FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

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FILER

DIRECT RESPONSE FINANCIAL SERVICES INC

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Mailing Address
2899 AGOURA ROAD
SUITE 115
WESTLAKE VILLAGE CA
91361

Business Address
2899 AGOURA ROAD
SUITE 115
WESTLAKE VILLAGE CA
91361
(818) 735-3726

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JANUARY 31, 2005
COMMISSION FILE NO. 333-52268

DIRECT RESPONSE FINANCIAL SERVICES, INC.

(Name of Small Business Issuer in Its Charter)

Colorado	333-52268
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

2899 Agoura Road #115, Westlake Village, CA	91361
(Address of Principal Executive Offices)	(Zip Code)

(818) 735-3726

(Issuer's Telephone Number, Including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE EXCHANGE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE EXCHANGE ACT: NONE

Check whether the Issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes [X] No [ ]

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained herein, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

Our revenues for our most recent fiscal year were $12,331.

The aggregate market value of the voting stock held by non-affiliates of Direct Response was $1,542,010 as of April 28, 2005, based upon the closing sales price of the Registrant's common stock as quoted on the over-the-counter bulletin board of $0.03.

There were 77,240,335 shares of our common stock, no par value, outstanding as of April 28, 2005.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Transitional Small Business Disclosure Format (Check One): Yes [ ] No [X]

FORM 10-KSB
FOR THE FISCAL YEAR ENDED JANUARY 31, 2005

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PART I

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In this annual report, references to "Direct Response," "the Company," "we," "us," and "our" refer to Direct Response Financial Services, Inc. and its subsidiary.

Except for the historical information contained herein, some of the statements in this Report contain forward-looking statements that involve risks and uncertainties. These statements are found in the sections entitled "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors." They include statements concerning: our business strategy; expectations of market and customer response; liquidity and capital expenditures; future sources of revenues; expansion of our proposed product line; and trends in industry activity generally. In some cases, you can identify forward-looking statements by words such as "may," "will," "should," "expect," "plan," "could," "anticipate," "intend," "believe," "estimate," "predict," "potential," "goal," or "continue" or similar terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the risks outlined under "Risk Factors," that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. For example, assumptions that could cause actual results to vary materially from future results include, but are not limited to: our ability to successfully develop and market our products to customers; our ability to generate customer demand for our products in our target markets; the development of our target markets and market opportunities; and sales of shares by existing shareholders. Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Unless we are required to do so under US federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements

PART I

ITEM 1. DESCRIPTION OF BUSINESS

BACKGROUND

We were incorporated in the State of Colorado on April 7, 2000 to develop software and internet portals. On April 29, 2002, we acquired 100% of Direct Response Financial Services, Inc., a Delaware corporation and changed our focus to the development of financial services for the direct response industry.

In June of 2002, we changed our name to Direct Response Financial Services, Inc.

Direct Response Financial Services, Inc. is currently traded on the NASD Over the Counter Bulletin Board under the symbol "DRFL." Direct Response Financial Services, Inc. began trading on the Berlin Exchange under the ticker symbol "DFS" on December 3, 2002. The trading number is 804239. Direct Response Financial Services, Inc. is not traded on any other exchange at this time.

We currently have limited operations and are reliant on contributions from our officers and shareholders. Liquidity demands have been met through cash advances and financing activities. No formal agreements between any officer or shareholder and the company currently exist to continue funding operations.

BUSINESS

We are a development stage company, however, over the last year the Company has entered into key relationships with retailers, grocers, marketers and media outlets that cater to the emerging multi-cultural under-banked and financially underserved market. These partnerships create significant barriers to entry for potential competitors. The Company's partnerships consist of exclusive relationships with key partners such as Spanish Broadcasting System, the largest Hispanic controlled radio broadcasting company; Emmis Communications (NASDAQ:EMMS), a leading radio network; del Rey Marketing, the leading marketer to Hispanic grocery stores in the U.S.; and other grass-roots and Internet marketers who have expertise in reaching the Hispanic market. The Company has recently been contacted by the leading Hispanic Internet portals seeking co-marketing arrangements. The Company also has key partnerships with financial transaction processors such as Optimum Pay USA, Inc., Mexico/U.S.-based card marketers such as Poder de Compra, which has placed an initial order of 50,000 cards through Direct Card Services, and card loading networks that offer Direct Response's cardholders over 10,000 ATM and bank locations. Moreover, through exclusive relationships with Hispanic retail, merchant and grocery outlets, Direct Response is building out its own proprietary card loading network, the DirectLoad Network(TM). The Company anticipates launching an Internet offer of a stored value debit card in the upcoming quarter at the Internet site www.dcsmediacard.com. Presently, the Company is focused on delivery of stored value debit cards to the unbanked and underbanked population in the United States. The Company also continues to focus on its merchant banking business and other derivative financial business activities.

Over the last two years, the Company has focused on creating its own proprietary stored value debit card product combined with a retail loading network for its debit cards. Due to Hispanics' inherent distrust of banks and the lack of a convenient network for debit card loading, the Company was required to identify and then deploy its own proprietary network of loading locations for the Hispanic cardholders. Through its partnerships with del Rey Marketing and providers of point of sale loading terminals, Direct Response is currently building its proprietary DirectLoad Network(TM), designed to become the largest card loading and transaction network in the country targeted to the Hispanic population. User-friendly electronic terminals will be located at Hispanic retail, merchant and grocery stores in heavily Hispanic-populated communities. Cardholders will be able to use the DirectLoad Network(TM) to load funds on cards and then use the cards for purchases at that store or elsewhere where MasterCard or VISA is accepted. This offers a tremendous convenience to cardholders who do not have bank accounts.

The Company employs current e-commerce and e-finance solutions to interface between individual and business customers. We also provide solutions for payment acceptance in any electronic environment. These technology solutions address processing of electronic payments whether through credit, debit, pre-paid or ATM means. We participate in the market for credit, debit, stored-value and smart cards, electronic checks, cash, wireless and alternative Internet payment methods.

The Company is positioning itself to become the leading provider of debit cards to the Hispanic population in the U.S. The Company has developed a proprietary database, the DirecTrac System(TM), which is designed to track the spending and usage patterns of its debit cardholders. The database collects and aggregates data while protecting the identity of individual cardholders. Collecting and sorting the data is an automated, low-cost process that offers the Company the opportunity to generate high-margin revenues. The data also has tremendous value for consumer goods and products marketers. The fast-growing Hispanic market is not only one that most Fortune 500 companies are currently targeting; it is also

a market in which there is a lack of standard consumer data. Because much of the population is new to the U.S. and because the population has to date made infrequent use of payment cards due to a cash-based lifestyle, tracking consumer data for this market has been a challenge. Direct Response has the opportunity to provide detailed consumer spending pattern data to other companies for a fee, while protecting the identities of individual cardholders. Companies that purchase such data from Direct Response may use the information to better target and serve the needs of its Hispanic customers by making credit-related decisions based upon debit card data.

We have invested in and licensed proprietary technology from various financial services companies including Optimum Pay USA, Inc., a partially owned subsidiary of Cybertek Holdings and SECOS. Cybertek Holdings is a publicly traded South

Korean company specializing in network security systems, fraud and transaction processing. Optimum Pay and SECOS have each developed proprietary technology for secure electronic payments that we have strategic and contractual relations. Furthermore, through our subsidiary Direct Card Services, LLC, we have partnered with Chase Merchant Services to provide merchant banking services. Furthermore, through these strategic partnerships, we are positioned to capture the growing market trends in e-finance and P2P payment transaction processing. We are also working on deploying proprietary, wireless, payment technology that allows for electronic point of sale payment solutions absent a landline (payment is verified through our gateway network).

Through our existing marketing contracts, we will reach major distribution channels for our financial services. These distribution channels include direct response companies, pre-paid phone card distributors, network marketing companies and financial institutions. Over the last year one of the major advancements for the Company was its agreement reached with del Rey Marketing to market debit cards and other payment transaction solutions to the Hispanic market, primarily through national and regional Hispanic grocery store chains and outlets. Through this partnership, the Company is building its DirectLoad Network(TM), a proprietary network of card loading terminals through Hispanic retail locations. Direct Response also works with del Rey Marketing to provide research on consumer purchasing habits to Fortune 100 companies and Hispanic grocery stores.

Del Rey Marketing is one of the fastest growing Hispanic marketing companies in the United States and specializes in Hispanic grass-roots marketing programs to the packaged goods and grocery retail industry. Del Rey Marketing is the largest marketer to Hispanic grocery stores in the U.S. The company represents Fortune 100 consumer goods companies to a network of Hispanic grocery stores that are located across the U.S., from New York and Miami to Los Angeles and Phoenix. One of its retail grocery clients alone, Unified Western Grocers, has a network of 2,000 retail stores and generated sales of approximately $2.8 billion in 2003.

Direct Response's main product line is a series of branded and co-branded debit cards targeted to the Hispanic population in the United States. These debit cards are expected to generate ancillary revenues beyond the standard card issuance and transaction fees attached to the cards. The Company is currently developing a prepaid calling card also targeting the Hispanic population. Direct Response continues to offer credit card merchant banking services to online and traditional merchants.

Direct Response has recently entered into a contract with Poder de Compra, Mexico, S.A. for an initial sale of debit cards to the Hispanic market. As these cards come into circulation and are used daily by customers, the Company expects to generate further revenues from: 1) initial fees generated from issuing additional debit cards to new cardholders; 2) debit card transactions fees; 3) sales of add-on services to debit cardholders; 4) advertising revenue from ads placed in card statements; and 5) sales of aggregated market research data from the Company's growing database.

Other products and services offered by the Company include:

- Payment Gateway System, through Optimum Pay USA, Inc.
- Merchant Banking Services, through our subsidiary Direct Card Services, LLC, Chase Merchant Services, LLC, and CardService International
- Transmitter Business/Cash Cards, through Optimum Pay USA, Inc., a partially owned subsidiary of Cybertek Holdings and SECOS together with the partial ownership of the Company
- Debit Cards (co-branded with VISA or MasterCard)

o ATM Cards (co-branded with VISA or MasterCard)

o Development of card loading stations and networks

PRODUCTS AND SERVICES

PRE-PAID DEBIT CARDS AND INTERNET FINANCIAL TECHNOLOGY

The Company through its affiliation with MasterCard, Optimum Pay USA, Inc., BankFirst, and First Premier Bank provides stored value cash cards, person to person financial services and innovative systems to move money, also known as transmitter solutions. The first debit cards offered by the Company include the DCS Personal Advantage Media Card, which will be offered through the Company's Internet website located at www.dcsmediacard.com. In 2005 the Company also plans to deploy various debit card programs customized for Hispanic grocery chains in the Southern California area. In conjunction with the debit card offers the Company also provides an Internet interactive web site. The Company owns and operates an Internet web site at www.globalmoneyonline.com for Internet financial transactions. Such transactions include crediting to debit cards, movement of cash from card to card, account review, and movement of cash from an existing financial account to the Global Money Online account. This innovative system permits the Company's customers to avoid the need to visit a retail bank location to move money. Further, the system allows the Company's customers access 24/7 365 days per year.

MERCHANT BANKING SERVICES

We offer banking services (credit card transaction processing and related services) to all levels and types of online, and offline merchants. Through our proprietary banking software and our subsidiary, Direct Card Services, LLC, a

Master Agent of Chase Merchant Services and agent of CardService International, we are able to offer competitive rates for merchant banking services in the business and provide our clients with customer service. By lowering payment risk and reducing credit card charge backs and losses, we help our clients obtain lower card processing costs, which in turn allows them higher profit margins. Direct Card Services, LLC, began offering card-processing services for merchants on October 10, 2002. In addition, Direct Card Services, LLC has initiated a sales campaign for signup of business merchants for card processing services with limited success to date.

The Company has several independent contractor sales agents who offer the Company's merchant banking services. These sales agents are located throughout the United States.

PAYMENT GATEWAYS

Optimum Pay USA, Inc. allows us to offer payment gateways and provide merchants with a detailed analysis of transactions in a useable format, thereby enabling them to better manage their business and achieve higher profits. The following is an example of a Gateway Processing Flow:

1. Consumer initiates transaction with merchant via online, telephone orders, mail orders, wireless, brick and mortar using a credit or debit card.

2. The merchant dials our gateway for approval of transaction.

3. Our gateway approves or denies transaction. Upon approval, the funds are transferred to the processing bank via a master MID/TID batch to our BIN at the bank. Our fees are removed and transferred.

4. Our processing gateway distributes the funds to the various merchant destination bank accounts via SWIFT or other available transfer procedures. Funds are transferred within 1-3 days.

5. Holdback funds are maintained at the merchant bank for periods of 90-180 days for fraud and charge back issues. Funds are rotated in and out dependent upon volume or merchant activity. Interest is paid on depository activity.

SOURCES OF REVENUES

The Company has several sources of revenue it is developing. The income occurs primarily through merchant banking activities, the sale of pre-paid debit cards, debit card transaction income, advertising income from card loading partners and

from transaction income related to its Internet web sites.

Debit Card Sales - The Company earns income on each debit card sale. The income varies depending upon the card program and the marketing method used by the Company.

Debit Card Transaction Income - The Company earns monthly income from each debit card which has been issued and remains active. Transaction income includes monthly statement fees, customer service fees, transaction fees, ATM fees, loading fees, and other related fees.

Derivative Income - The Company also may earn monthly income from the sale of add-on products or services to debit card holders or other customers of the Company.

Merchant Banking Income - The Company earns monthly fees on merchant banking service income for each of its merchant banking customers.

Internet Transaction Income - When the Company's customers utilize the Company's Internet financial web site at globalmoneyonline.com the Company earns transaction fees.

SALES AND MARKETING STRATEGIES

The Company is currently partnered with a Mexico/U.S.-based financial services provider as well as several U.S.-based retail and media outlets for co-branded promotions of its debit cards to target audiences. The Company is also actively seeking, and is currently in talks with other media companies in Internet, radio, and television for similar co-branded promotions. To marketing partners, the benefits include the following: increased foot traffic into grocery retail locations; greater monetization of traffic to websites; increased listening to the radio station by its audience who may tune in for special offers and promotions; greater brand awareness through co-branding of debit cards; closer relationships with merchants, where increased traffic due to card loads can lead to more advertising on the station; and, more effective use of air time to generate new revenue streams from sharing transaction fees on cards. To financial services providers currently catering to the Hispanic market, Direct Response offers an effective way to enter the U.S. Hispanic market and the ability to offer debit cards through a turn-key system.

Direct Response is currently finalizing partnership agreements with major Hispanic retail grocers to launch a co-branded program selling debit cards. The cards will be sold at the retail locations to customers who regularly shop at

the stores. The retailer will benefit from increased branding as well as added financial transaction revenue each time the card is used. Direct Response gains key and exclusive access to sales through such retail locations. The Company plans to launch these card sales in the second quarter of 2005.

DIRECT SALES

The Direct Sales strategy is to pursue financial services companies, predominately financial service companies and the direct response industry, by providing new sources of revenue.

Direct sales efforts will also focus on recruiting and contracting with Independent Sales Organizations and Independent Sales Agencies to build an inexpensive, sales channel for its products and services.

COMPETITION

The markets for the financial products and services offered by us are intensely competitive. We compete with a variety of companies in various segments of the financial services industry, and our competitors vary in size and in the scope and breadth of products and services they offer. Certain segments of the financial services industry tend to be highly fragmented with numerous companies competing for market share. Highly fragmented segments currently include online banking, financial account processing, customer relationship management solutions and electronic funds transfer and card solutions. Other segments of the financial services industry are relatively new with limited competition, including private label banking and wealth management solutions. We face a number of competitors in the electronic bill presentment and payment market. We also face competition from in-house technology departments of existing and potential clients who may develop their own product offerings.

EMPLOYEES

At April 28, 2005, we employed 1 officer.

ITEM 2. DESCRIPTION OF PROPERTY

We lease an office at a rate of $2,000.00 per month on a month to month basis.

We believe that our facilities are adequate for our needs for the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any material legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS.

None

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Our common stock is quoted on the Over-The-Counter Bulletin Board under the symbol "DRFL." Our common stock has been quoted on the OTCBB since April 2002.

For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

	Low($)	High ($)
2003 Period Ending		
January 31	0.24	1.40
April 30	0.26	1.02
July 31	0.28	0.70
October 31	0.85	1.62
2004 Period Ending		
January 31	0.50	1.52
April 30	0.17	0.89
July 31	0.04	0.23
October 31	0.02	0.07
2005 Period Ending		
January 31	0.02	0.09

HOLDERS

As of April 28, 2005, we had approximately 58 holders of our common stock. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. The transfer agent of our common stock is First American Stock Transfer, Phoenix, Arizona.

DIVIDENDS

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends to stockholders in the foreseeable future. In addition, any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deem relevant.

EQUITY COMPENSATION PLAN INFORMATION

<TABLE>
<CAPTION>

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
As of January 31, 2005			

	(a)	(b)	(c)
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders	0	0	0
Equity compensation plans not approved by security holders	0	0	0
Total	0	0	0

</TABLE>

RECENT ISSUANCES OF UNREGISTERED SECURITIES.

For the fourth quarter of the fiscal year ended January 31, 2005, the following issuances were made:

On December 1, 2004, we issued the following shares in lieu of compensation or as directors' fees:

T. Randolph Catanese - 500,000 shares
Paradisus Investment Corp. - 500,000 shares
Edward Kim - 375,000 shares
Douglas R. Hume - 375,000 shares
Ted Kozub - 250,000 shares
Jill W. Love - 125,000 shares

Subsequent to January 31, 2005, we issued the following shares in lieu of compensation or as directors' fees:

Anecius Holding Company, Ltd. - 2,000,000 shares
Chris del Rey - 375,000 shares
Edward Kim - 125,000 shares
Douglas R. Hume - 125,000 shares
Peter Gerlach - 100,000 shares

In addition to the above issuances, on January 18, 2005, we issued a total of 900,000 shares to various investors in the Company's private placement memorandum, and on February 7, 2005, we issued a total of 1,400,000 shares to various investors in the Company's private placement memorandum. Further detail related to the Company's private placement memorandum is located hereinbelow under "Private Sale of Stock."

The issuance of the shares under the private placement memorandum was exempt from registration requirements of the Securities Act of 1933 pursuant to Section 4(2) of such Securities Act and Regulation D promulgated thereunder based upon the representations of each of the PPM investors that they were an "accredited investor" (as defined under Rule 501 of Regulation D) and that they were purchasing such securities without a present view toward a distribution of the securities. In addition, there was no general advertisement conducted in connection with the sale of the securities.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

INTRODUCTION

The following discussion of our financial condition and results of our operations should be read in conjunction with the Financial Statements and Notes thereto. Our fiscal year ends January 31. This document contains certain forward-looking statements including, among others, anticipated trends in our financial condition and results of operations and our business strategy. (See "Factors Which May Affect Future Results"). These forward-looking statements are based largely on our current expectations and are subject to a number of risks and uncertainties. Actual results could differ materially from these forward-looking statements. Important factors to consider in evaluating such forward-looking statements include (i) changes in external factors or in our internal budgeting process which might impact trends in our results of operations; (ii) unanticipated working capital or other cash requirements; (iii) changes in our business strategy or an inability to execute our strategy due to unanticipated changes in the industries in which we operate; and (iv) various competitive market factors that may prevent us from competing successfully in the marketplace.

During the previous fiscal year to date, we have initiated the following actions and strategies with regards to the on-going advancement of our business opportunities:

Poder de Compra, Mexico, S.A., is a Mexico-based financial services provider that has reached an agreement with Direct Response in order to reach the U.S. Hispanic market. Poder de Compra is a well-established financial group that focuses on financial services in Mexico, with a specific mission to grow its services in managing remittances from Mexicans working abroad. The group is affiliated with leading institutions including HSBC Bank and Insurance Company in Mexico, Monterey Bank, Verizon, the U.S. Hispanic Chamber of Commerce and others. Poder the Compra has recently purchased 50,000 debit cards from Direct Card Services. This order is considered an initial purchase, which may be followed by several additional, larger purchases. The initial payment for the cards made to Direct Card Services, Direct Response's subsidiary, is $250,000. Additional transaction revenue is expected from these 50,000 cards.

o Optimum Pay USA, Inc.- In addition to its pre-existing relationship as a 2% owner of all outstanding equity in Optimum Pay USA, Inc. the Company, through its subsidiary Direct Card Services, LLC, entered into several agreements with OP for issuance and approval of debit card programs. These agreements include three existing card programs - (1) the DCS Personal Advantage Media Card; (2) the Super A Stored Value Card; and (3) the Power 92 Stored Value Media Card. Under each of these agreements, the Company is committed to purchase a minimum order of 5,000 cards/units.

All cards are networked through MasterCard. Further, DCS is approved as an independent sales organization of MasterCard as part of the bank approval process for the above card programs through Bank First and First Premier Bank. In addition, the Company contracted with Optimum Pay for the delivery and installation of its Internet financial site called www.globalmoneyonline.com. Optimum Pay provides the interface with the issuing bank and the processor for the Company's debit card programs. Optimum Pay also manages the data from all

card programs as well as provides some form of customer service for card customers. Additionally, Optimum Pay operates and maintains the technology infrastructure for www.globalmoneyonline.com.

o Agent Agreement with CardService International - In addition to its existing relationship with Chase Merchant Services for the processing of referred merchant credit and debit card transactions, the Company has continued to operate under its Non-Exclusive, Non-Registered Agent Agreement with CardService International, Inc. This agreement allows the Company access to an additional card processor, providing another option for the Company when referring merchant card processing business.

