convert the Note (or any portion thereof) into Common Stock, the Buyer shall in addition to the steps required under the Note, deliver via facsimile a copy of the Conversion Notice (as defined in the Note) to the Escrow Agent. The Escrow Agent shall, as soon as practicable upon receipt thereof but in any event within two (2) days after receipt of the Conversion Notice, deliver to or at the direction of the Buyer, via electronic transfer out of the Escrow Account such number of Shares as are to be received by the Buyer upon conversion in accordance with the Conversion Notice. The Escrow Agent shall have no discretion with respect to the number of Shares to be delivered pursuant to a Conversion Notice, but shall deliver that number specified in such Conversion Notice absent manifest error on the part of the Buyer

(b) Upon conversion into Common Stock of all of the outstanding principal amount of the Note offered and sold pursuant to the Securities Purchase Agreement, and upon delivery of that number of Shares which is equivalent to the number of shares of Common Stock to have been received by the Buyer upon conversion of all of the Note so offered and sold, the Company and the Buyer shall send via facsimile written notice to the Escrow Agent that all of the outstanding principal amount of the Note has been fully converted and that the parties do not intend to sell and purchase any further Notes. The written notice from the Company shall also provide instructions with respect to the return of all remaining Shares (if any) to the Company. The Escrow Agent shall, within three (3) business days after receipt of such notice from the parties, return all remaining Shares to the Company pursuant to such instructions.

2.2 Controversies. If any controversy arises between two or more of the parties hereto, or between any of the parties hereto and any person not a party hereto, as to whether or not or to whom the Escrow Agent shall deliver the Shares or any portion thereof or as to any other matter arising out of or relating to this Escrow Agreement, the Escrow Agent shall not be required to determine the same and need not make any delivery of the Escrow concerned or any portion thereof but may retain the same until the rights of the parties to the dispute shall have been finally determined by agreement or by final judgment of a court of competent jurisdiction after all appeals have been finally determined

(or the time for further appeals has expired without an appeal having been made) (notwithstanding the above, the provisions of the paragraph next above this one shall apply in all events without exception). The Escrow Agent shall deliver that portion of the Escrow concerned covered by such agreement or final order, if any is then held by the Escrow Agent, within five (5) days after the Escrow Agent receives a copy thereof. The Escrow Agent shall assume that no such controversy has arisen unless and until it receives written notice from the Buyer and/or the Company that such controversy has arisen, which refers specifically to this Agreement and identifies the adverse claimants to the controversy.

2.3 No Other Disbursements. No portion of the Shares shall be disbursed or otherwise transferred except in accordance with this Section 2, Section 4 or Section 5.1(b).

3. ESCROW AGENT. The acceptance by the Escrow Agent of his duties hereunder is subject to the following terms and conditions, which the parties to this Agreement hereby agree shall govern and control with respect to the rights, duties, liabilities and immunities of the Escrow Agent:

3.1 The Escrow Agent shall not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any cash, Shares, certificates, investments or other amounts deposited with or held by him.

3.2 The Escrow Agent shall be protected in acting upon any written notice, certificate, instruction, request or other paper or document believed by him to be genuine and to have been signed or presented by the proper party or parties.

3.3 The Escrow Agent shall not be liable for any act done hereunder except in the case of his reckless or willful misconduct or actions taken in bad faith.

3.4 The Escrow Agent shall not be obligated or permitted to investigate the correctness or accuracy of any document or to determine whether or not the signatures contained in said documents are genuine or to require documentation or evidence substantiating any such document or signature.

3.5 The Escrow Agent shall have no duties as Escrow Agent except those that are expressly set forth herein, and in any modification or amendment hereof; provided, however, that no such modification or amendment hereof shall affect his duties unless the Escrow Agent shall have given his written consent thereto. The Escrow Agent shall not be prohibited from owning an equity interest in the Company, the Buyer, another buyer, any of their respective subsidiaries or any third party that is in any way affiliated with or conducts business with either the Company, the Buyer or another buyer.

