

SECURITIES AND EXCHANGE COMMISSION

FORM POS AM

Post-Effective amendments for registration statement

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FILER

UNITED MANAGEMENT INC

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As filed with the Securities & Exchange Commission on May 17, 2000
U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST EFFECTIVE AMENDMENT NO. 5 TO
FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

UNITED MANAGEMENT, INC.
(Name of small business issuer in its charter)

Nevada	6770	98-0204736
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Identification No.)	(IRS Employer Classification Code No.)

Suite 104, 1456 St. Paul St., Kelowna,
British Columbia, Canada V1Y 2E6
(Address of principal place of business or intended principal place of business)

Christine M. Cerisse
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(Name, address and telephone number of agent for service)

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Approximate date of proposed sale to the public: As soon as practicable after
this Registration Statement becomes effective.

<TABLE>

CALCULATION OF REGISTRATION FEE

<CAPTION>

Title of each class of Proposed maximum securities to be aggregate offering price registered	Amount to be Amount of registered registration fee	Proposed maximum offering price per unit (1)
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<S>	<C>	<C>
<C>	<C>	
Common Stock, par value \$0.0001 \$115,368	288,420 \$53.00	\$.40

(1) Estimated solely for the purpose of calculating the registration fee and pursuant to Rule 457.

</TABLE>

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROXY STATEMENT/
RECONFIRMATION OFFERING
PROSPECTUS

UNITED MANAGEMENT, INC.

288,420 SHARES OF COMMON STOCK
\$.40 PER SHARE

The boards of directors of United Management, Inc. and RRUN Ventures, Inc. have approved the merger of United and RRUN. Under the terms of the merger, based on the number of securities of RRUN that are expected to be outstanding at the closing of the merger, the holders of RRUN common stock and preferred stock will receive approximately 305,439 shares of United common stock. After giving effect to the merger, it is expected that RRUN shareholders will own approximately 64% of United's issued and outstanding common stock. There is currently no market for United common stock.

The merger cannot be completed unless United shareholders approve the merger, the merger agreement and the issuance of shares of United common stock to be delivered in connection with the merger, and RRUN shareholders approve the

merger and the merger agreement. The board of directors of United has called a special meeting of United shareholders to be held on August 13, 2001 to vote on these matters. United shareholders that own shares of United common stock as of the record date, which is the close of business on July 1, 2001, may vote at the United annual meeting or by proxy. RRUN shareholders will vote on the merger by written consent. Holders of shares of RRUN common stock at the close of business on the date the first written consent is given are entitled to submit written consents.

THE BOARDS OF DIRECTORS OF UNITED AND RRUN ARE FURNISHING THIS DOCUMENT TO YOU TO PROVIDE YOU WITH IMPORTANT INFORMATION ABOUT THE MERGER AND OTHER MATTERS. IN ADDITION TO FURNISHING YOU WITH THIS IMPORTANT INFORMATION, THIS DOCUMENT ALSO CONSTITUTES NOTICE TO THE SHAREHOLDERS OF RRUN OF RIGHTS TO DISSENT IN ACCORDANCE WITH THE NEVADA REVISED STATUTES. Holders of RRUN shares who are not in favor of the merger and who wish to assert appraisal rights must comply with the relevant procedures detailed under Nevada law, which are set forth in the statutory provisions reproduced in Appendix C to this proxy statement/ prospectus. United shareholders are not entitled to appraisal rights under the Nevada General Corporation Law.

THE PROPOSED MERGER IS A COMPLEX TRANSACTION. UNITED AND RRUN STRONGLY URGE YOU TO READ AND CONSIDER THIS PROXY STATEMENT/ PROSPECTUS IN ITS ENTIRETY, INCLUDING THE MATTERS REFERRED TO UNDER "RISK FACTORS" BEGINNING ON PAGE 12.

/s/ Christine Cerisse
President and Chief Executive Officer of
United Management, Inc.