As it continues to grow, the Company will need additional capital. In the past, capital needs were met through cash advances by third party investors and through loans by interested shareholders. In order for the Company to sustain its projected growth and to achieve its current business model the Company will require significant capital either through equity investment or through loans.

CAPITAL RAISING ACTIVITIES

We have engaged in the following financing activities and require additional capital to expand operations to a level where revenues sufficient to sustain operations can be generated.

PRIVATE SALE OF CONVERTIBLE DEBENTURE

In January 2003, as amended on May 19, 2003, we signed a Securities Purchase Agreement with La Jolla Cove Investors, Inc. for the sale of a $150,000 8% convertible debenture and non-detachable warrant to purchase up 1,500,000 shares of our common stock. The debenture bears interest at 8%, matures two years from the date of issuance and is convertible into shares of our common stock. The number of common shares into which this debenture may be converted is equal to the dollar amount of the debenture being converted multiplied by eleven, minus the product of the conversion price, multiplied by ten times the dollar amount of the debenture being converted, divided by the conversion price. The conversion price is equal to the lesser of: (i) $1.00 or (ii) 80% of the average of the five lowest volume weighted average prices during the 20 calendar days prior to the conversion date. The full principal amount of the convertible debentures are due upon default under the terms of convertible debentures. See the Selling Stockholder section for a Sample Debenture Conversion Calculation.

On or about February 19, 2004, the Company and La Jolla Cove Investors entered

into an Addendum to the debenture which provided that upon effectiveness of the Company's SB-2 Registration Statement (which was declared effective as of February 19, 2004), La Jolla would immediately effect a $2,500 conversion of the debenture and $25,000 warrant exercise, along with providing a $150,000 pre-payment to the Company against future warrant conversions.

On March 23, 2004, the Company and La Jolla entered into another Addendum to the debenture which provided the following:

o For a period of 60 days from the Addendum La Jolla would convert no more than $2,200 of the debenture and related Warrants per calendar week, on a cumulative basis

o Beginning from the 61st day from the Addendum the 10% monthly maximum conversion amount shall be 20% if the volume weighted average price is above $0.63

o The maturity date of the debenture is extended to January 9, 2006, and the expiration date of the non-detachable warrant is extended to January 9, 2007

o If a conversion election is made by La Jolla on a date when the volume weighted average price is below $0.63, the Company shall have the right to prepay that portion of the debenture that La Jolla elected to convert at 150% of such amount.

On June 24, 2004, the Company and La Jolla entered into another Addendum to the debenture which provided that La Jolla would provide a $60,000 pre-payment to the Company against future warrant conversions in exchange for the Company delivering 2,000,000 shares of stock pursuant to the Company's February 19, 2004, SB-2 Registration Statement to be held by La Jolla in anticipation of future debenture conversions and warrant exercise by La Jolla.

On or about November 9, 2004, the Company and La Jolla Cove Investors entered into an Addendum to the debenture which provided that upon effectiveness of the Company's SB-2 Registration Statement, La Jolla would immediately provide a $150,000 pre-payment to the Company against future warrant conversions. Additionally, La Jolla agreed that its sales of Company shares would be limited to no more than 18% of the daily volume of the shares on any given date. Further, under the Addendum the Company has the right to pre-purchase debenture conversion shares directly from La Jolla. Pursuant to the Addendum, the Company issued a certificate in the amount of 20,000,000 shares to La Jolla to be held in trust by La Jolla's attorney pending future debenture conversions.

To date, La Jolla has converted $46,658 of the debenture, leaving a debenture balance of $103,342. There are currently two sets of warrant pre-payment balances with La Jolla: (1) the June 29, 2004, addendum warrant pre-payment balance is currently at $30,000; and (2) the November 9, 2004, addendum warrant pre-payment balance is currently at $120,000.

To date, La Jolla has been issued 10,346,572 shares and La Jolla currently holds in trust 439,547 of the 2,000,000 shares delivered to La Jolla under the June 29, 2004, addendum.

PRIVATE SALE OF STOCK

In January of 2005, the Company completed its first Regulation D private placement of common stock. The maximum funds to be raised was $250,000 of which $200,000 was received by the Company. Pursuant to the private placement the Company issued 2,300,000 restricted shares. Additionally, certain investors in the private placement offering were granted warrants to purchase stock at a later date. The warrants were issued and priced in two forms (a) a 10 cent strike price or (b) a 3 cent purchase price with a 2 cent strike price. The former could not be executed at any time up to its expiration at 24 months and the latter could be executed after a 6-month hold up to its expiration at 24 months. If all type (a) warrants were to be exercised, the total number of warrant shares issued would be 150,000. If all type (b) warrants were to be exercised, the total number of warrant shares issued would be 6,768,000.

ONGOING REQUIREMENTS

We will have to secure additional capital to meet our ongoing requirements and to meet our stated objectives throughout the 2005 fiscal year. We are identifying potential investors in conjunction with our current finance partners, and will seek to secure new investment banking partners on an ongoing basis. Of course, sources of capital and the cost of capital are subject to prevailing and general market conditions. Moreover, any terms and conditions

related to such investment or loan are contingent upon satisfactory terms and conditions for the Company. Based on current market conditions and given our success in raising private financing in the past, we expect that we will be able to complete financings as required for growth and operations. We are continuing to review all opportunities for both long-term equity programs as well as debt financing. Any significant capital expenses or increases in operating costs will be dependent upon our ability to raise additional capital, debt financing or generate revenue from sales of our products or services.

RISK FACTORS

In evaluating our business, prospective investors and shareholders should carefully consider the risks factors, any of which could have a material adverse impact on our business, operating results and financial condition and result in a complete loss of your investment.

RISKS RELATED TO OUR BUSINESS:

WE HAVE HAD LOSSES SINCE OUR INCEPTION. WE EXPECT LOSSES TO CONTINUE IN THE FUTURE AND THERE IS A RISK WE MAY NEVER BECOME PROFITABLE.

We have incurred losses and experienced negative operating cash flow since our formation. For our fiscal year ended January 31, 2004, we had a net loss of ($2,384,693) and for our fiscal year ended January 31, 2005, we had a net loss of ($1,509,433). We expect to continue to incur significant operating expenses. Our operating expenses have been and are expected to continue to outpace revenues and result in significant losses in the near term. We may never be able to reduce these losses, which will require us to seek additional debt or equity financing. If such financing is available, of which there can be no assurance, you may experience significant additional dilution.

IF WE ARE UNABLE TO OBTAIN ADDITIONAL FUNDING OUR BUSINESS OPERATIONS WILL BE HARMED.

We believe that our available short-term assets and investment income will be sufficient to meet our operating expenses and capital expenditures through the end of fiscal year 2006. We do not know if additional financing will be available when needed, or if it is available, if it will be available on acceptable terms. Insufficient funds may prevent us from implementing our business strategy or may require us to delay, scale back or eliminate certain contracts for the provision of our technology and products.

THE MARKET FOR OUR ELECTRONIC COMMERCE SERVICES IS EVOLVING AND MAY NOT CONTINUE TO DEVELOP OR GROW RAPIDLY ENOUGH FOR US TO REMAIN CONSISTENTLY PROFITABLE.

If the number of electronic commerce transactions does not continue to grow or if consumers or businesses do not continue to adopt our services, it could have a material adverse effect on our business, financial condition and results of operations. We believe future growth in the electronic commerce market will be driven by the cost, ease-of-use and quality of products and services offered to consumers and businesses. In order to consistently increase and maintain our profitability, consumers and businesses must continue to adopt our services.

OUR FUTURE PROFITABILITY DEPENDS UPON OUR ABILITY TO IMPLEMENT OUR STRATEGY SUCCESSFULLY TO INCREASE ADOPTION OF ELECTRONIC BILLING AND PAYMENT METHODS.

Our future profitability will depend, in part, on our ability to implement our strategy successfully to increase adoption of electronic billing and payment methods including the issuance of debit cards through our subsidiary, Direct Card Services, LLC. Our strategy includes investment of time and money during fiscal 2006 in programs designed to:

- drive consumer awareness of electronic billing and payment;
- encourage consumers to sign up for and use our electronic billing and payment services offered by our distribution partners;

- encourage consumers to purchase and use our debit card products;
- continually refine our infrastructure to handle seamless processing of transactions;
- continue to develop state of the art, easy-to-use technology; and
- increase the number of billers whose bills we can present and pay electronically.

If we do not successfully implement our strategy, revenue growth will be minimal, and expenditures for these programs will not be justified.

Our investment in these programs will have a negative impact on our short-term profitability. Additionally, our failure to implement these programs successfully or to increase substantially adoption of electronic commerce billing and payment methods by consumers who pay for the services could have a material adverse effect on our business, financial condition and results of operations.

SECURITY AND PRIVACY BREACHES IN OUR ELECTRONIC TRANSACTIONS MAY DAMAGE CUSTOMER RELATIONS AND INHIBIT OUR GROWTH.

Any failures in our security and privacy measures could have a material adverse effect on our business, financial condition and results of operations. We electronically transfer large sums of money and store personal information about consumers, including bank account and credit card information, social security numbers, and merchant account numbers. If we are unable to protect, or consumers perceive that we are unable to protect, the security and privacy of our electronic transactions, our growth and the growth of the electronic commerce market in general could be materially adversely affected. A security or privacy breach may:

- cause our customers to lose confidence in our services;
- deter consumers from using our services;
- harm our reputation;
- expose us to liability;
- increase our expenses from potential remediation costs; and
- decrease market acceptance of electronic commerce transactions.

While we believe that we utilize proven applications designed for premium data security and integrity to process electronic transactions, there can be no assurance that our use of these applications will be sufficient to address changing market conditions or the security and privacy concerns of existing and potential subscribers.

WE RELY ON THIRD PARTIES TO DISTRIBUTE OUR ELECTRONIC COMMERCE PRODUCTS, WHICH MAY NOT RESULT IN WIDESPREAD ADOPTION.

In electronic commerce, we rely on our contracts with financial services organizations, businesses, billers, Internet portals and other third parties to provide branding for our electronic commerce services and to market our services to their customers. These contracts are an important source of the growth in demand for our electronic commerce products. If any of these third parties abandon, curtail or insufficiently increase their marketing efforts, it could have a material adverse effect on our business, financial condition and results of operations.

THE TRANSACTIONS WE PROCESS EXPOSE US TO CREDIT RISKS.

Any losses resulting from returned transactions, merchant fraud or erroneous transmissions could result in liability to financial services organizations, merchants or subscribers, which could have a material adverse effect on our business, financial condition and results of operations. The electronic and conventional paper-based transactions we process expose us to credit risks. These include risks arising from returned transactions caused by:

- insufficient funds;
- unauthorized use;
- stop payment orders;
- payment disputes;
- closed accounts;

- theft;
- frozen accounts; and

- fraud.

We are also exposed to credit risk from merchant fraud and erroneous transmissions.

WE MAY EXPERIENCE BREAKDOWNS IN OUR PAYMENT PROCESSING SYSTEM THAT COULD DAMAGE CUSTOMER RELATIONS AND EXPOSE US TO LIABILITY.

A system outage or data loss could have a material adverse effect on our business, financial condition and results of operations. In addition to the damage to our reputation a system outage or data loss could entail, many of our contractual agreements with financial institutions require the payment of penalties if our systems do not meet certain operating standards. To successfully operate our business, we must be able to protect our payment processing and other systems from interruption by events that are beyond our control. For example, our system may be subject to loss of service interruptions caused by hostile third parties or other instances of deliberate system sabotage. Other events that could cause system interruptions include:

- fire;
- natural disaster;
- unauthorized entry;
- power loss;
- telecommunications failure; and
- computer viruses.

Although we have taken steps to protect against data loss and system failures, there is still risk that we may lose critical data or experience system failures. Furthermore, our property and business interruption insurance may not be adequate to compensate us for all losses or failures that may occur.

WE MAY EXPERIENCE SOFTWARE DEFECTS AND DEVELOPMENT DELAYS, DAMAGING CUSTOMER RELATIONS, DECREASING OUR POTENTIAL PROFITABILITY AND EXPOSING US TO LIABILITY.

Our products are based on sophisticated software and computing systems that often encounter development delays, and the underlying software may contain undetected errors or defects. Defects in our software products and errors or delays in our processing of electronic transactions could result in:

- additional development costs;
- diversion of technical and other resources from our other development efforts;
- loss of credibility with current or potential customers;
- harm to our reputation; or
- exposure to liability claims.

In addition, we rely on technologies supplied to us by third parties that may also contain undetected errors or defects that could have a material adverse effect on our business, financial condition and results of operations. Although we attempt to limit our potential liability for warranty claims through disclaimers in our software documentation and limitation-of-liability provisions in our license and customer agreements, we cannot assure you that these measures will be successful in limiting our liability.

IF WE DO NOT RESPOND TO RAPID TECHNOLOGICAL CHANGE OR CHANGES IN INDUSTRY STANDARDS, OUR SERVICES COULD BECOME OBSOLETE AND WE COULD LOSE OUR CUSTOMERS.

If competitors introduce new products and services embodying new technologies, or if new industry standards and practices emerge, our existing product and service offerings, proprietary technology and systems may become obsolete. Further, if we fail to adopt or develop new technologies or to adapt our products and services to emerging industry standards, we may lose current and future customers, which could have a material adverse effect on our business, financial condition and results of operations. The electronic commerce industry is changing rapidly. To remain competitive, we must continue to enhance and improve the functionality and features of our products, services and technologies.

RISKS RELATING TO OUR COMMON STOCK:

OUR COMMON STOCK IS SUBJECT TO "PENNY STOCK" RULES.

The Securities and Exchange Commission has adopted Rule 15g-9 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require:

- that a broker or dealer approve a person's account for transactions in penny stocks; and

- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and

- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the Commission relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and

- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

DIRECT RESPONSE FINANCIAL SERVICES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Direct Response Financial Services

We have audited the accompanying consolidated balance sheets of Direct Response Financial Services, Inc. as of January 31, 2005 and January 31, 2004, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended January 31, 2004, and the period from inception (April 24, 2002) through January 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial position of Direct Response Financial Services, Inc. as of January 31, 2005 and January 31, 2004 and the consolidated results of its operations, stockholders' equity, and its cash flows for the years ended January 31, 2004 and for the period from inception (April 24, 2002) through January 1, 2005, 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 described in Note 2, the Company has sustained net operating losses and has insufficient working capital to complete its business plan, which raise substantial doubts about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Miller and McCollom

MILLER AND MCCOLLOM
Certified Public Accountants
4350 Wadsworth Boulevard, Suite 300
Wheat Ridge, Colorado 80033
April 28, 2005

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED BALANCE SHEETS

ASSETS

<TABLE>
<CAPTION>

	January 31, 2005	January 31, 2004
<S>	<C>	<C>
CURRENT ASSETS		
Cash	$ 49,993	$ 250
Accounts receivable	9,472	--
Inventory	58,000	58,000
Prepaid expenses	12,850	84,225
Deposit	2,500	25,000
Total current assets	132,815	167,475

PROPERTY AND EQUIPMENT		
Property and equipment, net of $893 and $447 depreciation	1,340	1,786
OTHER ASSETS		
Investments	200,000	200,000
Total assets	$ 334,155	$ 369,261

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 47,738	$ 32,281
Accounts payable - related party	494,612	431,285
Shareholder deposit	200,000	--
Advances from stockholders, current portion	222,532	33,067
Total current liabilities	964,882	496,633
LONG-TERM LIABILITIES		
Advances from stockholders, less current portion	191,384	387,466
Advances from related party	26,435	20,825
Debenture payable	121,500	150,000
Total liabilities	1,304,201	1,054,924
Commitments and contingencies	--	--

</TABLE>

The accompanying notes are an integral part of these statements.

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED BALANCE SHEETS (CONTINUED)

<TABLE>
<CAPTION>

<S>	<C>	<C>
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock - authorized 100,000,000 shares, no par value, 58,577,350 and 19,347,834 shares issued and outstanding at January 31, 2005 and 2004	3,519,798	1,699,030
Common stock warrants	140,106	--
Subscribed stock	(735,824)	--
(Deficit) accumulated during the development stage	(3,894,126)	(2,384,693)
Total stockholders' (deficit)	(970,046)	(685,663)
Total liabilities and stockholders' equity (deficit)	$ 334,155	$ 369,261

</TABLE>

The accompanying notes are an integral part of these statements.

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year ending	Year ending	April 24, 2002 (inception) through

	January 31, 2005	January 31, 2004	January 31, 2005
<S>	<C>	<C>	<C>
Revenues	$ 12,331	$ 1,859	$ 14,409
Cost of sales	4,501	748	5,470
Gross Profit	7,830	1,111	8,939
Costs and Expenses:			
Consulting expense paid by issuing stock	691,550	942,564	2,470,705
Consulting expense paid by cash	116,948	--	116,948
Professional fees	268,911	170,498	545,697
Advertising and marketing	70,645	16,263	103,053
General and administrative	317,926	143,208	492,016
Rent expense	24,000	24,000	64,856
Total	1,489,980	1,296,533	3,793,275
Earnings (loss) from operations	(1,482,150)	(1,295,422)	(3,784,336)
Interest expense	(27,283)	(21,355)	(49,790)
Loss on investment	--	(60,000)	(60,000)
Net (loss)	$ (1,509,433)	$ (1,376,777)	$ (3,894,126)
(Loss) per share	$ (.05)	$ (.06)	$ (.14)
Weighted average shares outstanding	30,904,963	16,907,500	28,533,036

</TABLE>

The accompanying notes are an integral part of these statements.

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Shares	Common Stock	Common Stock Warrants	(Deficit) accumulated during the development stage	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance April 24, 2002 (inception)	16,737,500	$ 6,000	$ --	$ --	$ 6,000
Shares issued for cash	50,000	25,000	--	--	25,000
Shares issued for services	1,270,000	724,500	--	--	724,500
Net loss for year ended January 31, 2003	--	--	--	(1,007,916)	(1,007,916)
Balance January 31, 2003	18,057,500	755,500	--	(1,007,916)	(252,416)
Shares issued for services	1,290,334	943,530	--	--	943,530
Net loss for year ended January 31, 2004	--	--	--	(1,376,777)	(1,376,777)
Balance January 31, 2004	19,347,834	$ 1,699,030	$ --	(2,384,693)	$ (685,663)
Shares issued for services	10,302,500	691,550	--	--	691,550
Shares and warrants issued for cash in private placement	2,300,000	59,894	140,106		200,000
Shares issued for conversion of debenture	6,187,469	333,500	--		333,500
Shares issued under stock subscription	20,439,547	735,824	--		735,824
Net loss for year ended January 31, 2005	--	--	--	(1,509,433)	(1,509,433)

Less subscribed stock					(735,824)
Balance January 31, 2005	58,577,350	$ 3,519,798	$ 140,106	(3,894,126)	$ (970,046)

</TABLE>

The accompanying notes are an integral part of these statements.

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year ending January 31, 2005	Year ending January 31, 2004	April 24, 2002 (inception) through January 31, 2005
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net (loss)	$(1,509,433)	$(1,376,777)	$(3,894,126)
Non-cash items included in net (loss):			
Depreciation	446	447	893
Expenses paid by issuing stock	691,550	943,530	2,365,580
Loss on investment	--	60,000	60,000
Net change in operating assets and liabilities:			
Accounts receivable	(9,472)	--	(9,472)
Prepaid expenses	93,875	(59,225)	34,650
Inventory	--	(58,000)	(58,000)
Accounts payable and accrued liabilities	97,194	330,471	576,466
Net cash (used) by operating activities	(635,840)	(159,554)	(924,009)
Cash flows from investing activities:			
Purchase of investments	--	(260,000)	(260,000)
Purchase of property and equipment	--	--	(2,233)
Net cash (used) by investing activities	--	(260,000)	(262,233)
Cash flows from financing activities:			
Proceeds from advances - related parties	--	415,412	425,652
(Repayment) of advances - related parties	(19,417)	--	(19,417)
Proceeds from common stock warrants	140,106	--	140,106
Proceeds from debenture	--	--	100,000
Shareholder deposit	360,000	--	360,000
Proceeds from issuance of common stock	204,894	--	229,894
Net cash provided by financing activities	685,583	415,412	1,236,235
Net increase in cash	49,743	(4,142)	49,993
Cash at beginning of period	250	4,392	--
Cash at end of period	$ 49,993	$ 250	$ 49,993
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	$ 3,519	$ 6,674	$ 10,193
Income taxes	$ --	$ --	$ --

</TABLE>

The accompanying notes are an integral part of these statements.

DIRECT RESPONSE FINANCIAL SERVICES, INC.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Direct Response Financial Services, Inc. (Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements are stated in United States of America dollars.

Organization and Description of Business

The Company was incorporated in the State of Delaware on April 24, 2002.

The Company is in the development stage and has had no significant operations.

The Company's primary business activity is providing stored value debit card programs and merchant accounts for credit and debit card processing.

On April 29, 2002 the Company entered into a Agreement and Plan of Reorganization with Relevant Links, Inc., a public company (incorporated in the State of Colorado on April 7, 2000) with no assets or liabilities. As a result of the reorganization, the Company became a publicly reporting company. (See note 4). Subsequent to the reorganization, Relevant Links, Inc changed its name to Direct Response Financial Services, Inc. (Colorado) (DRFS-CO).