3.6 The Company and the Buyer specifically acknowledge that the Escrow Agent is a practicing attorney, and has or may have worked with the Company, the Buyer, the placement agent or finder on the transaction, one or more stockholders of the Company, or affiliates of either of them on other unrelated transactions, and that they and each of them has specifically requested that the Escrow Agent draft some or all of the documents for the said transactions and act as Escrow Agent with respect to the said transactions. Each party represents that it has retained legal and other counsel of its choosing with respect to the transactions contemplated herein and in the Securities Purchase Agreement, and is satisfied in its sole discretion with the form and content of the documentation drafted by the Escrow Agent. Without further disclosure of any kind to any party, the Escrow Agent may own, and shall not be prohibited from owning, an equity interest in the Company and/or may be an equity owner or lender of the Buyer, another buyer or any other of the persons noted above, and may increase or sell any such interest, so long as in accordance with applicable law. The said parties hereby waive any objection to the Escrow Agent so acting based upon conflict of interest, lack of impartiality or otherwise. The Escrow Agent agrees to act impartially and in accordance with the terms of this Agreement and with the parties' respective instructions, so long as they are not in conflict with the terms of this Agreement.

4. TERMINATION. This Agreement shall terminate on the later of (a) the date on which all of the Shares and any other escrowed documents and things described herein shall have been fully disbursed in accordance with the terms and conditions of this Agreement, or (b) ten (10) business days after the conversion of the last of the outstanding principal amount of the Note to have been issued by the Company to Buyer in accordance with the terms of the Securities Purchase Agreement.

5. MISCELLANEOUS.

5.1 Indemnification of Escrow Agent.

(a) The Company and Buyer each agree, jointly and severally, to indemnify the Escrow Agent for, and to hold him harmless against, any loss incurred without reckless or willful misconduct or bad faith on the Escrow Agent's part, arising out of or in connection with the administration of this Agreement, including the costs and expenses of defending himself against any claim or liability in connection with the exercise or performance of any of his powers or duties hereunder. This indemnification shall not apply to a party with respect to a direct claim against the Escrow Agent by such party alleging in good faith a breach of this Agreement by the Escrow Agent, which claim results in a final non-appealable judgment against the Escrow Agent with respect to such claim.

(b) In the event of any dispute as to the nature of the rights or

obligations of the Buyer, the Company or the Escrow Agent hereunder, the Escrow Agent may at any time or from time to time interplead, deposit and/or pay all or any part of the Shares with or to a court of competent jurisdiction sitting in Wake County, North Carolina or in any appropriate federal court, in accordance with the procedural rules thereof. The Escrow Agent shall give notice of such action to the Company and the Buyer. Upon such interpleader, deposit or payment, the Escrow Agent shall immediately and automatically be relieved and discharged from all further obligations and responsibilities hereunder, including the decision to interplead, deposit or pay such funds.

5.2 Amendments. This Agreement may be modified or amended only by a written instrument executed by each of the parties hereto.

5.3 Notices. All communications required or permitted to be given under this Agreement to any party hereto shall be sent by first class mail or facsimile to such party at the address, of such party set forth on the signature page of this Agreement.

5.5 Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Escrow Agent shall not assign his duties under this Agreement.

5.6 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of North Carolina, and venue for any civil action related to this Agreement shall be had in the courts of Wake County, North Carolina.

5.7 Counterparts. This Agreement may be executed in three or more counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

5.8 Facsimile. This Agreement may be accepted via facsimile, and a facsimile transmission of the executed signature page hereof shall make this Agreement legally binding upon the party so executing and faxing such signature page to the Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO ESCROW AGREEMENT DATED AS OF MARCH 15, 2001]

THE COMPANY:

UPSIDE DEVELOPMENT, INC.

By:_____
Mr. Michael Porter, Chairman and CEO

THE BUYER:

AUGUSTINE ASSOCIATES, L.L.C.