/s/ Ray Hawkins
President and Chief Executive of
RRUN Ventures, Inc.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE UNITED COMMON STOCK TO BE ISSUED UNDER THIS PROXY STATEMENT/PROSPECTUS OR DETERMINED THE ADEQUACY OR ACCURACY OF THIS PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus/information statement is dated August 3, 2001, and was first mailed to shareholders on or about August 3, 2001.

RECONFIRMATION OFFERING

This prospectus also relates to the reconfirmation offering required by Rule 419 of Regulation C under the Securities Act of 1933 concerning 288,420 shares of common stock, \$.0001 par value of United Management, Inc. The shares were initially sold in an initial public offering of 288,420 shares of common stock, which was completed in December 2000. In December 2000, we executed an agreement with RRUN Ventures, Inc., a Nevada corporation, and its shareholders to acquire all of RRUN's issued and outstanding shares of capital stock in exchange for 305,439 shares of our common stock. This prospectus is being furnished to investors in the offering so they may consider reconfirming their

investment as a result of the proposed acquisition.

Prior to the offering and this reconfirmation offering, there has been no market for common stock and we cannot assure you that a market will exist after the proposed acquisition is completed.

The offering and the reconfirmation offering are being conducted under Rule 419 of Regulation C under the Securities Act.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. It is illegal for anyone to tell you otherwise.

The offering and the reconfirmation offering involve a speculative investment, a high degree of risk, and suitable only for persons who can afford the loss of their entire investment. See "Risk Factors" beginning on page 5.

<TABLE>

Offering Information

<CAPTION>

Number of shares sold in initial public offering Net proceeds	Price per share	Gross proceeds to United Management	Offering expenses
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288,420	\$.40	\$115,368	\$10,000
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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

UNITED MANAGEMENT, INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 13, 2001

TO THE SHAREHOLDERS OF UNITED MANAGEMENT, INC.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of United Management, Inc., a Nevada corporation, will be held on August 13, 2001 at 9:00 a.m. local time at United's principal executive offices, Suite 104, 1456 St. Paul St., Kelowna, British Columbia, Canada, to consider and vote upon the following proposals:

- o To approve the Agreement and Plan of Reorganization by and among United, and RRUN Ventures, Inc., a Nevada corporation, to approve the merger of United and RRUN, and to approve the issuance of shares of United common stock to RRUN shareholders in the merger. After the merger, RRUN will become a wholly-owned subsidiary of United. A copy of the merger agreement is available by request from United at 250-868-8177 or at www.sec.gov.

The foregoing proposal is more fully described in the accompanying Proxy Statement/Prospectus. The United board of directors unanimously recommends that you vote in favor of the proposal listed above.

The Board of Directors has fixed the close of business on July 1, 2001 as the record date for the determination of shareholders entitled to notice of and to vote at this special meeting of shareholders and at any adjournments or postponements thereof.

By Order of the Board of Directors

/s/ Christine Cerisse
President

TO ENSURE THAT YOUR SHARES ARE REPRESENTED AT THE UNITED MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE POSTAGE-PAID ENVELOPE PROVIDED, WHETHER OR NOT YOU PLAN TO ATTEND THE UNITED MEETING. YOU CAN REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED.

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ABOUT THIS PROXY STATEMENT/PROSPECTUS/INFORMATION STATEMENT

You should rely only on the information contained or incorporated by reference in this document to vote or consent with respect to the matters submitted to you. Neither United nor RRUN has authorized anyone to provide you with information that is different from what is contained in this document. This proxy statement/prospectus is dated August 3, 2001. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date, and the issuance of United common stock in the merger will not create any implication to the contrary. United provided the information concerning United. RRUN provided the information concerning RRUN.

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WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company, and are subject to the reporting requirements of the Exchange Act. We voluntarily filed a Form 10-SB on September 3, 1999. We have filed a registration statement with the SEC on form SB-2 to register the offer and sale of the shares. This prospectus is part of that registration statement, and, as permitted by the SEC's rules, does not contain all of the information in the registration statement. For further information about us and the shares offered under this prospectus, you may refer to the registration statement and to the exhibits and schedules filed as a part of the registration statement. You can review the registration statement and its exhibits and schedules at the public reference facility maintained by the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The registration statement is also available electronically on the World Wide Web at <http://www.sec.gov>.