On May 16, 2002, the Company participated in forming Direct Card Services, LLC (DCS) for the purpose of facilitating the Company's bankcard processing business. Under the terms of the LLC agreement, the Company has a 50% interest.

Principles of Consolidation

The accompanying consolidated financial statements include the Company and its' wholly owned and controlled subsidiary, DRFS-CO, and its controlled subsidiary DCS. All inter-company accounts have been eliminated in the consolidation.

The Company considers its 50% interest in DCS to be a controlling interest because, as sole managing member, it has management control in addition to its profit interest. Because DCS has a deficit equity position at January 31, 2005, no minority interest has been recorded.

Revenue Recognition

Revenues are recognized in accordance with SEC Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements." Under SAB 101, product revenues (or service revenues) are recognized when persuasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable and collectibility is reasonably assured.

The Company offers no warranties on equipment sold beyond those offered by the manufacturer.

Inventory

The company's inventory consists of prepaid stored value (debit) card blanks and supplies and is valued at the lesser of cost or net realizable value using the average costing method.

Use of Estimates

The preparation of the Company's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Earnings (Loss) Per Share

Earnings (loss) per share of common stock is computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the period. Fully diluted earnings per share are not presented because they are anti-dilutive.

Estimated Fair Value of Financial Instruments

The carrying value of the Company's accounts receivable, accounts payable, and other financial instruments reflected in the financial statement approximates fair value due to the short-term maturity of the instruments. The fair value of the Company's advances from stockholders and debentures payable cannot be estimated, because of the unique and proprietary nature of these instruments.

Comprehensive Income

The Company has adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income". SFAS 130 requires that the components and total amounts of comprehensive income be displayed in the financial statements beginning in 1998. Comprehensive income includes net income and all changes in equity during a period that arises from non-owner sources, such as foreign currency items and unrealized gains and losses on certain investments in equity securities. The company has no components of comprehensive income other than net income (loss).

Income Taxes

The Company records deferred taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." The statement requires recognition of deferred tax assets and liabilities for temporary differences between the tax bases of assets and liabilities and the amounts at which they are carried in the financial statements, based upon the enacted tax rates in effect for the year in which the differences are expected

to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Valuation of Long-Lived Assets

The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operation cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Other

The Company's fiscal year end is January 31.

The Company paid no dividends during the periods presented. Advertising is expensed as it is incurred. The company has no cash equivalents.

The Company consists of one reportable business segment.

All revenue reported is from external customers in the United States. All of the Company's assets are located in the United States.

NOTE 2 - BASIS OF PRESENTATION - GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern. However, the Company has sustained net operating losses and has insufficient working capital to complete its business plan. This fact raises substantial doubt about the Company's ability to continue as a going concern. Management plans to raise additional capital to enable the Company to complete its business plan.

NOTE 3 - DEVELOPMENT STAGE COMPANY

Based upon the Company's business plan, it is a development stage enterprise. Accordingly, the Company presents its financial statements in conformity with the accounting principles generally accepted in the United States of America that apply in establishing operating enterprises. As a development stage enterprise, the Company discloses the deficit accumulated during the development stage and the cumulative statements of operations and cash flows from inception to the current balance sheet date.

NOTE 4 - PROPERTY AND EQUIPMENT

Components of property and equipment consist of:

<TABLE>
<CAPTION>

	Cost	Accumulated Depreciation	Net Amount	Depreciation Rate and Method
<S>	<C>	<C>	<C>	<C>
January 31, 2004:				
Office Equipment	$ 2,233	$ 447	$ 1,786	3 years SL
January 31, 2005:				
Office Equipment	2,233	893	1,340	3 years SL

</TABLE>

Depreciation is provided in amounts sufficient to recover asset costs over their estimated useful lives.

NOTE 5 - INVESTMENTS

During July 2003, the Company invested $200,000 in Optimum Pay USA, Inc. ("Optimum"). Optimum develops electronic payment systems. Optimum Pay USA, Inc. is a privately held company with headquarters in Irvine, California and offices in Covington, Kentucky. The company issued an unsecured promissory note to a shareholder of the company for 2.5 shares of Series A Convertible Preferred Stock of Optimum, which represents approximately two percent (2%) ownership of Optimum Pay, Inc. The promissory note is due July 31, 2005, and bears interest of three percent (3%). The investment is accounted for using the cost method and valued at the lower of cost or fair market value.

NOTE 6 - ADVANCES FROM STOCKHOLDERS AND RELATED PARTIES

The Company has received advances from stockholders in the amount of $440,351. The advances are evidenced by unsecured promissory notes bearing interest rates of 3% to 8%. The notes are due as follows:

Fiscal Year Ending:	
2006	222,532
2007	217,819
Total	$ 440,351

Advances totaling $413,916 are the subject of efforts by Company management to retire the Promissory Notes for less than their stated face value. Negotiations with the Promissory Note holders are in progress, but not completed.

NOTE 7 - CONVERTIBLE DEBENTURE, SHAREHOLDER DEPOSITS AND SUBSCRIBED STOCK

In January 2003, the Company sold an 8% convertible debenture for $150,000. Interest on the debenture is payable monthly. No assets have been pledged as security and the note cannot be prepaid. The agreement, as amended on May 19, 2003, February 19, 2004, March 23, 2004 and November 8, 2004, has the following additional provisions:

The number of shares for which the debenture is convertible into common stock (in denominations of $1,000 or more in an integral multiple of $500 in excess thereof) is equal to the debenture dollar amount being converted multiplied by eleven, minus the product of the conversion price, as determined below,

multiplied by ten times the dollar amount of the debenture amount being converted, with the entire foregoing result divided by the conversion price. To the extent that, on any date, the holding of common shares results in a holder being deemed to be the beneficial owner of more than five percent (5%) of the then outstanding shares of the Company's common stock, the holder shall not have

the right and the Company shall not have the obligation to convert any portion of the debenture as shall cause such holder to be deemed the beneficial owner of more than five percent (5%) of the then outstanding shares of common stock.

The conversion price is equal to the lesser of $1.00, or eighty per cent (80%)(the discount multiplier) of the average of the three lowest market prices during the ninety (90) day period prior to the holder's election to convert.

In addition to the right to convert the debenture, the holder was given, coinciding with the exercising of the debenture, a warrant until January 9, 2006 to purchase shares of the Company's common stock at an exercise price of $1.00 per share equal to ten times the dollar amount of the debentures being converted.

During February and March 2004, the Company amended the debenture agreement to extend the due date of the debenture to January 2006 and the expiration date of the conversion warrant to January 2007. Additionally, the amendments allow for the debenture holder to add $150,000 of principal under certain conditions.

During June 2004, the Company amended the agreement to provide for a prepayment of $60,000 to be used for converting portions of the debenture and exercising warrants in exchange for the Company issuing 2,000,000 shares of common stock in anticipation of future debenture conversions and warrant exercises. As of January 31, 2005, 439,547 of these shares have not been utilized and are shown on the financials statements as subscribed stock.

During November 2004, the Company further amended the debenture agreement. In accordance with the agreement, the Company delivered 20,000,000 shares of the Company's restricted common shares in the name of the debenture holder to a trustee/escrow agent which may be released to the debenture holder pursuant to valid debenture conversions and warrant exercise notices. The shares issued and held in escrow are recorded at the estimated value of the conversion and shown on the financials statements as subscribed stock. Such shares are held in trust as collateral to ensure performance under the debenture agreement. The trustee/escrow agent has no right to vote the shares.

The Company has the option to repurchase any common shares to be issued for future debenture conversions and warrant exercises provided that the Company gives notice and the debenture holder converts debenture amounts and exercise warrant amounts at least equal to the number of shares the Company desires to purchase. The purchase price for the common shares shall be 92% of the average of the volume weighted average price of the Company's common shares on the five trading days prior to the date the debenture holder receives the notice from the Company.

During the year ending January 31, 2005, the debenture holder converted $28,500 of the principal of the debenture and received 7,902,469 shares of the Company's common stock and simultaneously issued 285,000 warrant shares for $285,000. The debenture holder also has deposited $200,000 with the company to be used for future conversions.

NOTE 8 - STOCKHOLDERS' EQUITY

At inception, the Company issued 6,000,000 shares of stock for services, valued at $6,000, which was the estimated fair value of the services received.

During December 2002, the Company sold 50,000 shares of its common stock for $25,000 cash, which was an average price per share of $.50.

During January 2003, the Company issued 1,270,000 shares of its common stock for services, which was valued at estimated fair value of $724,500 (weighted average $.57 per share) based on quoted market prices on the date of the transaction. Of the shares issued, 1,240,000 shares were issued to related parties and 30,000 shares were issued to non-related parties for consulting services.

In March of 2003, the Company enacted a "2003 stock incentive plan." The plan authorizes the board of directors, or its designated committee, to award up to 750,000 shares or options for shares, generally under terms and prices determined by the board. Awards may be granted to officers, directors, and employees of and consultants and advisers to the Company or its subsidiaries. The plan contains additional terms and restrictions. 749,334 shares have been issued pursuant to the plan through April 30, 2003.

During the fiscal year ended January 2004, the Company issued an additional

1,290,334 shares of its common stock to related parties for services, which was valued at estimated fair value of $943,530 (weighted average $.99 per share) based on quoted market prices on the date of the transaction.

During the fiscal year ended January 2005, the Company issued an additional 10,302,500 shares of its common stock to related parties for services, which were valued at estimated fair value of $691,550 (weighted average $.08 per share) based on quoted market prices on the date of the transaction.

The Company also issued stock and warrants with a private placement memorandum in 2005. The Company was authorized to sell up to a maximum of 50 Units, with each Unit consisting of either: (1) 200,000 Rule 144 restricted common shares; (2) 100,000 Rule 144 restricted common shares plus a separate warrant entitling the holder to purchase up to 50,000 shares of free trading stock exercisable at $0.10 per share for a period of two years from the date of investment pursuant to the terms and conditions of the warrant; or (3) a warrant for 167,000 shares of free trading stock exercisable at $0.02 per share with each warrant convertible into 1.5 shares of stock exercisable for a period of two years from the date of the investment, but not prior to six months from the date of investments pursuant to the terms and conditions of the warrant (each, a "Unit"). The selection of Unit Type 1, Unit Type 2 or Unit Type 3 (or a

combination thereof with the approval of the Company) was at the option of the investor. The Company issued 2,300,000 shares of common stock under the private placement memorandum. Warrants issued were as follows:

Exercise Price	Expires FYE	Number
$.10	2007	150,000
$.02	2007	6,768,000

During the year ending January 31, 2005, the company issued common stock by debenture conversions, exercise of warrants, and subscribed stock as described above in Note 7.

NOTE 9 - RELATED PARTY TRANSACTIONS

During the year ended January 31, 2005, the Company incurred legal fees with a law firm, in which the Company's CEO is a partner, in the amount of $186,617, all of which is unpaid at year-end.

A director of the Company is the president of a significant business related to the Company because it provides third party processing and technology to the Company as part of its stored value card programs.

NOTE 10 - INCOME TAXES

As of January 31, 2005, the Company had approximately $3,900,000 of net operating loss carryover that expires in 2023 through 2025. A change in the ownership of more than 50% of the Company may result in the inability of the Company to utilize the carryover. The Company had an estimated deferred tax asset of $359,000 related to the net operating loss carryover, including an addition of $138,000 for the current year. Carryforwards previously incurred by the Company are not available due to restrictions when ownership changes. A valuation allowance has been provided for the total amount of the deferred tax asset, including the current year addition, since the amounts, if any, of future revenues necessary to be able to utilize the carryover, are uncertain.

The overall effective tax rate differs from the Federal statutory tax rate for the year ended January 31, 2005 as follows:

	% of Pre-tax income (loss)
Tax provision based on Federal statutory rate	34.0%
State tax, net of Federal benefit	2.3%
Surtax exemption	(27.1%)
Estimated tax rate	9.2%
Valuation allowance	(9.2%)
Effective tax rate	0.0%

DIRECT RESPONSE FINANCIAL SERVICES, INC.
(A DEVELOPMENT STAGE COMPANY)

NOTE 11 - CONCENTRATION OF RISK

Through its subsidiary Direct Card Services, LLC, the Company is dependent on a marketing agreement with a major bank for its future revenue regarding bankcard processing. In addition, through its subsidiary Direct Card Services, LLC, the Company is also dependent upon two other banks for its stored value (debit) card business.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Company rents its office space on a month-to-month basis.

In addition to its pre-existing relationship as a 2% owner of all outstanding equity in Optimum Pay USA, Inc. the Company, through its subsidiary Direct Card Services, LLC, entered into several agreements with OP for issuance and approval of debit card programs. These agreements included five stored value card programs - (1) the DCS Personal Advantage Media Card; (2) the La Raza Personal Advantage Media Card; (3) the La Vida Buena Card (4) Power 92 and (5) Super A Foods. Under each of these agreements, the Company is committed to purchase a minimum order of 5,000 cards/units. To date, the Company has paid a total of $183,350 against these minimum orders, leaving balances due under each account as follows: DCS Personal Advantage Media Card - $34,000; La Raza Personal Advantage Media Card - $26,875; Power 92 - $14,535 and Super A Foods - $45,050.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent to year-end, the Company issued 11,378,985 shares of common stock under the conversion provisions of the debenture payable and the exercise of related warrants.

On March 14, 2005, the Company issued 4,575,000 shares of unrestricted stock under the Company's S-8 Registration statement for services.

On March 17, 2005, the Company authorized and approved issuance of 2,725,000 shares of Rule 144 restricted common stock for consulting services.

The Company entered into a consulting agreement dated March 8, 2005. The consulting company will provide services with regard to acquisition, financing, and company goals and structure. The consultant will receive a monthly fee in the amount of $5,000 and a percentage (finders fee) of investment proceeds identified by the consultant.

NOTE 14 - RECENT ACCOUNTING PRONOUNCEMENTS

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities." It requires existing unconsolidated variable interest entities (VIE's) to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among the parties involved. It applies immediately to VIE's created after January 31, 2003 and to VIE's in which an enterprise holds a variable interest that was acquired before February 1, 2003, the Interpretation applies for periods beginning after June 15, 2003.

DIRECT RESPONSE FINANCIAL SERVICES, INC.
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In December 2003, the FASB reissued Interpretation No. 46 with certain modifications and clarifications for certain VIE's. The Company has no unconsolidated VIE's and therefore its financial statements are in compliance with the requirements of Interpretation No. 46.

In April 2003, the FASB issued SFAS No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which amends and clarifies the accounting guidance on certain derivative instruments and hedging activities. SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003 and hedging relationships designated after June 30, 2003. The adoption of this statement did not impact the Company's financial position, results of operations, or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS 150

establishes standards for how an issuer of equity (including the equity shares of any entity whose financial statements are included in the consolidated financial statements) classifies and measures on its balance sheet certain financial instruments with characteristics of both liabilities and equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003 and for existing financial instruments after July 1, 2003. The adoption of this statement did not impact the Company's financial position, results of operations, or cash flows.

During 2004, the FASB issued SFAS No. 151, "Inventory costs - an amendment of ARB No. 43, Chapter 4", SFAS No. 152, "Accounting for Real Estate Time-Sharing Transactions - an amendment of FASB Statements No. 66 and 67", SFAS No. 153, "Exchanges of Nonmonetary Assets - an amendment of APB Opinion No. 29", and SFAS No. 123 (revised 2004), "Share-based Payment". These statements are effective for periods after these financial statements. We do not believe the impact of adoption of these statements will be significant to our overall results of operations or financial position.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 8A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based upon this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. There was no change in our internal controls or in other factors that could affect these controls during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

DIRECTORS AND EXECUTIVE OFFICERS

NAME	AGE	POSITION
T. Randolph Catanese(1)	47	Chief Executive Officer, Acting CFO and Director
Douglas Hume	33	Director
Edward Kim	36	Director

(1) On March 1, 2005, Ted Kozub resigned as our Chief Executive Officer, Chief Financial Officer and Director. There was no disagreement or dispute between Mr. Kozub and our company which led to his resignation. On March 1, 2005, our Board of Directors appointed T. Randolph Catanese as our Chief Executive Officer, Acting Chief Financial Officer and Director. There are no understandings or arrangements between Mr. Catanese and any other person pursuant to which Mr. Catanese was selected as a Director. Mr. Catanese presently does not serve on any committee of our Board of Directors. Mr. Catanese may be appointed to serve as a member of a committee although there are no current plans to appoint him to a committee as of the date hereof. Mr. Catanese does not have any family relationship with any director, executive officer or person nominated or chosen by us to become a director or executive officer.

T. RANDOLPH CATANESE, CHIEF EXECUTIVE OFFICER, ACTING CHIEF FINANCIAL OFFICER AND DIRECTOR SINCE MARCH 2005. From 1999 to the present, Mr. Catanese has been

practicing as an attorney in the State of California and is an active member of the California Bar Association. In this capacity, Mr. Catanese has represented clients in general business and commercial matters. In May of 2002 he founded Direct Card Services, LLC, a wholly owned subsidiary of Direct Response Financial Services, Inc. Mr. Catanese has acted as Managing Member of Direct Card Services, LLC since its inception. Mr. Catanese graduated from the University of Arizona with a Bachelor of Arts degree in 1980. Additionally, Mr. Catanese attended Pepperdine University School of Law where he received his Juris Doctorate in 1983.

DOUGLAS R. HUME, ESQ. Mr. Hume has served as general counsel to our company over the past fiscal year. He is a member of the California Bar Association. He will continue to act as general counsel to our company.

EDWARD KIM, DIRECTOR. Edward Kim is currently the President of Optimum Pay USA, Inc. Optimum Pay is a significant business partner to us as it provides third party processing and technology to us as part of its stored value card programs. Mr. Kim is also the co-managing member of Direct Card Services, LLC, a subsidiary of our company.

Directors serve until the next annual meeting and until their successors are elected and qualified. Officers are appointed to serve for one year until the meeting of the board of directors following the annual meeting of stockholders and until their successors have been elected and qualified.

CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics will be posted on our website at http://www.DRFS.net

ITEM 10. EXECUTIVE COMPENSATION

The following tables set forth certain information regarding our President and each of our most highly-compensated executive officers whose total annual salary and bonus for the fiscal year ending January 31, 2005, 2004 and 2003:

SUMMARY COMPENSATION TABLE
ANNUAL COMPENSATION

<TABLE>
<CAPTION>

Name & Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compen-sation ($)	Restricted Stock Awards ($)	Options SARs(#)	LTIP Payouts ($)	All Other Comp-ensation($)(1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
T. Randolph Catanese, CEO, President, Acting CFO and Director (Effective as of March 1, 2005)	2005	0	0	0	75,000	0	0	0
	2004	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0
Ted Kozub, CFO, CEO and Director (Effective as of April 6, 2003)	2005	14,000	0	0	0	0	0	12,500
	2004	9,000	0	0	27,500	0	0	2,500
	2003	0	0	0	250,000	0	0	0
Gregory C. Rotelli, President and Director (Effective as of April 6, 2003)	2005	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0
	2003	0	0	0	250,000	0	0	0

</TABLE>

(1) - Includes unrestricted stock awards issued pursuant to S-8 registration.

No options were granted or exercised during our fiscal year ended January 31, 2005.

Directors and Committee Members did not receive compensation from us during the fiscal year ending January 31, 2005.

During the fiscal year ending January 31, 2005, the Board of Directors served as

the Compensation Committee with regard to executive compensation, in the absence of a formal committee.

Other than base salaries, there were no additional compensation plans or policies in place for any executive officer as of January 31, 2005. Restricted stock compensation to officers was issued in lieu of salary and approved by the Board of Directors. Unless noted, all stock compensation was issued in the form of restricted shares and, for accounting purposes, were valued at the prevailing closing market price on the day of issuance.

There are no annuity, pension or retirement benefits proposed to be paid to Officers, Directors, or employees of Direct Response Financial Services, Inc. in the event of retirement at normal retirement date pursuant to any existing plan provided by Direct Response Financial Services, Inc.

EMPLOYMENT AGREEMENTS

Ted Kozub's agreement was effective on April 4, 2003 and continues in force to date. Mr. Kozub shall receive compensation consisting of: $1,000.00 per month, 250,000 shares of Rule 144 restricted common stock of Company, all of which shall vest and be granted by the Company at the end of the twelve (12) month term of this Agreement and two (2) weeks paid vacation.

On March 1, 2005, Ted Kozub resigned as our Chief Executive Officer, Chief Financial Officer and Director. As part of the resignation, Mr. Kozub's Key Executive Employment Agreement dated April 4, 2003, was terminated. On March 1, 2005, our Board of Directors appointed T. Randolph Catanese as our Chief Executive Officer, Acting Chief Financial Officer and Director. We have not finalized the terms of Mr. Catanese's employment agreement as of the date hereof.

No employment agreements exist or are currently contemplated.

There was no compensation paid to any directors of Direct Response Financial Services, Inc. as director's fees.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of April 28, 2004, by

- each person who is known by us to beneficially own more than 5% of our common stock;
- each of our officers and directors;
- all of our officers and directors as a group.