By:_____
(Duly Authorized Company Representative)

ESCROW AGENT:

H. GLENN BAGWELL, JR., ESQ.

Address: 3005 Anderson Drive, Suite 204
Raleigh, North Carolina USA 27609
Telephone 919.785.3113
Telecopier 919.785.3116

Exhibit 6(l)

US$25,000.00 NOTE #01

SEVEN PERCENT (7%) CONVERTIBLE SUBORDINATED NOTE
DATED MAY 15, 2001

THE SECURITIES REPRESENTED HEREBY HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND APPLICABLE STATE SECURITIES LAWS (COLLECTIVELY, THE "LAWS"), PURSUANT TO REGISTRATION STATEMENT NO. ON FILE WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF EITHER (I) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE LAWS, OR (II) AN OPINION OF COUNSEL PROVIDED TO THE ISSUER IN FORM, SUBSTANCE AND SCOPE REASONABLY ACCEPTABLE TO THE ISSUER TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE LAWS DUE TO AN AVAILABLE EXCEPTION TO OR EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE LAWS.

THIS NOTE (this "Note") is one of the duly authorized issue of Convertible Subordinated Notes of UPSIDE DEVELOPMENT, INC., a Delaware corporation (the "Company"), in an aggregate principal amount of up to US$1,000,000.00 (collectively, the "Notes"). This Note is offered, issued and sold in part pursuant to and in accordance with the exemption from securities registration afforded by Regulation D promulgated under the Securities Act of 1933, as amended. The Common Stock (defined below) underlying this Note has been registered pursuant to an SB-2 Registration Statement, Registration No. , filed in final form on , which was declared effective by the United States Securities and Exchange Commission (the "SEC") on _____, 200_ (the "Registration Statement").

FOR VALUE RECEIVED, the Company promises to pay to Augustine Associates, L.L.C., or the permitted registered holder hereof (the "Holder"), the principal sum of US$25,000 (Twenty Five Thousand United States Dollars) (the "Initial Principal Amount") or such lesser principal amount following the conversion or conversions of this Note in accordance with Paragraph 4 (the "Outstanding Principal Amount") on May 15, 2002 (the "Maturity Date"), and to pay interest on the Outstanding Principal Amount from time to time, semiannually in arrears on the first business day of December and June (the "Interest Payment Dates"), at the rate of seven percent (7%) per annum occurring from the date of issuance.

Accrual of interest shall commence on the first day to occur after the date hereof until repayment in full of the principal sum has been made or duly provided for. Accrued and unpaid interest shall bear interest at the same rate

until paid. The interest so payable will be paid in shares ("Interest Shares") of the Company's common stock, $.001 par value per share ("Common Stock") at the then applicable conversion price (computed as described in paragraph 4 below) on the Interest Payment Dates to the Holder on the tenth day prior to the Interest Payment Date. The principal of this Note is payable in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts, at the address last appearing on the Note Register of the Company as designated in writing by the Holder from time to time.

The Company will pay the principal of this Note on the due date, free of any withholding or deduction of any kind (subject to the provisions of paragraph 2 below), to the Holder as of the due date and addressed to the Holder at the address appearing on the Note Register.

The forwarding of such check and/or Interest Shares shall constitute a payment of principal and interest hereunder and shall satisfy and discharge the liability for principal and interest on this Note to the extent of the sum represented by such check and/or Interest Shares.

This Note is subject to the following additional provisions:

1. These Notes are originally issuable in amounts of not less than US$25,000.00.

2. All payments on account of the principal of this Note and all other amounts payable under this Note (whether made by the Company or any other person) to or for the account of the Holder hereunder shall be made free and clear of and without reduction by reason of any present and future income, stamp, registration and other taxes, levies, duties, cost, and charges whatsoever imposed, assessed, levied or collected by the United States or any political subdivision or taxing authority thereof or therein, together with interest thereon and penalties with respect thereto, if any, on or in respect of this Note (such taxes, levies, duties, costs and charges being herein collectively called "US Taxes").