Except as otherwise noted, each person's address is c/o Direct Response Financial Services, Inc., 2899 Agoura Road, #115, Westlake Village, CA 91361.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES	PERCENTAGE OF CLASS
Common Stock	T. Randolph Catanese	3,592,800	4.65%
Common Stock	Douglas R. Hume	1,147,199	1.49%
Common Stock	Edward Kim	1,100,000	1.42%
Common Stock	Officers and directors as a group of 3	5,839,999	7.56%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We received an advance from a stockholder in the amount of $20,825 evidenced by a promissory note. The note is unsecured, bears 6% interest, and is due April 16, 2006.

We have incurred legal fees with a law firm, in which a partner is also the Chief Executive Officer of the Company and manager of one of our subsidiaries, in the amount of $186,617, all of which is unpaid.

ITEM 13. EXHIBITS

(a) Index to Exhibits

Exhibit No.	Description
	ARTICLES OF INCORPORATION AND BYLAWS
3.1	Articles of Incorporation (Incorporated by reference to our registration statement on Form SB-1 filed with the SEC on December 18, 2000, File No. 333-52268).
3.2	Bylaws (Incorporated by reference to our registration statement on Form SB-1 filed with the SEC on December 18, 2000, File No. 333-52268).
	INSTRUMENTS DEFINING RIGHTS OF SECURITY HOLDERS
4.1	Common Stock Purchase Warrant with La Jolla Cove Investors, Inc.(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
4.2	Convertible Debenture with La Jolla Cove Investors, Inc.(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
4.3	Letter Agreement with La Jolla Cove Investors(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
4.4	Purchase Agreement with La Jolla Cove Investors, Inc.(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
4.5	Registration Rights Agreement with La Jolla Cove Investors(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
4.6	Promissory Note with RPMJ, Inc.(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).

4.7	Addendum to Convertible Debenture and Warrant to Purchase Common Stock(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
	MATERIAL CONTRACTS
10.1	Amendment to the Limited Liability Company Agreement of Direct Card Services, LLC
10.2	Option to Purchase Agreement (LLC) with T. Randolph Catanese(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
10.3	Management Consulting Agreement with Anecius Holding Company(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
10.4	Ted Kozub Employment Agreement(Incorporated by reference to our Form 10KSB filed with the SEC on May 27, 2003, File No. 333-52268).
10.5	WNCR Consulting Agreement dated January 20, 2004 (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).
10.6	MDU with ROI Media Solutions (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).
10.7	KLAX FM Radio Marketing Agreement dated February 12, 2004 (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).
10.8	KKFR Radio Marketing Agreement (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.9 Agent Agreement (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.10 La Jolla Addendum (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.11 La Jolla Addendum to convertible debenture (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.12 Approved Sales Program Agreement (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.13 Approved Sales Program Agreement dated January 5, 2004 (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.14 Floyd Cochran Consulting Agreement dated January 20, 2004 (Incorporated by reference to our Form 10KSB filed with the SEC on April 30, 2004, File No. 333-52268).

10.15 Addendum to Convertible Debenture and Warrant between the Company and La Jolla dated November 8, 2004 (filed herewith)

10.16 Strategic Alliance Agreement between Direct Card Services, LLC and Info Touch USA, Inc. dated December 7, 2004 (filed herewith).

10.17 Agreement for Custom Pre-Paid Stored Value Debit Card between the Company and Super A Foods, Inc. dated February 21, 2005 (filed herewith).

10.18 Letter of Understanding between Direct Card Services, LLC and ROI Media Solutions, LLC dated February 24, 2005(filed herewith).

10.19 Joint Marketing Agreement between the Company, Direct Card Services, LLC and del Rey Financial, Inc. dated February 23, 2005(filed herewith).

10.20 Letter Agreement between Direct Card Services, LLC, Optimum Pay USA, Inc. and Poder de Compra, Mexico, SA dated March 24, 2005(filed herewith).

10.21 Consulting Services Agreement between the Company and GMCRNet.com, Inc. dated March 11, 2005(filed herewith).

31.1 Certification by Chief Executive Officer and Acting Chief Financial Officer pursuant to Sarbanes Oxley Section 302.

32.1 Certification by Chief Executive Officer and Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

Miller and McCollom billed us $13,750 for services rendered for the audit of our annual consolidated financial statements for the year ended January 31, 2005 included in this Form 10KSB.

ALL OTHER FEES

The aggregate fees billed by Miller and McCollom for services rendered to the Company, other than services covered in "Audit Fees" for the fiscal year ended January 31, 2005 were $0. Miller and McCollom did not perform any services which directly or indirectly related to the operation of, or supervision of the operation of, our information systems or management of our local area network.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant

caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIRECT RESPONSE FINANCIAL SERVICES, INC.

BY: /s/ T. Randolph Catanese

T. Randolph Catanese, CEO, Acting CFO

May 2, 2005

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ T. Randolph Catanese T. Randolph Catanese	CEO, CFO and Director	May 2, 2005
/s/ Douglas Hume Douglas Hume	Director	May 2, 2005
/s/ Edward Kim Edward Kim	Director	May 2, 2005

ADDENDUM TO CONVERTIBLE DEBENTURE AND
WARRANT TO PURCHASE COMMON STOCK

This Addendum to Convertible Debenture and Warrant to Purchase Common Stock ("Addendum") is entered into as of the ____ day of November 2004 by and between Direct Response Financial Services, Inc., a Colorado corporation ("Direct"), and La Jolla Cove Investors, Inc., a California corporation ("LJCI").

WHEREAS, Direct and LJCI are parties to that certain 8% Convertible Debenture dated as of January 9, 2003 ("Debenture"); and

WHEREAS, Direct and LJCI are parties to that certain Warrant to Purchase Common Stock dated as of January 9, 2003 ("Warrant"); and

WHEREAS, the parties desire to amend the Debenture and Warrant in certain respects.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Direct and LJCI agree as follows:

1. All terms used herein and not otherwise defined herein shall have the definitions set forth in the Debenture.

2. Direct shall immediately commence the process to file a Registration Statement containing at least 50,000,000 Common Shares on behalf of LJCI. If, at anytime after the date hereof, Direct stops the filing of the Registration Statement, Direct shall be liable to LJCI for $75,000 in liquidated damages.

3. Direct shall immediately deliver 464,134 Direct Common Shares to LJCI for the Debenture conversion and Warrant exercise submitted by LJCI on September 14, 2004.

4. Direct shall immediately deliver 10,000 Direct Common Shares to LJCI to make up the shortfall in the delivery of Common Shares for the Debenture conversion and Warrant exercise submitted by LJCI on August 10, 2004.

5. LJCI shall advance $50,000 (less the amount of interest owed by Direct under the Debenture) to Direct upon receiving notice that the SEC will be conducting a limited review of the Registration Statement referred to in section 1 above. LJCI shall advance an additional $100,000 to Direct upon receiving notice that the Registration Statement referred to in section 1 above has been declared effective by the SEC and the underlying shares are freely tradable. Such funds shall represent a prepayment towards the exercise of Warrant Shares under the Warrant, the timing of which shall be at LJCI's sole discretion. Direct shall not be able to prevent LJCI from converting the Debenture and shall not be able to prepay the Debenture, regardless of the price of the Stock, in connection with the Debenture

conversions associated with such Warrant prepayments. LJCI shall account for no more than 18% of the daily volume in Direct's common stock with sales of the Common Shares received from using such Warrant prepayment credits.

6. Direct shall immediately deliver 20,000,000 Direct restricted Common Shares, registered in the name of LJCI, to Alan L. Atlas, Esq., who shall hold the shares in trust as a joint escrow agent for Direct and LJCI. Such shares may only be released by Alan L. Atlas, Esq. pursuant to valid Debenture conversion and Warrant exercise notices submitted by LJCI per the terms of section 6(a) below. Such restricted Common Shares shall be included in the Registration Statement referred to in section 2 above. As to the terms of this section 6, Alan L. Atlas, Esq. shall act hereunder in accordance with his duties and obligations as an individual attorney licensed in the State of California, and not in his capacity as general counsel to LJCI.

   a. When LJCI desires to submit a Debenture conversion and Warrant exercise notice, it shall do so as follows. LJCI shall submit conversion and exercise documents in writing, via facsimile to Direct. Upon Direct receiving the conversion and exercise documents, Direct shall, within 24 hours, either: (1) order up the corresponding stock certificate from Direct's stock transfer agent for delivery to LJCI, or (2) notify LJCI's counsel, in writing, of Direct's election to have the converted shares be distributed to LJCI out of the shares held in trust by LJCI's counsel pursuant to section 6 above.

7. Direct, or its nominee, shall have the option to repurchase any Common Shares to be issued for future Debenture conversions and Warrant exercises under the following procedure. Direct shall fax notice to LJCI indicating the number of Direct Common Shares to be purchased, with delivery instructions for the purchaser if the transaction is to be done off the market. Within one business day of receiving such notice, LJCI shall submit a Debenture conversion and Warrant exercise to obtain at least that number of Common Shares that Direct or its nominee desires to purchase. LJCI shall not sell the number of Common Shares that Direct or its nominee desires to purchase for a period of two business days following submission of the Debenture conversion and Warrant exercise, during which time LJCI must receive the purchase price for the Common Shares in good funds. The purchase price for the Common Shares shall be 92% of the average of the volume weighted average price of Direct's Common Shares on the five Trading Days prior to date that LJCI receives the notice from Direct.

8. Except as specifically amended herein, all other terms and conditions of the Debenture and Warrant shall remain in full force and effect.

IN WINESS WHEREOF, Direct and LJCI have caused this Addendum to be signed by its duly authorized officers on the date first set forth above.

Direct Response Financial Services, Inc.	La Jolla Cove Investors, Inc.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

STRATEGIC ALLIANCE AGREEMENT

This Strategic Alliance Agreement (the "Agreement") is made by and between

Direct Card Services, LLC, a Delaware Limited Liability Company
having an address at 31416 W. Agoura Road, Suite 240
Westlake Village, California, 91361 USA and
ROI Media Solutions, LLC, a California Limited
Liability Company having an address at 4337
Marina City Drive #349ETN,
Marina del Rey, CA, 90292, USA
(hereinafter collectively "DCS")

and

INFO TOUCH USA, INC., a Washington State corporation
having an office located at 999 Third Avenue, ,
Seattle, WA, 98104 USA

("IFT")

WHEREAS:

A DCS is in the business of creating, developing and offering stored value bankcard and debit card solutions and products;

B IFT is in the business of designing, developing, deploying, and managing self-service kiosk applications, kiosk(s), automated teller devices, client server networks, WiFi networks, and other electronic devices ("IFT Devices") as well as facilitating transactions via said IFT Devices;

C IFT and DCS believe that offering DCS's services and products through IFT Devices and existing and future networks is a complementary business opportunity.

D DCS and IFT both desire to market, sell, promote and leverage each others existing and future products, and services, to the mutual benefit of each company's business;

E IFT and DCS wish to work cooperatively to integrate the required DCS technology and products to the IFT processing platform and DCS will provide all of the necessary processing services to IFT for remitting the transactions in order to enable payments of DCS partners' products and services from IFT Devices;

F IFT and DCS wish to collaborate in the deployment of IFT Systems in suitable DCS location partners' places of business in order to enable DCS's products and services, and facilitate transactions of other unrelated IFT Products and Services; and

NOW THEREFORE IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration (the receipt and sufficiency of which the Parties acknowledge), the Parties agree as follows:

1. DEFINITIONS;

1.1 In this Agreement (including the recitals hereto and this section) the words and phrases set forth below shall have the meaning ascribed, namely:

"Confidential Information" shall mean: any information provided by either party or prepared by either party (either oral, written or digital) reviews of such information, technical data, or know-how provided to either party by the other (including any director, officer, employee, agent, or representative of the other) or obtained by either party from the other (including any director, officer, employee, agent, or representative of the other) including but not limited to, that which relates to research, Software plans, products, services, customers, customer information including but not limited to e-mail addresses, financial information, and authentications, markets, software, developments,

inventions, processes, designs, drawings, engineering, hardware configuration, information, marketing or finances of the disclosing party.

"Convenience fee" shall mean: the fee paid by customers per transaction for certain types of transactions performed at an IFT Device.

"Convenience Retail Business" shall mean stores similar in size to and offering similar product and service options as those offered by a typical 7-11(R) or Circle-K(R) convenience store and shall specifically exclude the retail grocery category, including major grocery chains, local independent full-sized and smaller grocery stores or chains.

"DCS Devices" shall mean: kiosk applications, kiosk(s), automated teller devices, client server networks, Wi-Fi networks, and other customer facing electronic devices for which DCS was or is financially responsible for deployment.

"Effective Date" shall mean the date set forth on the signature page hereof.

"IFT core network(s)" shall mean: Locations where IFT has a significant role in the operation of a network of kiosks.

"IFT Commission(s)" shall mean: the portion of the Convenience Fee payable to IFT for its role in facilitating transactions via the DEVELOPED Application.

"IFT Devices" shall mean: kiosk applications, kiosk(s), automated teller devices, client server networks, Wi-Fi networks, and other customer facing electronic devices for which DCS is not financially responsible for deployment and where IFT or one of its distribution partners is responsible for the agreement governing the placement of the device in the specific location.

"IFT Intellectual Property" means IFT Software, Kiosk Management Services Plan, and the software, working papers, notebooks, documents, records, memoranda, drawings, operating instructions, know-how, and trade secrets that has been developed and acquired by IFT with respect to the management and operation of a kiosk terminal, including but not limited to, the Surfnet Premiere domain name, trade and service marks.

"IFT Marks" shall mean the trademarks, service marks, logos, slogans, trade dress and other proprietary descriptions listed on Schedule D attached hereto as such list may be subsequently amended from time to time by IFT in writing.

"IFT third party device(s)" shall mean: devices owned, managed and/or operated by third parties where IFT software and technology is used but IFT's role is limited to the provisioning of software and technology.

"IFT Kiosk" shall mean: a customer facing, self-service, automated, WiFi enabled terminal capable of providing products and services including but not limited to bill presentment, bill payment, prepaid wireless, pre-paid long distance, mobile content, metered access and such other services.

"IFT Location Partner" shall mean: any retail business working with IFT.

"IFT Software" means Surfnet Premiere Software and IFT's computer programming, formatting code, source code, object code, definitions, functionality, screens, icons, data, information, documentation, operating instructions, records, memoranda, drawings including not limited to, any files necessary to make forms, buttons, check-boxes, and similar functions and underlying technology or components, such as animation templates, interface programs which link multimedia and either programs, customized graphics, manipulation engines, and menu utilities, whether in database form or dynamically driven developed by IFT and used inter-alia to operate and maintain a Kiosk and the Network.

"IFT Transaction(s)" shall mean: transactions made on IFT devices.

"DEVELOPED Application(s)" shall mean: the IFT client/server application operating on IFT devices that enables DCS's debit card products and services to interface with the IFT devices within the Surfnet Premiere environment.

"DCS Intellectual Property" means DCS technology and source code, and the

software, working papers, notebooks, documents, records, memoranda, drawings, operating instructions, know-how, and trade secrets that has been developed and acquired by DCS with respect to the management and operation of its bankcard programs known as The Personal Advantage Media MasterCard(R), including but not limited to, Personal Advantage Media MasterCard(R) website, sales and marketing materials, bankcard program, logos and trade and service marks.

"DCS Location Partner" shall mean: a retail business working with DCS.

"DCS Payment Enabled Device(s)" shall mean: IFT Device(s) and DCS Device(s) that have been identified in Schedule A from time to time.

"Media Screen" shall mean: a television or computer monitor either enclosed within a Kiosk enclosure or separate and apart from the Kiosk.

"Surfnet Premiere Software" shall mean: IFT's proprietary kiosk security and management software platform.

"Self Service Application" shall mean: applications developed by IFT independent of the DEVELOPED Application including but not limited to Bill Payment, Pre-payment, Wi-Fi and Metered Access applications.

"Service Partner" shall mean: any third party contracted by IFT to conduct services required to operate and maintain the kiosks.

1.2 The parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that same and the various schedules hereto are expressly incorporated into and form part of this Agreement.

1.3 The schedules attached hereto are incorporated into this Agreement by reference and deemed to form a part thereof. The Schedules to this Agreement are as follows:

Schedule "A"	List of DCS Payment Enabled Kiosks
Schedule "B"	Upfront Fees
Schedule "C"	Marketing Services
Schedule "D"	IFT Marks
Schedule "E"	DCS Marks
Schedule "F"	Custom Developed Application
Schedule "G"	Products Marketing Agreement

1.4 Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

1.5 All references to currency in this Agreement are in US dollars.

2 Grant of Marketing Rights:

2.1 Subject to the terms and conditions of this Agreement, DCS hereby grants to IFT a non-exclusive right to market and promote DCS Products on certain IFT Devices mutually agreed upon by both parties for the term of this agreement. The initial list of DCS Payment Enabled Kiosk locations is set out in Schedule A and may be modified from time to time by mutual agreement of the parties provided that;

a) IFT shall be free to offer or promote products that are similar to or in competition to the DCS Products on any IFT Device as well as develop direct links to other products and/or services that may already be offered by DCS without first obtaining permission from DCS subject to the terms of Section 3.7; provided, however, that IFT shall be precluded from offering any similar or directly competitive products to the DCS products on any DCS Device absent the express written consent first obtained from DCS unless: (a) said DCS Location Partner is already an IFT Location Partner, or (b) said DCS Location Partner is in the Convenience Retail Business. In any and all situations not covered by the terms of this paragraph 2.1(a),

IFT and DCS agree to work together in good faith for the benefit of both parties.

b) IFT shall be free to offer or promote such other Self Service Applications on IFT Devices as IFT may chose in its exclusive discretion.

2.2 Subject to the terms and conditions of this Agreement, DCS hereby grants to IFT a non-exclusive right to offer Self Service Applications on DCS Devices mutually agreed upon by both parties for the term of this agreement.

2.3 IFT agrees that it will provide DCS with marketing services in DCS Payment Enabled Kiosk Locations subject to and consistent with Schedule C appended hereto.

2.4 In connection with this Section 2 the parties acknowledge that it is the intention of the parties to coordinate and expedite the marketing and loading opportunities of the DCS bankcard and debit card programs using IFT kiosks located at IFT Location Partners now existing or as may be hereinafter established through the combined efforts of the parties. IFT Location Partners will at their sole discretion dictate ability to provide marketing and loading of DCS bankcard and debit card programs and assuming permissions are granted by IFT Location partners then the IFT Location Partner will dictate opportunities to market and load said DCS bankcard and debit card programs. Accordingly, references made to Exhibit "G" entitled "Products Marketing Agreement" which agreement is incorporated by reference.

3 IFT General Obligations:

3.1 During the term of this agreement IFT shall provide to the DCS Payment Enabled Devices listed in Schedule A, which may be amended from time to time, the following services;

a) technical and software support and maintenance services to enable DCS Products to be offered for sale including the installation and maintenance of the DEVELOPED Application(s).

b) when available the marketing services as setout and described in Schedule C.

The foregoing are collectively referred to as "the Services".

3.2 IFT shall determine the method, details, and means of providing the Services. IFT may engage Service Partners in order to assist IFT in the performance of the Services, provided however, that any person so engaged shall be subject to provisions of this Agreement, including covenants of confidentiality.

3.3 IFT will during the term use its reasonable best efforts to keep the DCS Payment Enabled Device(s) listed on Schedule A operational and the DEVELOPED Application(s) functioning, however, DCS acknowledges that the kiosk operations and the provision of the Services is dependent upon a number of variables including but not limited to:

- Internet connectivity,

- Telecommunications network infrastructure and reliability

- Location of the IFT Device(s) and the activities of the location provider.

3.4 IFT will not be responsible for any loss of revenue or sales or any other damages or loss of any nature or kind suffered by DCS, caused by or related to any down or lost time during which the DCS Products are off line or not functioning and as a result not available to the public whether caused as a result of one or more kiosks being off line or malfunctioning or a failure with respect to the DEVELOPED Application(s).

3.6 IFT will provide to DCS on a limited basis the Media Screen marketing services described in Schedule C, as modified from time to time provided that IFT will in its exclusive discretion determine:

1- In which locations the services will be provided
2- The content and/or message displayed on the media screens

The terms and conditions of this Section are subject to the provisions of Section 2.3, above.

3.7 DCS acknowledges and accepts that during the term of this agreement IFT maintains relationships with third parties to offer products and payments that are in direct competition to DCS. There will be no restrictions to IFT developing additional direct relationships with other third parties or other transactional links to stored value card product and service providers for facilitating such other services.

4 DCS General Obligations:

4.1 The offer of bankcard and debit card services is core to DCS's business model, profitability and economic sustainability. Due to this fact, DCS will continue to enlist retailers as co-marketers of DCS's bankcard and debit card products and services, and facilitate DCS transactions via other DCS Devices including clerk assisted point of sale terminals and Self Service Kiosks provided by Kiosk companies other than IFT.

a) Retailer Relationships.

i. During the term of this Agreement DCS maintains direct relationships with specific retailers who act as hosts for DCS products and services. There will be no restrictions to DCS developing additional direct retailer relationships and/or contracts for facilitating the loading and sale of its bankcard and debit card products and services provided that the retailer in question does not already maintain a contractual relationship with IFT.

ii. DCS and IFT agree to uphold the fee structure and revenue sharing arrangement outlined in Schedule B regardless of whether the DEVELOPED application is residing on an IFT Device, an IFT third party device or in a DCS location where IFT has agreed to process transactions for DCS.

b) Kiosk Based Bill Payment Solutions. DCS may utilize competing Kiosk Products/Services from different kiosk companies provided that:

i. it is required to do so in order to fulfill current or future contractual obligations,

ii. IFT does not currently offer the capability and declines to provide the Kiosks and Ongoing Kiosk Maintenance Solution to DCS for the same price and performance level as the alternative Kiosk Products/Services Company and/or within a satisfactory timeframe, or

iii. DCS receives materially better terms or propositions (determined at DCS's sole discretion) which shall include but not be limited to the following terms:

i. DCS's cost for the Kiosk and the Ongoing Kiosk Maintenance Solution is a minimum of 5% less using the alternative Kiosk Products/Services Company vs. IFT's.

ii. Payment terms are more favorable

Should a retailer request that DCS utilize a Kiosk Products/Services Company other than IFT, DCS will use reasonable efforts to communicate the availability of the Kiosk Products/Services offered via IFT and the DEVELOPED Application.

4.2 DCS understands that the DEVELOPED Application only runs and has been

designed to only run within Surfnet Premiere without exception.

4.3 DCS agrees to provide IFT with DCS Partner(s) logos, marks and other marketing material for the purpose of building the DEVELOPED Application and Promoting the availability of the DEVELOPED Application on IFT Devices.

4.4 DCS agrees that it will not directly or indirectly (i.e. through another distributor of services) circumvent IFT or in any way attempt to provide IFT location partners with its products and/or services if the IFT location partner is offering the DEVELOPED Application on IFT Devices.

4.5 Nothing in this Agreement shall inhibit IFT from licensing and distributing the DEVELOPED Application to any of IFT Device(s).

5 Service Fees:

5.1 As compensation for the Services identified in Section 3 DCS agrees to pay IFT;

a) for any DCS Products and/or Service sold through the DEVELOPED Application the revenue sharing as set out in Schedule G.

b) for any DCS Kiosks equipped with Surfnet Premiere Software and the DEVELOPED Application the fees and revenue sharing as set out in Schedule G.

5.2 As compensation for the Services more particularly described in Schedule F, DCS agrees to pay IFT the upfront development fees in Schedule B.

5.3 The revenue sharing fees as set out in Schedule G shall be due and payable immediately and subtracted from monies collected by IFT daily before transfer of funds to DCS.

6 Application Obligations:

6.1 Both parties will work cooperatively to establish a secure method for transferring data between their respective systems and shall be responsible to maintain their own computer systems and technology platform to a commercially reliable level of service.

6.2 Each party will bear the costs and expenses incurred by such party's participation in this program and under this Agreement except as specifically noted in this Section 6.2. The parties may mutually agree to additional roles and responsibilities as shall be set forth in writing and executed by both parties and be deemed to be a part of this Agreement. Since time is of the essence for DCS, DCS has agreed to pay IFT a development fee of no greater than forty thousand dollars ($40,000.00) to expedite the DEVELOPED Application. IFT shall provide DCS with an itemized accounting of its development fees related to the DEVELOPED Application. IFT shall at its sole discretion have the right to apply any such development fees as a credit towards radio or television advertising (to be provided in the sole discretion of DCS) in an amount equal to 110% of the development fee in any media market wherein DCS offers bankcard or debit card products and services in connection with IFT in accordance herewith. The media may be used by IFT to promote any IFT product or service which is not in direct competition with a product or service offered by DCS. (This DEVELOPED Application is referred to in Schedule "F" as the Custom Developed Application. All terms and conditions in Schedule "F" are deemed a part hereof.)

6.3 The following are the general technology and integration obligations of each party:

a) IFT will be responsible to collect funds from IFT devices and customers. Both parties agree to work cooperatively on defining a mutually agreed upon system whereby DCS will receive funds from an IFT account based upon the report to be mutually agreed between the parties in order

to credit DCS's bank account for the amount of each payment including processing fees but minus IFT's commission as outlined in Schedule G.

b) IFT will hold DCS harmless from funds missing from kiosks. The reporting of transactions in the IFT reporting extranet will be used for reconciliation of funds collected for transactions occurring on IFT Devices and will identify the funds owing to DCS from IFT.

c) DCS will hold IFT harmless from funds missing or improper remittance and posting of funds for each transaction; provided, that IFT has complied with its obligations hereunder and provided further that it has complied with Section 6.3(a), above.

d) DCS will provide second-level customer service to IFT during the hours of 08:00am and 08:00pm Monday - Friday and 9:00am - 2:00pm Saturdays EST not including any bank and national holidays. DCS will provide first-level customer service to the DCS bankcard and debit card customers consistent with its normal practices.

6.4 IFT agrees to provide the following functions through its IFT devices:

a) The IFT devices will display a series of screens with menu choices to select a specified DCS service and/or product. The kiosk will specifically market and promote the DCS service and/or product consistent with Section 2.3, above. The kiosk will allow for the entry of funds to be credited to any DCS debit card plus allow for amounts to be paid, credit balances and any other such information deemed required. IFT shall choose with specific input from DCS the DCS products that will be displayed on a kiosk or group of kiosks.

b) The IFT processing platform will transmit each transaction to DCS for authorization. DCS will return a message to the IFT platform with an approval code and tracking number for each transaction.

c) Upon receiving approval code from DCS, IFT will confirm that the customer has sufficient funds to settle the transaction. The device will then issue a printed or emailable receipt to the customer according to the format specified by DCS.

7 Promotional and Marketing Activities:

7.1 The parties will each designate one representative who will work together to establish a joint marketing and promotional program to promote each other's products and services.

7.2 The parties will work cooperatively to create various mutually agreeable co-branding and co-marketing programs directed at other collaborative and mutually beneficial partners in each company's distribution channels.

7.3 The marketing and branding programs to be created must be mutually agreeable, but may include by way of example, point of sale materials (including debit card applications), direct mail campaigns, and such other jointly beneficial marketing and promotional programs as the parties determine appropriate to outline, promote and highlight the commercial relationship between them. IFT has final editorial rights, subject to reasonable input from DCS, on all such marketing messages that appear on any devices either owned, operated or facilitated by IFT.

7.4 Each party will bear the direct costs and expenses incurred by such party's participation in this program unless agreed to by way of this agreement.

7.5 The parties may mutually agree to additional roles and responsibilities as shall be set forth in writing and executed by both of the parties and be deemed to be a part of this Agreement.

8 Term and Termination:

8.1 The term of this Agreement shall commence on the Effective Date and shall continue for a period of five (5) years. Both parties may mutually agree in writing to extend this Agreement on a year-to-year basis. Such an extension will

be realized via an amendment to this Agreement.

8.2 Either party may terminate this Agreement forthwith upon written notice to the other party if the other party:

a) is in default of any payments under this Agreement and fails to remedy such default within 30 (thirty) days of notice thereof; or

b) is in default of any other term and condition of this Agreement and fail to remedy such default within 30 (thirty) days on notice thereof; or

c) makes a voluntary or involuntary assignment for the benefit of its creditors, enters into any composition or arrangement with its creditors, has a receiver or liquidator appointed with respect to its business or assets, commences or is the subject of any proceedings under any bankruptcy, insolvency or other law for the protection of creditors or relief debtors, or ceases to carry on business in the ordinary course. Is in default of any other term and condition of this agreement and failed to remedy such default within 30 days.

8.3 Upon termination of this Agreement, IFT will deactivate the DEVELOPED Application function from any of the IFT devices on which it is installed. Additionally any other IFT Self Service Applications will be deactivated from DCS Kiosks. The parties will return to the other party any and all technical or proprietary documents specific to the other parties operations.

8.4 The termination of this Agreement shall not release either DCS or IFT from paying any fees or expenses owed to the other party. Any fees owing will become immediately due and payable upon termination of this agreement.

9 Intellectual Property / Trademark Licenses:

9.1 With the understanding that DCS's products and services, including bankcard and debit card programs are DCS's core product and core competency, and the IFT business model, devices, and competency at deploying Self Service Hardware, Software, and associated services is IFT's core product and competency, the Parties will retain all worldwide rights, title and interest in the Intellectual Property of their respective Software, Hardware and know-how. The parties will grant each other a nonexclusive, non-transferable license to use the other's intellectual property pertaining specifically to the technology interfaces created between the parties for the duration of this Agreement. If one Party requests the other Party to make any customizations or special features, the developing Party may choose to develop those customizations or special features at its own expense, or may elect to enter into a Customization and Development Agreement on a time and materials basis. Under all specialized customization and development circumstances, the developing Party will retain all rights to the intellectual property arising from such work, and will grant each other a worldwide-unrestricted non-exclusive use license, binding only to the extent of each respective definitive agreement, as agreed between the Parties in a license agreement, for any and all IP developed under this contract.

9.2 DCS acknowledges and accepts that all times IFT retains 100% of all title, rights and interest in the "DEVELOPED Application." IFT acknowledges and accepts that at all times DCS retains 100% of all title, rights and interest in the graphical presentation layer associated with the "DEVELOPED Application."

10 Conflicts:

10.1 During the course of performance of this Agreement, each party may disclose to the other certain Confidential Information and each party shall hold the other party's Confidential Information in confidence and shall use its best efforts to protect it. Each party shall not disclose the other party's Confidential Information to any third party, and shall use it for the sole purpose of performing under this Agreement. At the conclusion of this Agreement, each party shall either return the other party's Confidential Information in its possession (including all copies) or shall, at the disclosing party's direction, destroy the other party's Confidential Information (including all copies) and certify its destruction to the disclosing party.

10.2 The term "Confidential Information" shall not include any information

which: (a) is in the public domain at the time of disclosure or enters the public domain following disclosure through no fault of the receiving party, (b) the receiving party, through demonstrable evidence, can demonstrate knowledge prior to disclosure or receipt after disclosure through a third party having no right or obligation of confidentiality by privity or otherwise to the disclosing party or (c) is independently developed by the receiving party without reference to the disclosing party's Confidential Information. Either party may also disclose the other party's Confidential Information upon the order of any competent court or government agency; provided that prior to disclosure the receiving party shall inform the other party of such order.

10.3 Each party agrees that its obligations provided in this Section are necessary and reasonable in order to protect the disclosing party and its business, and each party expressly agrees that monetary damages would be inadequate to compensate the disclosing party for any breach by the receiving party of its covenants and agreements set forth in this Agreement. Accordingly, each party agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to the disclosing party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the disclosing party shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by the receiving party, without the necessity of proving actual damages.

11 Confidentiality:

11.1 IFT and DCS entered into a Non-Disclosure Agreement dated _____ _____, 2004. Such Non Disclosure Agreement is incorporated herein by reference and is extended until such time this Agreement is terminated.

11.2 IFT's business plan involves the development, deployment, and monetization of self-service public access kiosks and kiosk networks including but not limited to the procurement and development of wireless telecommunications networks, the development of placement of other networks and the products, functions and services associated with the kiosks and the kiosk networks as well as the development of biller and transactional relationships with a variety of third parties including but not limited to wireless and utility billers. The terms of this Section are subject to the provisions of Section 2.1(a). [SH: Sufficient to state that the provision is subject to section 2.1(a)]

11.3 DCS's business plan involves the development, creation and sale of bankcard and debit card products via media and other direct response outlets. DCS recognizes the importance of utilizing new methods of distribution including but not limited to kiosks. Except as defined in this Agreement nothing shall prohibit DCS from entering into agreements with other providers of similar services, kiosks, terminals or networks or prohibit DCS from entering into agreements to provide services with or to other providers of similar services.

11.4 Except as defined in this Agreement IFT shall be at liberty to engage in any other business or activity, which may conflict or compete with the DCS and the services and functionality associated therewith, including but not limited to, the ownership and operation of other kiosks, terminals and networks wherever located. Except as defined in this Agreement, IFT shall not be under any fiduciary or other obligation to DCS which does currently or could in the future prevent or impede IFT from participating in, or enjoying the benefits of, endeavors of a nature similar to the business or activity described in this Agreement. The legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to parties occupying a relationship similar to that of IFT and DCS shall not apply with respect to this Agreement and, except as defined in this Agreement, IFT shall be free to enter into or conduct any business activity or endeavor it may wish to enter into and, without implied limitation, except as defined in this agreement, IFT shall not be accountable to DCS for participation in any such business activity or endeavor outside the relationship constituted hereby which is in direct competition with the business or activity undertaken and described in this Agreement subject to the terms of Section 2.1(a), above.

11.5 Except as defined in this Agreement DCS shall be at liberty to engage in any other business or activity, which may conflict or compete with the IFT and the services and functionality associated therewith, including but not limited to, the ownership, distribution, partnership and operation of other kiosks,

terminals and networks wherever located. Except as defined in this Agreement DCS shall not be under any fiduciary or other obligation to IFT which does currently or could in the future prevent or impede DCS from participating in, or enjoying the benefits of, endeavors of a nature similar to the business or activity described in this Agreement. The legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to parties occupying a relationship similar to that of DCS and IFT shall not apply with respect to this Agreement and, except as defined in this Agreement, DCS shall be free to enter into or conduct any business activity or endeavor it may wish to enter into and, without implied limitation, except as defined in this Agreement, DCS shall not be accountable to IFT for participation in any such business activity or endeavor outside the relationship constituted hereby which is in direct competition with the business or activity undertaken and described in this Agreement.

12 Representations and Warranties:

12.1 IFT represents and warrants to DCS that:

a. it has full corporate power and authority to execute and deliver this Agreement; and

b. it has all the necessary rights and licenses to perform and complete its obligations as set out in this Agreement in a professional manner by qualified personnel.

Other than the representations and warranties set forth herein, IFT disclaims any other warranty, whether express or implied, with respect to the provision of any service described in this Agreement, including without limitation, implied warranty of merchantability and fitness or durability for a particular purpose.

12.2 DCS represents and warrants to IFT that:

a. it has full corporate power and authority to execute and deliver this Agreement; and

b. it has all the necessary rights and licenses to perform and complete its obligations as set out in this Agreement in a professional manner by qualified personnel.

Other than the representations and warranties set forth herein, DCS disclaims any other warranty, whether express or implied, with respect to the provision any service described in this Agreement, including without limitation, implied warranty of merchantability and fitness or durability for a particular purpose.

13 Limitation of Liability:

13.1 Neither party shall be liable to the other party or any other person for any direct, indirect, consequential or punitive damages resulting from the delay or failure of the Kiosk, including without limitation the loss of revenues, income, profits, or goodwill, even if a Party has been advised of the possibility or likelihood of such loss. This limitation shall apply regardless of whether any action is brought in contract or in tort, including any claim of fundamental breach and shall survive the expiry, termination, avoidance or repudiation of this Agreement.

14 Notices:

14.1 All notices required or permitted to be given under this agreement shall be in writing and either delivered personally or by pre-paid courier or transmitted by facsimile or other similar means of confirmed electronic communication, to:

DCS at:
Direct Card Services, LLC
31416 W. Agoura Road, Suite 240
Westlake Village, CA 91361
Attention: T. Randolph Catanese
Fax : (818) 707-1161
E-mail : randy@directcardservices.net

IFT at:
IFT USA Inc.
#2203-600 West Grove Parkway, Tempe, AZ 85283 USA
Attention: Hamed Shahbazi, Chairman and CEO
Fax : (604) 298 4216
E-mail : hamed@infotouch.net

with a copies to;
IFT Technologies Corp.
#450-4170 Still Creek Drive, Burnaby, BC V5C 6C6

and:

Cawkell Brodie, Business Lawyers
Attn: Kenneth A. Cawkell and Scott Homenick
1260 - 1188 West Georgia Street
Vancouver, British Columbia
Canada, V6E 4(a)2
Fax: 1-604-684-3350
kcawkell@cawkell.com

or to such other address and facsimile number as each party may notify to other from time to time. All notices shall be effective when actually received.

15 General:

15.1 News Release; Both parties will issue a joint news release announcing this Agreement. The content of this release will be mutually agreed upon within ten (10) days of the execution of this Agreement. Each party may also issue a separate release(s) once the content of said release(s) is approved by the other party. Nothing in this Section 15.1 shall prevent either party from making any disclosure required by law.

[IFT is a public company and must make public disclosures from time to time]

15.2 Force Majeure; Notwithstanding anything in this agreement, neither party shall be liable for any failure or delay in performing its obligations under this agreement, other than payment obligations, due to causes outside its reasonable control, provided that a party claiming the benefit of this section shall use its best efforts to eliminate the cause or causes beyond its control including, without limitation, obtaining materials from other sources or using services of other suppliers. Events of force majeure shall include, without limitation, failure or malfunction of computer equipment or software, interruption in telecommunication services, accidents, acts of God, strikes or other labor disputes, cancellation of a kiosk network kiosk, and legislation or regulations of any government or governmental agency. Nothing in this section shall prevent a party from terminating this Agreement pursuant to section 8.2 hereof.

15.3 Amendments; The terms and conditions of this Agreement may only be modified via an amendment to this Agreement signed by both parties.

15.4 Severability; If any provision of this Agreement is held by any court or other authority of competent jurisdiction to be invalid, illegal or in conflict with any applicable state or federal law or regulation, such law or regulation shall control, to the extent of such conflict, without affecting the remainder of this Agreement.

15.5 Assignment; No party may assign, voluntarily, by operation of law, or otherwise, any of its rights, or delegate any of its duties under this Agreement to any party without the other party's prior written consent, except:

a) that any party may with the other parties approval assign this Agreement or any of its rights or obligations arising hereunder to the surviving entity in a merger, acquisition, or consolidation in which it participates, or to a purchaser of substantially all of its assets;

b) that IFT may assign this Agreement or any of its rights or obligations arising hereunder to its parent company or any of the parent companies wholly owned subsidiaries.

Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.

15.6 Waiver; The failure of either party at any time to require performance of any provision shall not affect the right to require performance at any other time, nor shall the waiver by either party of a breach of any provision be a waiver of any succeeding breach or a waiver of the provision itself.

15.7 Independent Contractors; The parties are independent contractors for purposes of this Agreement. Neither party will have, nor represent that it has, any power, right, or authority to bind the other, or to assume or create any obligation or responsibility, express or implied, on behalf of the other party without such other party's express written consent. No joint venture, partnership, or affiliation between the parties is either created or implied hereunder.

15.8 Entire Agreement; This Agreement and any exhibits attached hereto constitute the entire agreement between the parties hereto and supersede all oral and written negotiations of the parties hereto with respect to the subject matter hereof.

15.9 Governing Law; This Agreement shall be governed and construed in accordance with the laws of the State of Washington without giving effect to its principles of conflicts of laws.

15.10 Dispute Resolution; Any controversy or claim arising out of or relating to either party's performance under this Agreement, the parties' inability to agree on any provision to be agreed to, or the interpretation, validity or effectiveness of this Agreement, except as may be related to the infringement of the intellectual property of either party, shall, upon the written request of either party, be referred to designated senior management representatives of IFT and DCS for resolution. Such representatives shall promptly meet and, in good faith, attempt to resolve the controversies, claims or issues referred to them.

a) If such representatives do not resolve a matter referred to them within thirty (30) calendar days after reference of the matter, the matter shall be resolved by arbitration before the American Arbitration Association located in Los Angeles, California and subject to its rules and regulations. Judgment on the award rendered may be entered in any court of competent jurisdiction. The arbitrators shall have no authority to award punitive damages. Unless otherwise ordered by the arbitrator(s), the parties shall bear their respective costs and attorneys' fees incurred in connection with any arbitration hereunder.

b) Notwithstanding any other provision of this Agreement, each party shall still be entitled to access the courts to obtain appropriate injunctive relief.

[IP claims cannot be confined to any jurisdiction and often involve injunctive relief]

15.11 No Third Party Beneficiaries; No third party rights are intended to be created by this Agreement and as such there are no third party beneficiaries to this Agreement.

15.12 Non-Solicitation; During the term of this Agreement and for one (1) year thereafter, neither party will directly or indirectly solicit or attempt to solicit for employment any employees or contractors from the party.

15.13 Counterparts; This Agreement may be executed in any number of counterparts (including by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly

authorized, executed, and delivered effective as of October ____, 2004.

IFT USA Inc.

By:/s/ Hamed Shahbazi

Name: Hamed Shahbazi
Title: CEO

Direct Card Services, LLC

By:/s/ T. Randolph Catanese

Name: T. Randolph Catanese
Title: Managing Member

ROI Media Solutions, LLC

By: /s/ Doyle Rose

Name: Doyle Rose
Title: Managing Member

Schedule A:
List of DCS Payment Enabled Kiosk Locations

<TABLE>
<CAPTION>

<S> #	<C> Site	<C> City	<C> Zip	<C> #	<C> Site	<C> City	<C> Zip	<C> #	<C> Site	<C> City	<C> Zip
1											

</TABLE>

Schedule B
Upfront Development Fees

Development Fees

Since time is of the essence for DCS, DCS has agreed to pay IFT a development fee of no greater than forty thousand dollars ($40,000.00) to expedite the DEVELOPED Application. Payable 50% immediately and the balance upon completion of development.

Schedule C
Marketing Services

- DCS and IFT will define each months advertising program cooperatively.
- IFT will use its commercially reasonable best efforts to provide DCS with airtime on the Media Screen located above the transaction area in locations that have Media Screens for the term of this agreement for the purpose of promoting the availability of the DEVELOPED Application Service.
- If DCS wishes to provide IFT with broadcast quality commercials in Beta SP -or- digital format. IFT will at its sole discretion digitize the commercials. Costs associated with digitizing will be borne by DCS .

o DCS may produce "promotional tags" featuring the availability of the DEVELOPED Application. The tag will be in the form of a static image, flash file or html page. The length of this "promotional tags" may vary.