3. If at any time there occurs a transaction in which in excess of 50% of the Company's voting power is transferred (excluding any public or private offering of Company equity securities) on any consolidation or merger of the Company into any other or other entity or person (whether of not the Company is the surviving Corporation), or any other corporate reorganization or transaction or series of related transactions, the Holder of this Note then outstanding may participate in any such transaction as a class with common stockholders on the same basis as if this Note had been converted one day prior to the effective date of such transaction; provided, however, that at the option of the Holder of this Note, such Holder may treat the effective date of any transaction that occurs prior to May 15, 2002, as a redemption date and shall be entitled to have the Company redeem this Note at a price equal to 120% of the Outstanding Principal Amount of this Note. The Holder shall be entitled to make such election at any time up to ten (10) day prior to the effective date of the transaction. The Company shall not effect any stock split, subdivision or combination with an effective date within three (3) trading days preceding the

effective date of a merger or consolidation. The Company shall not make, or fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional Common Stock, within an effective date within three (3) trading days prior to the effective date of a merger or consolidation.

Notwithstanding the transfer of 50% of the Company's voting power, the Company shall have the unequivocal right to redeem this Note at any time prior to the Maturity Date at a price equal to 120% of the Outstanding Principal Amount of this Note, provided that the Company shall give to the Holder five (5) days written notice of its intention to do so and the Holder has not faxed a Notice of Conversion with respect to the Note (or portion thereof) sought to be redeemed. Upon notice of its right and intention to redeem the Note, the Company shall immediately (but in any event within three (3) business days) transfer the full redemption price to the Holder. Notwithstanding anything herein to the contrary, the Company may not redeem any portion of this Note with respect to which the Holder has delivered a Notice of Conversion (via facsimile or otherwise) to the Company prior to the Holder's receipt of a redemption notice. The date of facsimile delivery of the Notice of Conversion to the Company as herein provided shall be referred to herein as the "Conversion Date."

4. The Holder of this Note is entitled, at its option, at any time after the date of this Note, to convert all or any lesser portion of the Initial Principal Amount into Common Stock at a conversion price (the "Conversion Price") for each share of Common Stock equal to ninety percent (90%) (the "Applicable Discount Rate") of the lowest of the closing bid prices for the Common Stock for the five (5) trading days immediately prior to the Conversion Date. In the event of any stock split, dividend, combination or similar event occurring after a Conversion Date and prior to the issuance of the respective stock certificates, the Conversion Price will be subject to appropriate adjustment. For purpose of this section, the closing bid price of the Common Stock shall be the closing bid price as reported by the Nasdaq Stock Market, or the closing bid price in the over-the-counter market or, if the Common Stock is listed on another stock market or exchange, the closing bid price on such exchange as reported in the Wall Street Journal. Conversion of this Note into Common Stock shall be effectuated by surrendering the Note to be converted to the Company, with the form of conversion notice attached to the Note as Exhibit I, executed by the Holder of the Note evidencing such Holder's intention to convert the Note. Interest accrued or accruing from the date of issuance to the Conversion Date (but not previously paid in cash or Interest Shares) on the amounts so converted shall be paid in Interest Shares, calculated at the same Conversion Price (as determined above) as would apply on the Conversion Date for the principal amount being converted but using the discount percentage applicable as of such date and shall constitute payment in full of any such interest on the same terms as would otherwise apply to the conversion of the principal amount hereof.

Notwithstanding anything herein to the contrary, if at any time this Note is outstanding the Registration Statement (as defined in the Note Purchase

Agreement) is not effective, then with respect to any portion of the Note not previously converted into Common Stock, the Applicable Discount Rate shall decrease by two percent (2%) for each thirty (30) day period (pro-rated for partial periods and rounded to the nearest half-month) beginning on the date the Registration Statement becomes no longer effective and ending on the date the Registration Statement (or a new registration statement registering all of the Common Stock into which this Note is convertible) is declared effective by the SEC. As an example, and not by way of limitation, if the Registration Statement is declared effective by the SEC thirty days after its effectiveness was suspended, then the Applicable Discount Rate will be equal to eighty eight percent (88%) [10% less {2% X 1 month}].