Schedule D
IFT Marks

[LOGO INFOTOUCH]

[LOGO SURFNET]

[LOGO CMMI]

TIO

Schedule E
DCS Marks

Schedule F
Custom Developed Application

Scope of Services

1.1. IFT will develop a kiosk solution designed specifically for DCS that incorporates all of the one time software development, presentation layer development, and project management costs, as well as the ongoing product and service costs required to enable DCS's customers to conduct Stored Value Card Reloads.

1.2. IFT will create a software and hardware solution that enables DCS's stored value card transactions.

1.2.1 Total Application Development. Total Application Development will include the following products and services:

(a) Software Development. IFT is responsible for developing the application required to permit DCS's customers to conduct stored value card reloads at IFT owned kiosks utilizing cash. IFT shall cooperate with DCS and its technology partners and use commercially reasonable efforts to expedite delivery of the software.

(b) Presentation Layer Design and Development. IFT is responsible for developing a graphical user interface and user experience that is intuitive.

(c) Project Management. IFT is responsible for project managing all aspects of the development of the software application development.

(d) Total Application Development Scope of Work and Acceptance Criteria. IFT will work cooperatively with DCS on the creation of a Scope of Work document.

1.3. IFT is responsible for installation of the application on all kiosks.

Schedule G

Financial Stored Value Card Programs

This Program Schedule describes the Programs and certain Parties' associated responsibilities involving Stored Value Cards known as The Personal Advantage Media Card MasterCard(R).

(1) DCS STORED VALUE CARD Program Summary

The Personal Advantage Media Card MasterCard(R) is a debit card program offered primarily through media partners, either radio or television.

(2) Stored Value Card Shared Fees and Funds Remittance

IFT will use its electronic kiosks to provide a variety of services relating to the marketing and servicing of Stored Value Cards. The fee sharing arrangement for such services is set forth below. IFT shall be entitled to receive a portion of certain of such fees, subject to the payment provisions of Section 2.1.2, below. DCS shall have the right, subject to any applicable Issuer approval, to change any customer pricing or fees, upon reasonable notice to IFT, provided IFT will continue to have the opportunity to earn the applicable IFT Share, as provided for below. Each party will earn its pro rata share of any incremental increase in the Convenience Fee.
Stored

<TABLE>
<CAPTION>

Value Card	Transaction Description	Convenience Fee	IFT Share	DCS Share
<S>	<c>	<C>	<C>	<C>
DCS Media Card	New customer registration	$ "X"	$ "Y"	$ 3.00
	Cash Reload fee	$ "X"	$ "Y"	$ 3.00

</TABLE>

Notes:
- "X" to be determined by IFT and its Location Partners
- "Y" equals Convenience Fee minus "DCS Share"

Customer information inquiry NC NC NC

* Any overage of cash due to rounding will be credited to the value of the card. If DCS provides a refund to any IFT Customer for any fee, DCS shall be entitled to reimbursement for IFT's portion of such fee, which was previously retained by IFT ("Refund Reimbursement"). DCS may offset any Refund Reimbursement owed to it by IFT against any payment it may owe to IFT. DCS will identify any Refund Reimbursement in reports submitted to IFT.

IFT may not impose any additional fees to any IFT Customer for any of the Stored Value Card programs, or the servicing thereof, without DCS prior written consent.

2.1.1 By 15:00 PST, on each day during the Term, other than on Saturdays, Sundays and banking holidays ("Business Day(s)"), DCS shall provide to IFT a summary and detailed report or reports (the "Funding Report") showing its calculations of all transactions performed at IFT Locations and/or for which IFT is entitled to receive a fee for the period(s) since the last report. DCS shall make such calculations using a midnight to midnight (Eastern time) twenty-four hour period for any calendar day (each such period, a "Transaction Day.") The Funding Report shall group transactions by type or product code and by IFT Location and shall be delivered to IFT in whatever format is commercially feasible and mutually agreeable to the Parties. The Parties shall work together to reconcile the Funding Report with the Funding Amount, as defined below, and shall apply any resulting adjustments to the next Funding Amount as appropriate. The relevant operational staff shall work together in good faith to resolve any disputed or unreconciled Funding Amount.

2.1.2 Not later than 2:00 PM (New York time) on each Business Day, IFT shall initiate an Automated Clearing House ("ACH") system transfer from a bank account designated by IFT to a bank account designated by DCS in an amount (the "Funding Amount") equal to, for all for the relevant Transaction Day(s):

(3) the number of DCS Media Card activation fees collected multiplied by $____ plus ----

(4) the number of DCS Media Card load fees collected multiplied by $____ plus ----

(5) the aggregate amount of value loaded on to DCS Media Cards plus

The Funding Amount following any day other than a Business Day shall include the Funding Amounts for Transaction Days since the last Funding Amount was transferred to DCS. No such ACH transfer shall be initiated until the Funding Amount for the relevant Transaction Day(s) for all IFT Locations in the aggregate exceeds One Thousand and 00/100 ($1,000.00) Dollars. Both parties agree to work together in good faith to resolve any problems with ACH transfer that may arise hereunder. However, notwithstanding the above, if no resolution is reached by the parties within twenty-four (24) hours of written notice of the problem being given to IFT, DCS may, in its sole discretion, stop accepting new transactions in the event the unremitted Funding Amount at any time exceeds Twenty-Five Thousand Dollars ($25,000) or if DCS believes, in its sole discretion, that there has been any event that indicates an adverse change in the financial condition of IFT.

(3) DCS's Responsibilities

(a) DCS will provide directly the necessary services to implement the Stored Value Card Programs, including all customer service.

(b) DCS shall use best efforts to cause the Stored Value Cards to comply with all governmental requirements.

(c) DCS request/response transaction server will interface, via the connectivity, with the IFT system, subject to DCS approval, in order to capture all information regarding the registration of new IFT Customers, to load funds and handle inquiries by IFT Customers regarding customer information. The DCS system will also act as a gateway to the Optimum Pay USA, Inc. backend processing system. All relevant IFT Customer record information, including personal information, will be maintained by DCS and/or Optimum Pay USA, Inc., and such information shall remain the property of DCS and not be retained by IFT except for the sole purpose of maintaining the reporting extranet associated with the DEVELOPED Application. Card balance and transaction identifiers will be passed to IFT each time funds are loaded to enable IFT to provide the cardholder with required information via a printed receipt at the point of sale.

(e) DCS customer service will process all requests for refunds and shall provide all approved refund amounts and related detail to IFT not less than monthly. Any fees previously retained or credited to IFT by DCS that are associated with a refund by DCS of fees paid by any IFT Customer shall be credited back to DCS for adjustment in the daily reconciliation.

(4) IFT's Responsibilities

(a) IFT shall, with the assistance of DCS, and subject to approval by DCS, work to develop the most effective and efficient method of delivering a Customer interface via IFT's kiosk to permit IFT to load the Stored Value Card.

(b) For the Stored Value Card Service:

(i) Enable certain information disclosures and permit initial

value loads.

(ii) Allow IFT Customers to swipe the relevant Stored Value Card through a card reader and insert cash into the IFT kiosks for purposes of adding to the Customer's balance associated with the cards. Amount to be loaded at any single transaction shall be limited to One Thousand ($1,000.00) Dollars (so that any such requests will be rejected with appropriate messaging prior to transmission to DCS). The minimum load amount shall be Twenty-Five Dollars ($25.00) per transaction.

(iii) Allow the IFT Customer to swipe the relevant Stored Value Card and obtain balance and transaction history information.

(c) IFT shall immediately transmit all pertinent information, defined by DCS in use case documentation and mutually agreed upon by both parties, collected by it to DCS through the Connectivity.

(d) IFT shall provide each IFT Customer a printed receipt showing pertinent information defined by DCS in use case documentation and mutually agreed upon by both parties.

(e) DCS will provide IFT with any and all information IFT requires in order to facilitate and meet applicable governmental requirements. In addition to any obligations or requirements pursuant to this Program Schedule or the Agreement, IFT's requirements with respect to governmental requirements. Such requirements may change from time to time based on the addition of new IFT Locations or changes in law, but any such changes shall be set forth in an amendment to Schedule 1 and shall be subject to the provisions of the Agreement.

(f) IFT shall make available such technology resources as reasonably required to enable the Stored Value Card programs. IFT shall make such changes to its existing systems as the Parties may agree are required including, but not limited to, changes to the kiosk or IFT Location interface to provide necessary prompts to the Customer and to produce required transaction receipts.

(g) IFT shall be responsible for uncollected or uncollectable funds and any costs associated with collecting such funds, and no such uncollected funds and no such costs shall be deducted from the amounts remitted to DCS.

(7) Scope of Program

The products and services detailed in this Program Schedule are to be offered only in territories or areas shown on Schedule 1. For purposes of this Program Schedule only, and as it relates to the payment of fees or loading of funds by IFT Customers, IFT is authorized to collect payments for Stored Value Cards from IFT Customers for both applicable fees and loads, subject to the following terms and conditions:

(a) DCS hereby appoints IFT as its authorized delegate with authority to engage in the transactions contemplated by this Program Schedule;

(b) IFT, as the authorized delegate is not authorized to appoint subagents or to assign its interests hereunder.

(c) IFT, as the authorized delegate, will operate in full compliance with all present and future applicable laws and regulations, as may be amended from time to time.

(8) Governmental Requirements

To the extent that any governmental requirement shall apply to either Party, such Party shall comply therewith.

(9) Notwithstanding which parties may have entered into the Agreement or the relationship of the Agreement to this Program Schedule, the Parties hereto

agree that only DCS and IFT shall have any liabilities and obligations to each other pursuant to the terms and conditions of this Program Schedule.

[LETTERHEAD DIRECT CARD SERVICES]

AGREEMENT FOR CUSTOM PRE-PAID STORED VALUE DEBIT CARD

This Agreement is made this 21st day of February, 2005 by and between Super A Foods, Inc. (the "Merchant") on the one hand, and Direct Card Services, LLC (hereinafter "DCS"), and Del Rey Financial (hereinafter "DRF") on the other hand. Merchant desires a custom pre-paid stored value debit card co-branded with MasterCard and usable in the MasterCard network. DCS provides custom pre-paid stored value debit card programs of this type. DCS has agreed to provide Merchant with a pre-paid debit card MasterCard program and card service. Accordingly, the parties agree as follows.

1. NATURE OF STORED VALUE PROGRAM: DCS will create and provide an approved stored value debit card program ("SVP") for Merchant. The program will have as the issuing bank First Premier Bank and its processor will be Optimum Pay USA, Inc. The SVP will be a custom program for Merchant showing the MasterCard logo on the face thereof. The SVP will be a MasterCard or in lieu thereof a Maestro Card. Merchant understands that the SVP must be approved by MasterCard and the issuing bank. DRF shall assist in the creation of the SVP for marketing purposes.

2. IMPLEMENTATION FEES: Provided Merchant executes this Agreement on or before March 1, 2005, DCS will waive its normal implementation fee of $20,000 for the SVP. If this Agreement is made after March 1, 2005, Merchant agrees to pay DCS a $20,000 implementation fee at the time the SVP is submitted to the issuing bank and MasterCard for approval.

3. CARD ACTIVATION FEE AND TRANSACTION COSTS: Attached as Exhibit "A" is a schedule of fees and costs chargeable to Merchant by DCS for the SVP. Merchant may add to these fees and costs at Merchant's discretion subject to MasterCard and issuing bank approval.

4. [omitted]

5. CUSTOMER SERVICE: DCS and the issuing bank and processor will provide customer service for all bank related questions and inquiries.

6. CARD PROCESSING SERVICES PRICING PROPOSAL: As part of the SVP DCS will provide a basic online service product for the SVP in accordance with Exhibit "A." Should Merchant desire a customized online service or IVR service Merchant will be required to pay DCS a separate fee for such service.

7. TECHNOLOGY AND LOADING NETWORK: DCS will assist Merchant in creating a closed loading network for Merchant for the SVP at Merchant locations. Merchant acknowledges that its existing technology may not be compatible with the SVP network requirements. In the event that the SVP requires separate software or technology to enable the technology to work at Merchant locations Merchant agrees it will be required to pay the normal and customary technology hook up

fees. If the DCS stored value program network does not work with Merchant's current point of sale system, this Agreement becomes invalid.

8. LIMITATION OF REMEDIES: DCS or Optimum Pay shall be liable for all damages or injuries directly related to the use of the DCS point of sale device or products sold therefrom.

9. EXCLUSIVITY: The Merchant agrees that during the term of this Agreement DCS shall be the sole provider of prepaid MasterCards to all its retail locations. Merchant acknowledges that this representation is material to this Agreement.

10. TERM: This Agreement shall have a term of one (1) year. This Agreement shall automatically renew for successive one (1) year terms if one or another of the parties does not give notification no later than sixty (60) days prior to the end of any term of their desire to terminate the Agreement. This Agreement shall continue on a month-to-month basis until terminated with thirty (30) days' prior written notice or Agreement renegotiation.

11. TRANSFER OF RIGHTS OR ASSIGNMENT: Neither party shall have the right to assign its interests in this Agreement to any other party, unless the prior written consent of the other is first obtained. This Agreement shall be binding on any successors of the parties.

12. DISPUTE RESOLUTION: Any disputes between Merchant and DCS that cannot be resolved informally between the parties will be submitted to arbitration under the rules and regulations of the American Arbitration Association. Either party may invoke this paragraph after providing ten (10) days written notice to the other party. All costs of arbitration shall be divided equally between the parties. Any award may be enforced by a court of law. Dispute mediation or arbitration will be located in the county of Los Angeles, State of California. The prevailing party shall be entitled to its reasonable attorneys' fees and costs.

13. ENTIRE AGREEMENT: This Agreement is the entire agreement of the parties. It may be modified by written modification only.

14. GOVERNING LAWS: This Agreement is governed by the laws, rules and regulations of the State of California.

Merchant: Super A Foods, Inc.

Owner/Officer (print): _____

Owner/Officer (signature): _____ Dated: _____

Direct Card Services, LLC

Representative: _____ Dated: _____

del Rey Financial, Inc.

Representative: _____ Dated: _____

[DRFS LOGO]

Direct Response Financial Services, Inc.
2899 Agoura Road, Suite 115
Westlake Village, CA 91361
phone (818) 735-3726

February 24, 2005

Mr. Doyle Rose
c/o ROI Media Solutions, LLC
3232 Oakdell Lane
Studio City, CA 91604

Dear Doyle:

In furtherance of the rights and obligations of Direct Card Services, LLC and ROI Media Solutions, LLC under that certain Memorandum of Understanding as amended on September 29, 2004, ("MOU") the parties confirm the following.

(1) DCS confirms that upon receipt of funds from ROI as stated below in paragraph 7, DCS transfers all its rights under the MOU in the La Raza Bank Card Program, arising out of the Radio Marketing Agreement with Spanish Broadcasting Systems dated 3/16/04 to ROI. ROI shall thereafter have the right to administer the La Raza Bank Card Program and the sole right to any profits derived therefrom. ROI confirms that upon delivery of funds as stated below in paragraph 7, DCS shall retain any and all rights to the Power 92 Personal Advantage Media Card Program in Phoenix arising out of the Radio Marketing Agreement with Emmis Communications dated 2/27/04, and that DCS shall thereafter have the right to administer the Power 92 Personal Advantage Media Card Program in Phoenix and the sole right to any profits derived therefrom.

(2) ROI confirms that upon delivery of funds as stated in paragraph 7, ROI assigns all its rights and interests in the InfoTouch Strategic Alliance Agreement to DCS. DCS confirms that the existence of such agreement in no way precludes ROI from entering into a separate agreement with InfoTouch for services.

(3) DCS confirms that upon receipt of funds from ROI as stated in paragraph 7, DCS assigns all its rights and interests in the Entravision Radio Marketing Agreement to ROI. ROI confirms that the existence of such agreement in no way precludes DCS from entering into a separate agreement with Entravision for services.

(4) DCS agrees that upon receipt of funds as stated in paragraph 7, it agrees to defend, indemnify and hold harmless ROI and its affiliates, officers, directors, shareholders, employees, partners, attorneys, agents and representatives from and against all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, costs and expenses arising out of, resulting from or related in any way whatsoever to DCS's obligations under the Power 92 Personal Advantage Media Card Program in Phoenix.

(5) ROI agrees that upon delivery of funds as stated in paragraph 7, it agrees to defend, indemnify and hold harmless Direct Response Financial Services, Inc., DCS and their affiliates, officers, directors, shareholders, employees, partners, attorneys, agents and representatives from and against all claims, demands, obligations, losses, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, costs and expenses arising out of, resulting from or related in any way whatsoever to ROI's obligations under the La Raza Bank Card Program.

(6) DCS and ROI confirm that any and all other contracts not mentioned herein that are shared between DCS and ROI (including, but not limited to agreements with Q-Comm and Atrana Solutions) will be dissolved through notification to the third party vendor, with the understanding that it is the intention of both DCS and ROI to enter into separate written agreements with the third party vendors.

(7) Under the MOU, the parties have agreed that DCS's approved expenses related to the La Raza Bank Card Program total $144,121.28, and that ROI's approved expenses related to the Power 92 Personal Advantage Media Card Program in Phoenix total $26,356.62. (see Schedule A attached) Accordingly, the balance due to DCS from ROI totals $117,764.66. ROI agrees that it will forward such funds to Direct Response Financial Services, Inc. via wire transfer as soon as practicable according to the terms of the amended MOU. Wire instructions are as follows -

Account Name:	Direct Response Financial Services, Inc.
Account Number:	200948503 Routing Number: 322271724
Bank Address:	Citibank (West) FSB, Westlake Financial Center
	974 S. Westlake Blvd.
	Westlake Village, CA 91361
	Phone 805-379-3288

(8) If the payment referenced in paragraph 7 above is not delivered by March 1, 2005, ROI is to include an additional $6,250.00 for Optimum Pay monthly charges for the month of March, 2005, for a total payment due of $124,014.66.

Please execute below where indicated to acknowledge your agreement with the above.

Sincerely,

/s/ Douglas R. Hume

Direct Response Financial Services, Inc
Douglas R. Hume, General Counsel

AGREED AND ACCEPTED:

ROI Media Solutions, LLC

Dated:_____

By: /s/ Doyle Rose

Doyle Rose, Managing Member

Direct Card Services, LLC

Dated:_____

By: /s/ T. Randolph Catanese

T. Randolph Catanese, Managing Member

JOINT MARKETING AGREEMENT

THIS JOINT MARKETING AGREEMENT (the "Agreement") is entered into as of February 23, 2005 (the "Effective Date") by and between Direct Card Services, LLC, a Delaware limited liability company (hereinafter "DCS"), and Direct Response Financial Services, Inc., a Colorado corporation (hereinafter "DRFS") on the one hand and del Rey Financial, Inc., a Nevada corporation, (hereinafter "DRF") or its assignee on the other hand.

RECITALS

A. DCS and DRFS market stored value cards (initially MasterCards) through proprietary card programs or in combination with card program partners (or "CARD PARTNERS");

B. DRF has various clients in the package goods industry and the grocery and retail food industry, as well as other industry contacts and knowledge which would allow DRF to effectively and efficiently introduce Card Partners, and will initially introduce grocery re-load agents to DCS and DRFS as loading partners for stored value programs offered in the United States its territories and possessions; and,

C. DCS and DRFS wish to engage DRF to help establish an international network of re-load partners in the retail grocery category, including major grocery chains, local independent full-sized and smaller grocery stores or chains (specifically excluding convenience stores).

AGREEMENT

1. DEFINITIONS. Capitalized terms used and not otherwise defined in this Agreement shall have the following meanings, respectively:

1.1. "CONFIDENTIAL INFORMATION" means any information of a party disclosed to the other party in the course of this Agreement, which is identified as, or should be reasonably understood to be, confidential to the disclosing party, including, but not limited to, know-how, trade secrets, data, technical processes and formulas, source codes, product designs, sales, cost and other unpublished financial information, product and business plans, projections, marketing data and this Agreement and all exhibits hereto. "Confidential Information" shall not include information which: (i) is known or becomes known to the recipient directly or indirectly from a third-party source other than one having an obligation of confidentiality to the providing party; (ii) is or becomes publicly available or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the recipient; or (iii) is or was independently developed by the recipient without use of or reference to the providing party's Confidential Information, as shown by evidence in the

recipient's possession.

1.2. "INTELLECTUAL PROPERTY RIGHTS" means all intellectual property rights arising under statutory or common law, whether or not perfected, including, without limitation, all (a) United States and foreign patents, patent applications, and other patent rights. including, without limitation, divisions, continuations, renewals, reissues, and extensions of any of the foregoing, (b) rights associated with works of authorship including copyrights, copyright applications, copyright registrations, and moral rights, (c) Confidential Information, (d) any right analogous to those set forth in this definition, and (e) any other proprietary rights relating to intangible property (other than trademarks, trade names, trade dress, and service marks which are not included for purposes of this definition).

1.3. "RE-LOAD AGENTS (PARTNERS)" means any individual business location or locations whether operating as a sole proprietorship or through another legal entity wherein DCS enters into a contractual relationship with such RE-LOAD AGENT to act as a facility to activate and thereafter re-load monetary funds onto cards via a DCS SVC and wherein the RE-LOAD AGENT is within the GROCERY CATEGORY as defined below.