No fractional shares or scrip representing fractions of shares of Common Stock will be issued on conversion, but the number of shares of Common Stock issuable shall be rounded to the nearest whole share. The date on which a Notice of Conversion is given shall be deemed to be the date on which the Holder notifies the Company of its intention to so convert by delivery, by facsimile transmission or otherwise, of a copy of the Notice of Conversion. Notice of Conversion may be given by facsimile to the Company at 262.334.4502, attn: Mr. Michael Porter, Chief Executive Officer, or, if by physical delivery of the Notice of Conversion to the Company, at the address for the Company contained in the Note Purchase Agreement. At the Maturity Date, any unconverted principal amount and accrued interest thereon shall at the Maturity Date be paid, at the option of the Company, in either (a) cash or (b) Common Stock valued at a price equal to the Conversion Price determined as if the Note was converted in accordance with its terms into Common Stock on the Maturity Date. Upon conversion of all of the outstanding principal amount of this Note, the Holder shall submit this original Note to the Company for cancellation.

Upon the delivery by the Holder of a Notice of Conversion in the form attached hereto as Exhibit A, properly completed and duly executed by the Holder, the Company shall issue and, within five (5) business days after actual delivery to the Company of the Notice of Conversion (the "Deadline"), deliver to or upon the order of the Holder one or more certificates (the "Certificates"), with no restrictive legends of any kind, representing that number of shares of Common Stock into which the portion of the Note converted is convertible, as shall be determined in accordance herewith.

Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Certificates (without restrictive legend of any kind or stop transfer order affecting the Common Stock represented by the Certificates) issuable upon conversion of this Note is more than one (1) day after the Deadline, the Company shall pay to the Holder $100 per each $10,000 in principal amount per day in cash, for the first day beyond the deadline and $100 per each $10,000 in principal amount per day for each day thereafter that the Company fails to deliver the Certificates. Such cash amount shall be paid to the Holder upon Holder's written demand therefor. In addition, and again without in any way limiting the Holder's right to pursue other remedies, including actual damages

and/or equitable relief, the parties agree that if the Shares issuable upon conversion of this Note are delivered more than one (1) day after the Deadline, the Holder shall have the right (but not the obligation) to adjust the Conversion Price, by using the date of the Holder's receipt of the Certificates as the Conversion Date and recalculating the Conversion Price based upon such new Conversion Date. If such recalculation results in the Holder being entitled to more shares of Common Stock than was stated in the applicable Notice of Conversion, then the Company shall deliver additional shares of Common Stock to the Holder, without restrictive legend, registered pursuant to the Registration Statement, within three (3) days after the Holder's written demand therefor delivered to the Company via facsimile. Notwithstanding anything herein to the

contrary, the Company shall not be responsible for any delay in delivery of Certificates or Common Stock owed to the Holder upon conversion of this Note, so long as the delay is solely the responsibility of the Escrow Agent (as defined in the Note Purchase Agreement under which this Note was issued and sold).

The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing that portion of the principal amount of the Note to be converted at such time, plus the dollar amount of all interest that has accrued on that portion of the Note then being converted but which has not previously been paid, by the Conversion Price in effect on the date the Notice of Conversion is delivered via facsimile to the Company by the Holder. The number of Interest Shares shall be determined utilizing the following equation: [(the principal amount of the Note to be converted, multiplied by a fraction (A) the numerator of which is the number of days elapsed since the date of issuance of this Note and (B) the denominator of is 365) multiplied by .07; the resulting number shall be divided by the Conversion Price then in effect to determine the number of Interest Shares.

5. No provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to the payment of the principal of this Note at the time, place and rate, and in the coin or currency herein prescribed. This Note and all other Notes now or hereafter issued on similar terms are direct obligations of the Company. This Note ranks equally with or superior to all other Notes now or hereafter issued under the terms set forth herein. In the event of any liquidation, reorganization, winding up or dissolution, repayment of this Note shall not be subordinate in any respect to any other indebtedness of the Company outstanding as of the date of this Note or hereafter incurred by the Company.

Such non-subordination shall extend without limiting the generality of the foregoing, to all indebtedness of the Company to banks, financial institutions, other secured lenders, equipment lessors and equipment finance companies, but shall exclude trade debts; and any warrants, options or other securities convertible into stock of the Company shall rank pari passu with the Note in all respects, so long as issued prior to the date hereof.

6. The Company hereby expressly waives demand and presentment for

payment, notice of nonpayment, protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder.

7. If the Company at any time or from time to time after the date of this Note makes a dividend or other distribution to holders of Common Stock payable in securities of the Company other than the Interest Shares, then in each such event provision shall be made so that the Holder shall receive upon conversion of this Note pursuant to Paragraph 4 hereof, in addition to the number of Interest Shares receivable thereupon, the amount of such other securities of the Company to which the Holder on the relevant record of payment date, as applicable, of the number of Interest Shares so receivable upon

conversion would have been entitled, plus any dividends or other distributions would have been received with respect to such securities had the Holder thereafter, during the period from the date of such event to and including the Conversion Date retained such securities, subject to all other adjustments called for during such period under this Note with respect to the rights of the Holder.

8. If at any time or from time to time after the date of this Note, the Common Stock issuable upon the conversion of the Note is changed into the same or different numbers of shares of any class or classes of stock, whether by recapitalization or otherwise (other than subdivision or combination of shares of Common Stock or stock dividend or reorganization provided for elsewhere in this Note or a merger or consolidation, provided for in Paragraph 3), then in each such event the Holder shall have the right thereafter to convert the Note into the kind of security receivable in such recapitalization, reclassification or other change by holders of Common Stock, all subject to further adjustment as provided herein. In such event, the formulae set forth herein for conversion and redemption shall be equitably adjusted to reflect such change in number of shares or, if shares of a new class of stock are issued, to reflect the market price of the class or classes of stock issued in connection with the above described transaction.

9. If at any time or from time to time after the date of this Note there is a capital reorganization of the Common Stock (other than a recapitalization, subdivision, combination, reclassification, or exchange of shares provided for elsewhere in this Note) then, as a part of such reorganization, provision shall be made so that the Holder shall thereafter to be entitled to receive upon conversion of this Note the number of shares of stock or other securities or property to which a holder of the number of Shares deliverable upon conversion would have been entitled on such capital reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Note with respect to the rights of the Holder after the reorganization to the end that the provisions of this Note

shall be applicable after that event and be as nearly equivalent as may be practicable, including, by way of illustration and not limitation, by equitably adjusting the formulae set forth herein for conversion and redemption to reflect the market price of the securities or property issued in connection with the above described transaction.

10. If one or more of the "Events of Default" as described in Paragraph 11 shall occur, the Company agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Holder in collecting any amount due under, or enforcing any terms of, this Note.

11. If more than one of the following described "Events of Default" shall occur:

(a) The Company shall default in the timely payment of principal or interest; or

(b) Any of the representations or warranties made by the Company herein or in the Note Purchase Agreement between the Company and Holder with respect to this Note, or in any certificate or financial or other document heretofore or hereafter furnished by or on behalf of the Company in connection with the execution and delivery of this Note, shall be false or misleading any material respect at the time made; or

(c) The Company shall fail to perform or observe any other covenant, provision, condition, agreement or obligation of the Company under this Note and such failure shall continue uncured for a period of thirty (30) days after notice from the Holder of such failure (except that no cure period other than that described in Paragraph 4 above shall be had for any violation or breach of Paragraph 4 by the Company); or

(d) The Company shall (1) become insolvent; (2) admit in writing its inability to pay its debts as they mature; (3) make an assignment for the benefit of creditors or commence proceedings for its dissolution; or (4) apply for or consent to the appointment of a trustee, liquidator or receiver for it or for a substantial part of its property or business; or

(e) A trustee, liquidator or receiver shall be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within thirty (30) days after such appointment; or

(f) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of the whole or any substantial portion of the properties or assets of the Company and shall not be dismissed within thirty (30) days thereafter; or

(g) Any money judgment, writ or warrant of attachment, lien or similar process in excess of Three Hundred Thousand Dollars (US$300,000) in the

aggregate shall be entered or filed against the Company or any of its properties or other assets and shall remain unsatisfied, unvacated, unbounded or unstayed for a period of thirty (30) days (unless such order provided for delayed payment) or in any event later than five (5) days prior to the date of any proposed sale thereunder; or

(h) Bankruptcy, reorganization, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company and if instituted against the Company, shall not be dismissed, stayed or bonded within sixty (60) days after such institution or the Company shall by any action or answer approve of, consent to, or acquiesce in any such proceedings or admit the material allegations of, or default in answering a petition filed in any such proceeding; or

(i) The Company shall have its common stock delisted from an exchange of the Nasdaq Stock Market (including without limitation the OTC Bulletin Board Market);

Then, or at any time thereafter, and in each and in every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default), the Holder may consider this Note immediately due or payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived, anything herein or in any note or other instruments contained to the contrary notwithstanding, and the Holder may immediately demand without expiration of any period of grace, enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law. In such event, this Note shall be redeemed by the Company at a redemption price per Note equal to 120% of the Outstanding Principal Amount due hereunder.