1.4. "STORED VALUE CARD PROGRAM (SVC)" means any MasterCard, VISA or other prepaid stored value card program created and developed by DCS or DRFS. It also includes all marketing and creative concepts related thereto. SVC shall also apply to any successor in interest to DCS or DRFS.

1.5. "GROCERY CATEGORY" means the retail grocery category, including major grocery chains, local independent full-sized and smaller grocery stores or chains. Pharmacies and drug stores that are owned or co-owned by the grocery operator are also included. It is the intention of the parties that inside retail store operations within a grocery operator be included in this definition. It is expressly understood between the parties that convenience stores are excluded from this definition and are not deemed part of this Agreement.

1.6. "CARD PARTNER" means (a) GROCERY CATEGORY SVC programs and loading partners; and (b) other mutually agreed-upon entities or organizations who participate in offering the SVC.

1.7. "AUTOMATED CLEARING HOUSE (ACH)" means that banking functionality whereby cash funds may be electronically debited or credited via existing federal banking rules and regulations.

1.8. "DATABASE" means all data collected from SVC programs from whatever source by DCS or DRFS, including other unrelated stored value card programs initiated and offered by DCS or DRFS. The DATABASE is a sole and exclusive property of DCS and/or DRFS..

1.9. "TERM" means the term of this Agreement as provided in Paragraph 9.

1.10. "PACKAGE GOODS INDUSTRY" means any product offered for sale in those facilities within the GROCERY CATEGORY.

2. REFERRAL OF POTENTIAL RE-LOAD AGENTS BY DRF. DRF agrees to use its commercial best efforts to refer potential PARTNERS to DCS from the GROCERY CATEGORY. The referral effort will include:

(a) DRF agrees to work closely with the local CARD PARTNER and DCS to identify and agree upon an appropriate marketing and roll-out model starting in Los Angeles, California and thereafter expanding across the United States. DCS and DRF agree that the goal of the marketing roll-out is to establish regional CARD PARTNERS in the twenty (20) largest commercial cities for Hispanics to be followed by national CARD PARTNER SVCs. DCS and DRF will act expeditiously to accomplish the above as soon as practicable.

(b) DCS and DRF will jointly select the CARD PARTNER. The CARD PARTNER shall be an established company within the GROCERY CATEGORY with a reasonable number of locations in the geographic location selected by the parties for the SVC CARD PARTNER.

(c) The referred CARD PARTNER within the GROCERY CATEGORY must be willing to either install or connect their existing point of sale system with the necessary software to facilitate the SVC activation and re-load transactions.

(d) The referred CARD PARTNER within the GROCERY CATEGORY must be willing to enter into a contractual relationship with DCS and/or its designated network provider to guarantee the transfer of funds due DCS, DRF and its respective related banks and the third-party processor via ACH as a result of collecting SVC activation or SVC re-load fees. (This provision may be waived by DCS in its sole discretion if it determines that the financial risk may be addressed in an alternative manner).

(e) DRF will exercise good faith and use its best commercial efforts to obtain a commitment.

(f) A commitment, if it can be obtained, from the CARD PARTNER in the GROCERY CATEGORY to advertise and promote the SVC in its regular advertising. (The parties acknowledge that DCS will propose to the CARD PARTNER that it advance all funds to establish the SVC on a custom basis for the CARD PARTNER. In exchange, DCS will require the CARD PARTNER to enter into a three (3) year agreement whereby the CARD PARTNER will provide a minimum amount of advertising and promotion of the SVC combined with an agreement that DCS may install a debit card loading network within the CARD PARTNER's locations. DCS and DRF will work together to negotiate separate agreements with each CARD PARTNER for the delivery of an SVC including the costs and revenue sharing

agreement between DCS and the CARD PARTNER).

(g) Where the CARD PARTNER is a media company with an existing advertising relationship within the GROCERY CATEGORY and should the media company desire the GROCERY CATEGORY partner to continue or increase its advertising relationship with the media company CARD PARTNER, then in such case if an agency commission is otherwise due DRF, DRF shall continue to have the right to collect such commissions. In the alternative, should a CARD PARTNER agree to be compensated under the SVC by means of participation in transaction fees or other fees or costs attributable to the SVC or the loading of the SVC, then in such case DCS and DRF agree to work in good faith with the CARD PARTNER to accommodate the CARD PARTNER's interest so that the SVC may be promoted via the CARD PARTNER whether a media based or GROCERY CATEGORY based CARD PARTNER.

(h) It is understood and agreed by all parties that DRF is free to pursue other advertising and promotional opportunities with its grocery partners and grocery vendors and the CARD PARTNER(s) independently of DCS; provided, such activity is unrelated and outside of the stored value card (whether a debit card or a pre-paid phone card) or financial services category.

3. [RESERVED]

4. DRF RIGHT OF FIRST REFUSAL. DRF has an exclusive first right of refusal to participate under the terms of this Agreement in any given market in which DCS or DRFS launches a SVC program. Upon any SVC program launch, DCS and/or DRFS shall inform DRF in writing of such launch and DRF shall have a period of thirty (30) days in which to elect, by forwarding written notice to DCS, to participate under the terms of this Agreement. Should DRF not make such election, DCS shall have the right to pursue GROCERY CATEGORY PARTNERS in such market apart from DRF. DCS may also consult with DRF regarding potential launch markets. In such case, DRF agrees to assist DCS in identifying which markets are best suited for the next phase of any SVC expansion.

Attached as Exhibit "A" to this Agreement is a list of initial markets that shall be deemed by DRF to be markets in which it shall participate pursuant to the terms hereof given the successful launch of an SVC program in such market by DCS or DRFS. Attached as Exhibit "B" to this Agreement is the standard notification form which shall be used by DRF to notify DCS of DRF's election to participate in a given market pursuant to the terms hereof upon written notice from DCS or DRFS of its intent to launch an SVC.

5. REVENUE AND RIGHTS TO REVENUE.

5.1. PRIMARY REVENUE STREAM.

(a) If the SVC has a $4.95 retail price for all consumer re-loads, DCS will retain $3.00 per its agreement with the bank and MasterCard (VISA or other program) as listed in the issuing bank's Terms and Conditions to which each

cardholder agrees in order to use the card. The remaining $1.95 is designated as the "convenience fee" to be charged by the PARTNER. It is understood that if necessary and beneficial for DRF, DRF shall have the right to request an increase of the convenience fee above $1.95 to no higher than $2.95. However, the parties acknowledge that this right to DRF is to assist DRF to earn income in a particular market, but the right is limited based upon prevailing fair market pricing and competitive rates for like convenience fees. This convenience fee will be referenced in the Card Holder Terms & Conditions, but not specifically set. From this $1.95 (or higher) convenience fee, not less than .95 cents shall go to DRF and it will be the obligation of the CARD PARTNER to pay the network fee that is charged to facilitate the transaction and any fees or commissions due to other parties to the transaction. All fees and commissions due DRF shall be via immediate electronic transfer. The remaining balance is profit to the CARD PARTNER, should they agree to participate in the DCS load network, or shall be distributable between the CARD PARTNER and DCS as mutually agreed upon. Recognizing the underlying goal of this Agreement, DRF may divide the convenience fee (at its sole discretion). The terms of such financial arrangement shall be in writing, executed by all parties and a copy delivered to DCS before the CARD PARTNER begins to accept SVC cards. In all cases, if a CARD PARTNER cannot come to terms with DRF and DCS it is agreed that DCS will not independently contact the CARD PARTNER absent participation by DRF. The above described revenues for DRF shall be paid for as long as the CARD PARTNER is processing transactions for any DCS or DRFS SVC program. Such revenues shall continue in perpetuity without regard to termination or expiration of this Agreement.

(b) DCS, DRFS, Optimum Pay USA, Inc. (the card processor) and the issuing bank will disclose to DRF all options at the parties' mutual disposal for processing the transactions at the retail level so that DRF and the CARD PARTNER can select the most appropriate option for each situation. This is to facilitate the ease of installation and connection of the SVC loading infrastructure and to help insure maximum profitability.

(c) If a food broker is introduced to the SVC, its compensation shall not impact the provisions of 5.1(a) above.

(d) DRF shall have a right of first refusal with DCS/DRFS for all outside marketing and promotional activities to be utilized in the GROCERY CATEGORY SVC. DRF agrees to provide these services at commercially reasonable rates in a timely fashion. Requests for services from DCS/DRFS shall be in writing and acceptance or rejection from DRF shall be in writing as well.

5.2 INCENTIVE REVENUE STREAMS.

The incentives described in this Agreement shall apply to all DCS or DRFS SVC program transactions which arise by reason of a CARD PARTNER that has been introduced to DCS or DRFS by DRF. These incentives will apply for as long as the CARD PARTNER is actively processing transactions for the SVC program. Such

incentives will apply on a residual basis in accordance with the terms of this paragraph notwithstanding the termination or expiration of this Agreement. All amounts due DRF from DCS or DRFS shall be paid within five (5) business days of receipt by DCS or DRFS. This Agreement is deemed to apply to any CARD PARTNER, and all of its locations, irrespective of openings, closings or relocations. Further, the payment of the incentives described herein shall be an obligation of any successor in interest to DCS or DRFS.

These incentives shall be paid by DCS or DRFS and are in addition to any fees or commissions that DRF may earn as a result of the "convenience fee." It is acknowledged by the parties that DRF has an existing relationship with Unified Western Grocers in Los Angeles. These incentive fees may or may not apply to that arrangement solely at the discretion of DRF and/or DRF's prior contractual obligations. For purposes of this Agreement, "Market" shall be defined using the Arbitron definition of "metro" for radio programs and using the Nielsen definition of "DMA" for TV programs. For Markets where there are both radio and TV CARD PARTNERS, the geographically larger Market definition will apply.

(a) DRF shall be paid $0.25 for each $19.95 SVC activation fee processed by a CARD PARTNER and collected by DCS or DRFS.

(b) DRF shall be paid $0.25 for each $3.00 SVC re-load fee (DCS portion of the suggested $4.95 retail re-load fee) processed by a CARD PARTNER and collected by DCS or DRFS. In the event DFRS owns its own loading network and a third party contracts to use the network for a fee, DRF shall be paid the same fee indicated here and elsewhere here for loading.

(c) If the total number of $19.95 SVC activation fees processed by all CARD PARTNERS in a Market for all SVC programs reach 5,000 transactions during any month, DCS (or DRFS) shall pay DRF $0.50 for each $19.95 SVC activation fee transaction processed in that month by the CARD PARTNERS. It is intended that this payment be retroactive to the first SVC activation once the 5,000 transactions occur in any month.

(d) If the total number of $3.00 SVC re-load transaction fees processed by all CARD PARTNERS in a market for all SVC programs reaches 100,000 transactions, DCS (or DRFS) shall pay DRF $0.10 for each $3.00 SVC re-load fee transaction processed in that month by CARD PARTNERS.

(e) (1) DRF shall be paid the higher of (i) Fifteen Percent (15%) of any gross revenues or (ii) Twenty-Five Percent (25%) of any adjusted gross revenues payable from the PACKAGE GOODS INDUSTRY and/or the GROCERY CATEGORY to DCS (or DRFS) for any use of or benefit, derived from the DATABASE, or any part thereof. Adjusted gross revenue shall mean gross revenue less all direct expenses, costs and fees for the creation, maintenance and delivery of the DATABASE to the GROCERY CATEGORY including any expenses, costs and fees payable by DCS (or DRFS) to any agency or list management broker.

(2) It is agreed that the following specific areas of the PACKAGE GOODS INDUSTRY are excluded from the financial provisions of Paragraph 5.2(e)(1), above - banking, financial products, insurance, clothing, entertainment (motion picture products, television products or music products), real estate, magazines, automotive supply and fast food (hereinafter "Excluded Categories"). Should DCS (or DRFS) or any other entity make use of a benefit derived from the DATABASE, or any part thereof, and should the same apply to the "Excluded Categories" then in such case DRF shall be entitled to the following compensation from the gross revenue -

(a) Six Percent (6%) of the gross revenue or Ten Percent (10%) of the adjusted gross income, whichever is higher provided the initial CARD PARTNERS and SVC related thereto have been successfully launched in coordination with the GROCERY CATEGORY;

(b) Nine Percent (9%) of the gross revenue or Fifteen Percent (15%) of the adjusted gross income, whichever is higher provided (a) above has occurred and provided that 100,000 SVC activations have occurred in the GROCERY CATEGORY;

(c) Twelve Percent (12%) of the gross revenue or Twenty Percent (20%) of the adjusted gross income, whichever is higher provided (a) has occurred and provided that 200,000 SVC activations have occurred in the GROCERY CATEGORY; and,

(d) Fifteen Percent (15%) of the gross revenue or Twenty-Five Percent (25%) of the adjusted gross income, whichever is higher provided (a) has occurred and provided that 300,000 SVC activations have occurred in the GROCERY CATEGORY.

(f) To the extent new or additional revenue streams are developed from the GROCERY CATEGORY or PACKAGE GOODS INDUSTRY by DCS (or DRFS) or others utilizing in any way the DATABASE or any other benefit derived from the CARD PARTNER's SVC programs, DRF shall be entitled to not less than Fifteen Percent (15%) of the gross revenues unless otherwise agreed to in writing by the parties hereto. The parties agree to act in good faith to meet the higher percentages set forth in Section 4.2 above on a deal by deal basis.

(g) DRF shall be paid two and one-half percent (2 1/2%) of the gross revenue of all DCS and DRFS revenue streams related to any future, acquired, or developed Telephone Call Centers. DRF shall be paid an additional two and one-half percent (2 1/2%) of the gross revenue upon reaching 300,000 SVC activations.

5.3. INCENTIVE EQUITY COMPENSATION

5.3.1 DRFS agrees to provide DRF, or its assignee, no par common stock in the following amounts based upon aggregate issuance of stored value debit cards as referenced herein:

(a) Upon execution of this Agreement - 750,000 shares (375,000 Rule 144 Shares: 375,000 unrestricted S-8 shares); and

(b) For every retail grocery or pharmacy location opened (a chain is not to be counted as one location) - 2,000 shares.

5.3.2 DRF is granted an option to purchase an additional 750,000 shares at three cents ($.03) per share under the same terms and conditions as the stock options to be granted to T. Randolph Catanese at any time during the twenty-four (24) months following the delivery of the option.

5.3.3 Any such shares shall be restricted and issued in accordance with applicable federal and state securities laws. The shares will carry with them piggy-back registration rights in connection with shares owned by the DRFS management team. The shares issued hereunder shall carry the most beneficial protections and benefits as those provided to any member of the management team.

5.4. AUDIT RIGHTS.

5.4.1. DCS shall have the right, at its own expense, to direct an independent certified public accounting firm to inspect and audit of all the accounting and sales books and records of DRF that are relevant to amounts payable by DRF hereunder; provided, that (a) any such inspection and audit shall be conducted during regular business hours in such a manner as not to interfere with normal business activities; (b) in no event shall audits be made hereunder more frequently than once each calendar year; (c) if any audit should disclose an underpayment, DRF shall immediately pay such amount to DCS; and (d) the reasonable fees and expenses relating to any audit which reveals an underpayment in excess of ten percent (10%) of the amount owing for the reporting period in question shall be borne entirely by DRF.

5.4.2. DRF shall have the right, at its own expense, to direct an independent certified public accounting firm to inspect and audit of all the accounting and sales books and records of DCS that are relevant to amounts payable by DCS hereunder; provided that (a) any such inspection and audit shall be conducted during regular business hours in such a manner as not to interfere with normal business activities; (b) in no event shall audits be made hereunder more frequently than once each calendar year; (c) if any audit should disclose an underpayment, DCS shall immediately pay such amount to DRF; and (d) the reasonable fees and expenses relating to any audit which reveals an underpayment in excess of ten percent (10%) of the amount owing for the reporting period in question shall be borne entirely by DCS.

6. CONFIDENTIALITY AND NON-COMPETITION.

6.1. PROTECTION OF CONFIDENTIAL INFORMATION. The parties recognize that, in connection with the performance of this Agreement, each of them may disclose to the other its Confidential Information. The party receiving any Confidential Information agrees to maintain the confidential status of such Confidential Information and not to use any such Confidential Information for any purpose other than the purpose for which it was originally disclosed to the receiving Party, and not to disclose any of such Confidential Information to any third party.

6.2. PROTECTION OF BUSINESS RELATIONSHIPS. DCS acknowledges that DRF will be introducing GROCERY CATEGORY PARTNERS and PACKAGE GOODS INDUSTRY entities under this Agreement. DCS and DRFS agree that they will not undertake to profit from any GROCERY CATEGORY or PACKAGE GOODS INDUSTRY entities in any other business enterprise without the written consent and financial participation of DRF, which shall be in its sole discretion, but which shall further not be unreasonably withheld. The terms of this paragraph 6.2 shall apply for so long as (a) the parties are in relationship under this agreement or (b) three (3) years following the termination of this Agreement. 6.3. PERMITTED DISCLOSURE. The parties acknowledge and agree that each may disclose Confidential Information: (a) as required by law, provided that each party will use commercially reasonable efforts to obtain confidential treatment of any Confidential Information so disclosed; (b) to their respective directors, officers. employees, attorneys, accountants and other advisors, who are under an obligation of confidentiality, on a "need-to-know" basis; (c) to investors who are under an obligation of confidentiality, on a "need-to-know" basis; or (d) in connection with disputes or litigation between the parties involving such Confidential Information; and each Party will use commercially reasonable efforts to limit disclosure to that purpose and to ensure maximum application of all appropriate judicial safeguards (such as placing documents under seal).

6.4. APPLICABILITY. The foregoing obligations of confidentiality shall apply to directors, officers, employees and representatives of the parties and any other person to whom the Parties have delivered copies of, or permitted access to, such Confidential Information in connection with the performance of this Agreement, and each party shall advise each of the above of the obligations set forth in this Paragraph 6.

6.5. THIRD PARTY CONFIDENTIAL INFORMATION. Any Confidential Information of a third party disclosed to either party shall be treated by such party in accordance with the terms under which such third party Confidential Information was disclosed; provided, that the party disclosing such third party Confidential Information shall first notify the other party that such information constitutes third party Confidential Information and the terms applicable to such third party Confidential Information; and provided further, that either party may decline, in its sole discretion, to accept all or any portion of such third party Confidential Information.

6.6. NON-COMPETITION / EXCLUSIVITY. The parties agree that so long as this Agreement has not been terminated, neither party will compete with the other in

connection with the offering or distribution of stored value debit cards or credit cards affiliated with an individual GROCERY CATEGORY entity as contemplated herein. Moreover, the parties agree that, during the term of this Agreement, they will exclusively work with each other in connection with the GROCERY CATEGORY card program as defined herein.

6.7. NON-DISCLOSURE AGREEMENT. The confidentiality provisions contained in this Paragraph 6 supersede any prior Non-Disclosure Agreement between the parties; provided, that no party shall be relieved of liability for any breach of' such Non-Disclosure Agreement prior to the Effective Date.

6.8. It is understood and agreed by all parties that DRF is free to pursue other advertising and promotional opportunities with its grocery partners and grocery vendors and the CARD PARTNER(s) independently of DCS; provided, such activity is unrelated and outside of the stored value card (whether a debit card or a pre-paid phone card) or financial services category.

7. REPRESENTATIONS AND WARRANTIES.

7.1. AUTHORITY. Each party represents and warrants to the other party that:

7.1.1. CORPORATE AUTHORITY; NO CONFLICT; BINDING AGREEMENT. Each party has the full corporate right, power and authority to enter into this Agreement and to perform the acts required of it hereunder; and the execution of this Agreement by such party, and the performance by such party of its obligations and duties hereunder, do not and will not violate any agreement to which such party is a party or by which it is otherwise bound; and when executed and delivered by such party, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

7.1.2. NO IMPLIED REPRESENTATIONS OR WARRANTIES. Such party acknowledges that the other party makes no representations, warranties or agreements related to the subject matter hereof that are not expressly provided for in this Agreement.

8. LIMITATION OF LIABILITY AND INDEMNITY.

8.1. LIMITATION OF LIABILITY. THE PARTIES ACKNOWLEDGE THAT CERTAIN FUNCTIONS OF THE SVC PROGRAM ARE OUTSIDE OF THE CONTROL OF DCS. ACCORDINGLY, UNDER NO CIRCUMSTANCES SHALL DCS BE LIABLE TO DRF FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES ARISING FROM ANY ACTION OR FAILURE TO ACT IN CONJUNCTION WITH THE SVC PROGRAM TO THE EXTENT THE SAME IS ATTRIBUTABLE TO MASTERCARD, VISA, THE ISSUING BANK, THE THIRD PARTY PROCESSOR, OR ANY OTHER VENDOR RELATED TO THE SVC PROGRAM.

8.2. NO ADDITIONAL WARRANTIES. EXCEPT AS SET FORTH IN PARAGRAPH 7 OF THIS

AGREEMENT, NEITHER PARTY MAKES, AND EACH PARTY HEREBY SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PRODUCTS AND SERVICES CONTEMPLATED BY THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE.

8.3. EXCLUSIVE REMEDIES. THE RIGHTS AND REMEDIES SET FORTH IN THIS PARAGRAPH 8 CONSTITUTE THE ENTIRE OBLIGATIONS AND THE EXCLUSIVE REMEDIES OF THE PARTIES CONCERNING INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES OR THIRD PARTY CLAIMS.