12. If at any time on or after the date hereof and prior to conversion of all of this Note into Common Stock as described in Paragraph 4 above, trading of the Common Stock is suspended on the principal market or exchange for such shares (including The Nasdaq Stock Market) for a period of five (5) consecutive trading days, other than as a result of the suspension or trading of securities in general, or if the Common Stock at any time becomes ineligible for trading, then, at the Holder's option, the Company shall redeem the Note at a redemption date designated by the Holder, and for the redemption price provided in Paragraph 11.

13. Notwithstanding anything to the contrary contained herein, each Notice of Conversion shall contain representations to the effect that (I) the Holder is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated by the SEC under the 1933 Act, and (II) the Conversion Shares are being acquired for the Holder's own account and not as a nominee for any other party.

14. The Holder may, subject to compliance with the Note Purchase Agreement pursuant to which this Note was purchased, and the provisions of Regulation D under the Securities Act of 1933, as amended (the 1933 Act"), without notice, transfer, assign, mortgage or encumber this Note, any interest herein or any part hereof in integral multiples of $10,000 or the entire outstanding balance to an "accredited investor" as defined in the 1933 Act that will be acquiring the Note or interest herein for its account for the purpose of investment and not with a view to or for sale in connection with any distribution hereof and, each assignee, transferee or mortgage (which may include any affiliate of the Holder) shall have the right to transfer or assign its interest subject to the same limitations. Each such assignee, transferee and mortgagee shall have all of the rights of the Holder under this Note. The Company may condition registrations of transfers on the receipt of a certificate from the assignee, transferee of mortgagee in a form acceptable to the Company that contains representations and warranties similar to those of the Holder contained in Section 2 of said Note Purchase Agreement, and IRS Form W-9 or an equivalent certification under penalty of perjury in compliance with the Internal Revenue Code of 1986, as amended from time to time.

15. The Company covenants that until all amounts due under this Note have been paid in full, by conversion or otherwise, unless the Holder or subsequent Holder waives compliance in writing, the Company shall:

(a) give prompt written notice to the Holder of any Event of Default or of any other matter which has resulted in, or could reasonably be expected to result in a materially adverse change in its financial condition or operations;

(b) give prompt notice to the Holder of any claim, action or proceeding which, in the event of any unfavorable outcome, would or could reasonably be expected to have a Material Adverse Effect (as defined in the Note Purchase Agreement) on the financial condition of the Company;

(c) at all times reserve and keep available out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of this Note into Common Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of the outstanding principal balance of this Note into Common Stock. If the Company does not have a sufficient number of shares of Common Stock available to satisfy the Company's obligations to the Holder upon receipt of a Notice of Conversion or is otherwise unable to issue such shares in accordance with the terms of this Note (a "Conversion Default"), from and after the tenth day following a Conversion Default (which for all purposes shall be deemed to have occurred upon the Company's facsimile receipt of the applicable Conversion Notice), the Holder shall have the right to demand from the Company the immediate redemption of this Note in cash at a redemption price equal to 120% of the then outstanding Principal Amount; provided, however, that no Redemption Notice may be delivered by the Holder subsequent to the Holder's receipt of notice from the Company (sent by overnight or 2-day courier with a copy sent by facsimile) of

availability of sufficient shares to permit conversion (a "Post-Default Conversion") of the Note; provided further that such right shall be reinstated if the Company shall thereafter fail to perfect such Post-Default Conversion by delivery of Common Stock in accordance with applicable provision of Paragraph 4 hereof with respect thereto within five (5) business days of delivery of the notice of Post-Default Conversion. In addition to the foregoing, upon the Conversion Default, the rate of interest on the Note shall to the maximum extent permitted by law be increased by two percent (2%) commencing on the first day of the thirty (30) day period (or part thereof) following a Conversion Default; an additional two percent (2%) commencing on the first day of each second such (30) day periods (or part thereof); and additional one percent (1%) on the first day of each consecutive thirty (30) day period (or part thereof) thereafter until such securities have been duly converted or redeemed as herein provided. Any such interest which is not paid when due shall, to the maximum extent permitted by law, accrue interest until paid at the rate from time to time applicable to interest on the Note as to which the Conversion Default has occurred.

(d) Upon receipt by the Company of evidence from the Holder reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note,

(i) in the case of loss, theft or destruction, upon provision of indemnity reasonably satisfactory to it and/or its transfer agent, or

(ii) in the case of mutilation, upon surrender and cancellation of this Note,

then the Company at its expense will execute and deliver to the Holder a new Note, dated the date of the lost, stolen, destroyed or mutilated Note, and evidencing the outstanding and unpaid principal amount of the lost, stolen, destroyed or mutilated Note.

16. The Holder, by acceptance hereof, acknowledges that this Note is being acquired for investment and that the Holder will not offer, sell or otherwise dispose of this Note or the Common Stock issuable upon conversion hereof except under circumstances which will not result in a violation of the 1933 Act or any applicable state securities laws.

17. In the case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that its enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected impaired thereby.

18. The Note and the Note Purchase Agreement between the Company and the Holder (including all Exhibits thereto) constitute the full and entire understanding and agreement between the Company and the Holder with respect to

the subject hereof. Neither this Note nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the Company and the Holder.

19. This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by an officer thereunto duly authorized.

Dated: May 15, 2001

UPSIDE DEVELOPMENT, INC.

By:_____
Mr. Michael Porter, Chief Executive Officer

EXHIBIT A

NOTICE OF CONVERSION

(To Be Executed by the Registered Holder in Order to Convert the Note)

The Undersigned hereby irrevocably elects to convert $ of the Seven Percent (7%) Convertible Note Due May 15, 2002, No. 01, into shares of Common Stock of Upside Development, Inc. (the "Company"), according to the terms and conditions set forth in the Note, as of the date written below. If securities are to be issued to a person other than the Undersigned, the Undersigned agrees to pay all applicable transfer taxes with respect thereto.

The Undersigned represents that it, as of this date, is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated by the SEC under the 1933 Act.

The Undersigned also represents that the Conversion Shares are being acquired for the Holder's own account and not as a nominee for any other party. The Undersigned represents and warrants that all offers and sales by the Undersigned of the Conversion Shares shall be made pursuant to either an effective registration statement or an exemption from registration under the 1933 Act. The Undersigned understands that pursuant to the representations of the Company regarding the registration with the SEC of the Common Stock pursuant

to the Registration Statement, the shares of Common Stock to be received upon conversion of the Note shall not contain any restrictive legend of any kind.

Conversion Date: * _____

Applicable Conversion Price: _____

Holder (Print True Legal Name): Augustine Associates, L.L.C.

(Signature of Duly Authorized Representative of Holder)

Address of Holder: 141 W. Jackson Boulevard, Suite 2182
Chicago, Illinois 60604
Attn: Thomas F. Duszynski

This Notice of Conversion (whether by facsimile or otherwise as permitted in the Note) must be received by the Company by the first business day following the Conversion Date

Exhibit 23.1
Consent of Independent Auditors

CONSENT INDEPENDENT ACCOUNTANTS

Consent of Independent Auditors

We hereby consent to the use in the Prospectus constituting part of the Registration Statement on Form SB-2, to be filed by Upside Development, Inc. of our Auditors' Opinion dated April 11, 2001, accompanying the financial statements of Upside Development, Inc. as of December 31, 2000 and 1999, and to the use of our name under the caption "Experts" in the Prospectus.

/s/ Pender Newkirk & Company, CPAs

Certified Public Accountants
Tampa, Florida
August 1, 2001