9. INSURANCE; INDEMNITY.

9.1. LIABILITY INSURANCE. DCS shall, at its sole expense, maintain during the term of this Agreement policy of Combined Single Limit, Bodily Injury and Property Damage and comprehensive general liability insurance insuring DCS and DRF against any liability arising out of the conduct of the business carried out under this Agreement. Such insurance shall be with limits not less than is commercially reasonable.

9.2. INSURANCE POLICIES. Insurance required hereunder shall be in companies holding a "General Policyholders Rating" of at lease B plus, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best's Insurance Guide".

9.3. INDEMNITY. DCS shall defend, indemnify and hold DRF and ifs officers, directors, agents and/or employees harmless from and against all claims, losses, damages, liabilities and expenses (including without limitation, settlement costs and any legal or other expenses for investigating or defending any actions or threatened actions) asserted against, imposed upon or incurred by DRF or its officers, directors, agents and/or employees in connection with or as a result of the conduct of the business carried out under this Agreement. DRF shall give DCS prompt written notice if any liability or claim is asserted against either of them which is subject to indemnification under this Section and DCS shall have the right to undertake the defense thereof by representatives of its own choosing reasonably satisfactory to DRF. In the event DCS, within thirty days after such notice or such shorter time as may be reasonable under the circumstances, fails to undertake to so defend, DRF shall have the right to undertake the defense, compromise or settlement of such liability or claim on behalf of and for the account of DCS.

10. TERM AND TERMINATION.

10.1. TERM. This Agreement shall commence on the Effective Date and shall remain in force for a term of five (5) years subject to three (3) five (5) year automatic renewals, provided, either party may terminate this Agreement for an uncured material breach. Any termination of this Agreement will have no effect on any earned residual income described herein.

10.2. TERMINATION FOR BANKRUPTCY. Either party may terminate this Agreement upon giving written notice to the other party in the event that the other party files a petition in bankruptcy, or in the event that all or part of the other party's assets are assigned to a trustee or receiver, or if an involuntary petition is filed by a third party against the other party and the other party does not resolve such petition in its favor within sixty (60) days after the filing thereof.

10.3. SURVIVAL. Any expiration or termination of this Agreement shall not relieve any party from any obligations hereunder which have accrued on or before the effective date of such expiration or termination, nor affect the provisions set forth in Paragraph 6, all of which are intended by the parties to survive such expiration or termination.

10.4. RETURN OF CONFIDENTIAL INFORMATION. Upon expiration or termination of this Agreement, each party shall promptly return to the other all Confidential Information of the other party, including all of the physical embodiments thereof in its possession, including all copies thereof, and shall cease using the same. Each party shall certify to the other party in writing compliance with this Paragraph upon the return of such materials.

10.5 INJUNCTIVE RELIEF. The parties agree that any material breach of the exclusivity or confidentiality provisions of this Agreement, or the infringement of either party's intellectual property rights will cause irreparable injury and that injunctive relief in a court of competent jurisdiction will be appropriate to prevent an initial breach or enjoin a continuing breach in addition to any other relief to which the aggrieved party may be entitled.

11. ARBITRATION. Every claim, dispute or controversy of whatever nature, arising out of, in connection with, or in relation to this Agreement (an "Arbitrable Claim"), shall be settled by final and binding arbitration conducted in Los Angeles, California. The arbitrator(s) shall be a retired judge(s). Judgment upon any award may be entered by any state or federal court having jurisdiction thereof. Except as provided in this Agreement, the Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings pursuant to this Paragraph. Adherence to this dispute resolution process shall not limit the right of the parties hereto to obtain any provisional remedy, including injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their respective rights and interests pending arbitration. Notwithstanding the foregoing sentence, this dispute resolution procedure is intended to be the exclusive method of resolving any Arbitrable Claims arising out of or relating to this Agreement. The arbitration procedures shall follow the substantive law of the State of California, including the provisions of statutory law dealing with arbitration, as it may exist at the time of the demand for arbitration, insofar as said provisions are not in conflict with this Agreement and specifically excepting therefrom sections of any such statute dealing with discovery and sections requiring notice of the hearing date by registered or certified mail. The arbitrators shall determine

the prevailing party and shall include in their award that party's reasonable attorneys' fees and costs.

12. MISCELLANEOUS PROVISIONS.

12.1. NOTICES. Any notice, demand, or request with respect to this Agreement shall be in writing and shall be effective only if it is delivered in the manner prescribed herein, addressed to the appropriate party at its address set forth on the signature page hereof and to the attention of the General Counsel of such party. Such communications shall be effective (a) when they are received by the addressee if personally delivered or transmitted by confirmed fax or electronic mail; or (b) two (2) days after deposit in the U.S. mail, if sent by certified or registered mail or (c) one (1) day after deposit with a nationally recognized overnight courier service. Any party may change its address for such communications by giving notice to the other party in conformity with this Paragraph.

12.2. ASSIGNMENT. Other than the assignments contemplated herein by DRF, no right may be assigned, and no duty may be delegated, by either party under this Agreement except upon the written consent of the other party, and any attempted assignment and delegation without such consent shall be void. Notwithstanding the foregoing, however, either party shall be entitled to assign this Agreement, and all rights and obligations hereunder, to a successor to all or substantially all of such party's assets or voting securities, whether by sale, merger, or otherwise; provided that either party indicating such assignment shall provide the other party with at least thirty (30) days' prior written notice and cause such assignee with the written consent of all parties, and then only where such assignee agrees to be bound by this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective representatives, administrators, successors and permitted assigns except as otherwise provided herein.

12.3. RELATIONSHIP OF PARTIES. Each party is an independent contractor of the other, and neither shall be deemed an employee, agent, or partner of the other. Neither party shall make any commitment, by contract or otherwise, binding upon the other nor represent that it has any authority to do so.

12.4. FORCE MAJEURE. Neither party shall be responsible or liable to the other party for nonperformance or delay in performance of any terms or conditions of this Agreement due to acts of God, acts of governments, wars, riots, or other causes beyond the reasonable control of the nonperforming or delayed party.

12.5. GOVERNING LAWS. The validity of this Agreement, the construction, interpretation, and enforcement hereof and the rights of the parties hereto with respect to all matters arising hereunder or related hereto shall be determined under, governed by, and construed in accordance with the internal laws of the

State of California, without regard for principles of conflicts of laws.

12.6. SEVERABILITY. If any provision of this Agreement is found to be invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to reasonably effect the intent of the parties hereto.

12.7. ENTIRE AGREEMENT. This Agreement and the exhibits hereto constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, representations and understandings between the parties.

12.8. AMENDMENT AND WAIVERS. Any term or provision of this Agreement may be amended, and the observance of any term of this Agreement may be waived, only by a writing signed by the party to be bound.

12.9. ATTORNEYS' FEES. The prevailing party in any action or proceeding to enforce or interpret any part of this Agreement shall be entitled to recover its reasonable attorneys' fees (including fees on any appeal).

12.10. EXPENSES. Each party shall bear all expenses associated with negotiation and preparation of this Agreement and the completion of the transaction contemplated hereby.

12.11. ADVERTISING AND PUBLICLY. DCS and DRF each hereby agree that any press, marketing or advertising releases, of either party that refer to the other party or the other party's products or services shall not be released or disseminated without the prior written approval of the other party. Requests for such approval will not be unreasonably withheld or delayed.

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

Direct Response Financial Services, Inc.

By: /s/ Ted Kozub

Ted Kozub, CEO
Address: 2899 Agoura Road, Suite 115
Westlake Village, CA 91361

Direct Card Services, LLC

By: /s/ T. Randolph Catanese

T. Randolph Catanese, Managing Member
Address: 31416 W. Agoura Road, Suite 240
Westlake Village, CA 91361

del Rey Financial, Inc., a
Nevada corporation

By: /s/ Chris del Rey

Chris del Rey, President
Address: 13147 Mesa Verde Way
Sylmar, CA 91342

EXHIBIT "A"

LIST OF EXISTING MARKETS

Los Angeles, California

Phoenix, Arizona

EXHIBIT "B"

STANDARD NOTIFICATION FORM

To: DCS

Date: _____

Please accept this letter as written notice of the election of del Rey Financial to participate in the _____(location)_____ market pursuant to the terms and conditions of that certain "Joint Marketing Agreement" between the parties dated _____.

Sincerely,

del Rey Financial, Inc.

By:

Chris del Rey, President

March 24, 2005

Mr. Richard Raskin
C/o Poder de Compra, Mexico, S.A.

Re: PODER DE COMPRA DEBIT CARD PROGRAM

Dear Richard:

The purpose of this letter is to confirm the agreement reached today between Direct Card Services, LLC ("DCS"), Optimum Pay USA, Inc. ("OP") and Poder de Compra, Mexico, S.A. ("PDC") of and concerning an ATM Debit card program to be customized and provided through First Premier Bank (hereinafter "SVC").

DCS is an approved marketer of MasterCard products through First Premier Bank as a card issuer. OP is a third-party processor affiliated with First Premier Bank and approved as such by MasterCard. PDC desires DCS and OP to deliver 50,000 debit cards under an approved SVC.

Accordingly, the parties agree as follows:

1. Initial Card Order. PDC will deliver a card order for 50,000 debit cards under the SVC under the terms and conditions hereafter. Concurrent with the card order PDC will pay DCS $250,000.00 cash proceeds which represents a cost of $5.00 per card which represents the cost of plastic, card carrier, PIN mailer, cardholder agreement and account set up. The implementation fee shall be $20,000.00 which shall be paid by PDC to OP and DCS.

2. Cardholder Price and Terms. Prior to April 15, 2005, DCS, PDC and OP will agree upon a cardholder schedule of fees and costs. This schedule shall be made as an exhibit to this letter agreement and any later agreement incorporating the terms hereof.

3. Technology Support. Prior to April 15, 2005, OP will provide to the satisfaction of PDC that it is a third-party processor capable of providing the following support for the SVC program - (a) interface with PDC data center in Phoenix via VPN, (b) interface between First Premier Bank, PDC data center in Phoenix and HSBC Bank in Mexico via

Toluca data center located outside of Mexico City, (c) capability to support card to card functionality between the ATM card issued by First Premier Bank and the ATM issued by HSBC Bank, and (d) provide confirmation of transmitter capability between the aforesaid bankcards. In addition to the above, OP will, prior to April 15, 2005, also establish to the satisfaction of PDC that its data management systems can handle batching of data on a daily basis as needed for currency exchange and for appropriate financial reporting to all interested parties. OP will provide a separate schedule of time and cost to provide any one or more of the services referenced above which may be specially required hereunder. The same shall be approved by all parties and shall be borne equally between Poder de Compra and DCS.

4. Banking Confirmation. OP represents that it can deliver a separate BIN for the PDC SVC. OP further represents that the separate BIN will not be affected by other debit card programs supported by OP.

5. Loading Network. DCS will make available its DirectLoad Network to the PDC SVC at a price of no greater than $2.95 per load. OP and DCS will endeavor to obtain like pricing with EPS. PDC will advise DCS as soon as practicable the locales of high-density SVC cardholders so that DCS may endeavor to coordinate extension and expansion of the DirectLoad Network in those areas.

6. Comprehensive SVC Contracts. On or before April 15, 2005, DCS, OP and PDC will enter into a comprehensive agreement for the delivery of the SVC and the 50,000 debit cards consistent with the terms hereof. PDC shall pay the monies due and payable pursuant to paragraph 1 above on or before April 15, 2005, or concurrent with the execution of the comprehensive agreement if it occurs prior to April 15, 2005. It is agreed that payment of the above amount is conditioned upon PDC confirming the correctness of the information and representations made in paragraphs 3 and 4 above.

Sincerely,

Direct Card Services, LLC

/s/ T. Randolph Catanese

T. Randolph Catanese
Managing Member

AGREED AND ACCEPTED:

Poder de Compra, Mexico, S.A.

By: /s/ Richard Raskin

Richard Raskin, Managing Member

Optimum Pay, USA, Inc.

By: Edward Kim

Edward Kim, President

[LOGO GMCR]

Contract for Consulting Services
Direct Response Financial Services, Inc.

March 11, 2005

David King
President & CEO
GMCRNet.com, Inc.
513 Dunblane Drive
Winter Park, FL 32792
daveking@atlantic.net/ (407) 628-9354 / (407) 628-9535 (f)

Contract DRFL rev 03-11-2005

CONSULTING AGREEMENT

Agreement made this 11th day of March, 2005, between Direct Response Financial Services, Inc. (Client) whose offices are located at 2899 Agoura Road, Suite 115, Westlake Village, CA 91361 and GMCRNet.com, Inc. (GMCR) having offices at 513 Dunblane Drive, Winter Park, Florida 32792. This agreement supercedes and existing agreements for consulting services regarding the shareholder communications of Direct Response Financial Services, Inc. (DRFL):

In consideration of the mutual promises contained in this Agreement, the contracting parties agree as follows:

Recitals:

CLIENT desires to engage the services of GMCR to perform consulting services regarding the shareholder communications of Direct Response Financial Services, Inc. (DRFL).

GMCR desires to consult with the Board of Directors, the Officers of CLIENT, and certain administrative staff members of CLIENT, and to undertake for the Corporation consultation as to the operation and management the shareholder communications of DRFL.

AGREEMENT

Term

1. The respective duties and obligations of the contracting party shall be for a period of eight weeks commencing on March 28th , 2005 or thereabouts depending on the exact schedule as determined at the time compensation is delivered. This Agreement may be terminated by either party at the end of the Initial Term or any Renewal Term upon thirty (30) days prior written notice or earlier pursuant to the provisions set forth below in Section 6 below.

Services Provided by Consultant

2. GMCR will provide consulting services in connection with DRFL's shareholder communications. At no time shall GMCR provide services which would require GMCR to be registered or licensed with any federal or state regulatory body or self-regulating agency. GMCR will provide such services in the manner GMCR reasonably believes will accomplish the goals of CLIENT. GMCR agrees to provide fair disclosure of compensation in any publication or distribution of information made on CLIENT's behalf in accordance with existing governmental regulations. GMCR will devote such amount of time and effort necessary to accomplish the services required. However, there is no requirement that GMCR devote a certain amount of time or effort hereunder. During the term of this Agreement, GMCR will provide certain administrative and management services to CLIENT, including but not necessarily limited to the following:

(a) Consult with the CLIENT and DRFL as to methods and procedures to build shareholder base and provide shareholder and investor communications.

(b) Advise CLIENT and DRFL and provide assistance in development of shareholder base and shareholder communications;

CLIENT agrees to support GMCR in developing and building the shareholder base including, but not necessarily limited to the following:

(1) Providing GMCR with information and news as required to build and retain the shareholder base.

(2) Providing support as needed for GMCR to fulfill the terms of the contract as approved by CLIENT.

Compensation

3. Upon execution of this Agreement, GMCR shall be compensated with a total of 2.5 million non S-8 registered free-trading shares to be delivered upon execution of this agreement payable by wire transfer

to the account of GMCRNet.com Inc. at the coordinates listed below. At the receipt of shares, the campaign will be firmly scheduled and tentatively is set to begin on March 28th 2005 or thereabouts unless other factors cause this schedule to change. .

SAMCO DTC #0234 account number 82038100 account name GMCRNet.com, Inc. 2114 Crystal Cove Way San Marcos, CA 92069 christine 760-727-5564

Representations of Corporation

4. (a) CLIENT, upon entering this Agreement, hereby warrants and guarantees to GMCR that all statements, either written or oral, made by CLIENT to GMCR are true and accurate, and contain no misstatements of material fact. CLIENT acknowledges that the information it delivers to GMCR will be used by the GMCR in preparing materials regarding the DRFL's business, including but not necessarily limited to, its financial condition, for dissemination to the public. Therefore, in accordance with Paragraph 5, below, CLIENT shall hold harmless GMCR from any and all errors, omissions, misstatements, negligent or intentional misrepresentations, in connection with all information furnished by CLIENT to GMCR, in accordance with and pursuant to the terms and conditions of this Agreement for whatever purpose or purposes GMCR sees fit to use said information. CLIENT further represents and warrants that as to all matters set forth within this Agreement and involving the corporate business affairs and the sale of securities, CLIENT has had independent legal counsel and will continue to maintain independent legal counsel to advise CLIENT, of all matters concerning, but not necessarily limited to, corporate law, corporate relations, investor relations, all manners concerning and in connection with DRFL's, activities regarding the Securities Acts of 1933 and 1934, and state Blue Sky or Securities laws. GMCR, has no responsibility to obtain or render legal advice in connection with the sale of securities. All legal, regulatory or licensing matters as related to the corporate sale of securities are the responsibility of CLIENT, and its counsel.

Limited Liability

5. With regard to the services to be performed by GMCR, pursuant to the terms of this Agreement, GMCR shall not be liable to CLIENT, or to anyone who may claim any right due to any relationship with CLIENT or any acts or omissions in the performance of services on the part of GMCR, or on the part of the agents or employees of GMCR, except when said acts or omissions of GMCR are due to its willful misconduct or culpable negligence.

Termination

6. Either party may terminate this Agreement at any time in the event

of a material breach by the other party which remains uncured after thirty (30) days written notice thereof. The Client may terminate this contract at any time at his discretion with no further compensation required.

In the event that this contract is terminated by either party, the Termination does not relieve CLIENT of the obligation to pay amounts due and owing to GMCR accrued up to the effective date of termination, nor prejudice any cause of action or claim of either party accrued, or to accrue, on account of the breach or default of the other party.

Notices

7. All notices to be sent pursuant to the terms and conditions of this Agreement, or other documents under this agreement shall be in writing and delivered personally, or by certified mail, return receipt requested, postage pre-paid, addressed to either CLIENT or GMCR at the address set forth as follow or at such other address as may be provided to the notifying party:

As to GMCR : GMCR, 513 Dunblane Drive., Winter Park, Fl 32792

As to CLIENT: Direct Response Financial Services, Inc
2899 Agoura Road, Suite 115
Westlake Village, CA 91361

Trade Secrets

8. CLIENT, acknowledges and agrees that any confidential information is proprietary to and a valuable trade secret of GMCR and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to GMCR. The parties hereto agree that all such information conveyed to CLIENT, regarding the operations and services of GMCR constitutes a trade secret as defined by Florida State. 688.002(4) and shall be afforded the protections provided by Florida's Uniform trade Secrets Act or any other applicable laws.

Attorneys' Fees

9. In the event any litigation or controversy, including arbitration, arises out of or in connection with this Agreement between the parties hereto, the prevailing party in such litigation, arbitration or controversy, shall be entitled to recover from the other party or parties, all reasonable attorneys' fees, expenses and suit costs, including those associated within the appellate or post judgment collection proceedings.

Governing Law

10. This Agreement shall be construed under and in accordance with the laws of the State of Florida, and all obligations of the parties created under it are performed in Orange County, Florida. In any controversy arising out of this Agreement, venue for said proceeding shall be in Orange County, Florida.

Parties Bound

11. This Agreement shall be binding on and inure to the benefit of the contracting parties and their respective heirs, executors, administrations, legal representatives, successors, and assigns when permitted by this Agreement.

Legal Construction

12. In case of any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

Prior Agreements Superseded

13. This Agreement constitutes the sole and only Agreement of the contracting parties and supersedes any prior understandings or written or oral agreements between the respective parties. Further, this Agreement may only be modified or changed by written agreement signed by all parties hereto.

Multiple Copies or Counterparts of Agreement

14. The original and one or more copies of this Agreement may be executed by one or more of the parties hereto. In such event, all of such executed copies shall have the same force and effect as the executed original, and all of such counterparts taken together shall have the effect of a fully executed original. Further, this Agreement may be signed by the parties and copies hereof delivered to each party by way of facsimile transmission, and such facsimile copies shall be deemed original copies for all purposes if original copies of the parties'signatures are not delivered.

Headings

15. Headings used throughout this Agreement are for reference and

convenience, and in no way define, limit or describe the scope or intent of this Agreement or effect its provisions.

IN WITNESS WHEREOF, the parties have set their hands and seal as of the date March 11, 2005

written below.

CONSULTANT:	CLIENT:
GMCR	Direct Response Financial Services, Inc.
BY: David King ----------	BY: Randy Catanese ----------
/s/ David King ----------	/s Randy Catanese ----------
Title: President & CEO	Title: CEO
Date: _____/_____/_____	Date:_____/_____/_____

EXHIBIT 31.1

CERTIFICATION

I, T. Randolph Catanese certify that:

1. I have reviewed this annual report on Form 10-KSB of Direct Response Financial Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures , as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the small business issuer's ability to record, process, summarize and report financial data and have identified for the small business issuer's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuers internal control over financial reporting.

May 2, 2005

/s/ T. Randolph Catanese

Name: T. Randolph Catanese
Title: Chief Executive Officer
and Acting Chief Financial Officer

EXHIBIT 32.1

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

I, T. Randolph Catanese, the Chief Executive Officer and Acting Chief Financial Officer of Direct Response Financial Services, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Annual Report on Form 10-KSB of the Company for the fiscal year ended January 31, 2005 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Direct Response Financial Services, Inc. and will be retained by Direct Response Financial Services, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: May 2, 2005

/s/ T. Randolph Catanese

Name: T. Randolph Catanese
Title: Chief Executive Officer
and Acting Chief Financial Officer