IF YOU ARE A UNITED OR RRUN SHAREHOLDER AND WOULD LIKE TO REQUEST DOCUMENTS FROM UNITED, PLEASE DO SO BY AUGUST 8, 2001 TO RECEIVE THEM BEFORE THE ANNUAL MEETING.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q. WHEN IS IT EXPECTED THAT THE MERGER WILL BE COMPLETED?

A: United and RRUN are working toward completing the merger as quickly as possible, and hope to complete the merger shortly following the United special meeting to be held on August 13, 2001. In order to complete the merger, the shareholders of both United and RRUN must approve the merger. Following approval by the United and RRUN shareholders, the merger will be complete when all of the other conditions to completion of the merger are satisfied or waived. The merger will become effective when an article of merger is filed with the Secretary of State of Nevada.

Q. AS A RRUN SHAREHOLDER, WHAT WILL I RECEIVE IN THE MERGER?

A: Based on the number of securities of RRUN that are expected to be outstanding at the closing of the merger, you will receive approximately 0.05 of a share of United common stock for each share of RRUN stock that you own, subject to some adjustments provided for in the merger agreement. For example, if you own 1,000 shares of RRUN

stock, you will receive approximately 50 shares of United common stock. You will receive only whole shares.

Q. WHAT WILL HAPPEN TO RRUN'S OUTSTANDING OPTIONS?

A: In accordance with the terms of the merger agreement, each option outstanding as of the date of the completion of the merger will be assumed by United, which is changing its name to RRUN Ventures, Inc. and automatically will become options to purchase shares of "new RRUN" common stock on the same terms and conditions as the "old RRUN" options.

Q. AS A UNITED SHAREHOLDER, WILL I RECEIVE ADDITIONAL SHARES OF UNITED COMMON STOCK IN THE MERGER?

A: No, you will continue to hold the same number of shares of United common stock after the merger. Shares of United common stock will be issued only to RRUN shareholders in the merger. The merger will result in United shareholders holding a smaller percentage of the combined company's stock than the percentage of United stock they currently hold. Assuming 100% of the investors in the offering reconfirm their investment, after the merger, it is expected that pre-merger United shareholders will own approximately 35.6% of the outstanding shares of United common stock on a fully diluted basis.

Q. HAS SOMEONE DETERMINED THAT THE MERGER IS IN THE BEST INTERESTS OF THE UNITED AND RRUN SHAREHOLDERS?

A: Yes, the boards of directors of United and RRUN have determined that the merger is in the best interests of their respective shareholders. The board of directors of each of United

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and RRUN has approved the merger and the merger agreement, and the board of directors of United has approved the issuance of United common stock in the merger.

Q. WILL UNITED SHAREHOLDERS VOTE ON THE MERGER?

A: Yes, United shareholders will vote on the merger at United's special meeting of shareholders.

Q. ARE RRUN SHAREHOLDERS ENTITLED TO APPROVE THE MERGER?

A: Yes, RRUN shareholders will have the opportunity to approve the merger and the merger agreement by written consent. The merger and the merger agreement require the approval of a majority of the issued and

outstanding shares of both RRUN's common stock.

Q. WHAT DO UNITED SHAREHOLDERS NEED TO DO NOW?

A: United shareholders should promptly mail their signed proxy card in the enclosed postage-paid envelope so that their shares will be represented at the United special meeting.

Q. CAN UNITED SHAREHOLDERS CHANGE THEIR VOTE AFTER THEY HAVE DELIVERED THEIR PROXIES?

A: Yes, United shareholders can change their votes by delivering a written notice of revocation with United's secretary, sending in later-dated, signed proxy cards to United's secretary, attending the United special meeting and voting in person.

Q. WHAT DO RRUN SHAREHOLDERS NEED TO DO NOW?

A: RRUN shareholders should promptly mail their signed written consents in the enclosed postage-paid envelope to vote their shares of RRUN stock for the merger.

Q. CAN RRUN SHAREHOLDERS CHANGE THEIR VOTES AFTER THEY HAVE MAILED IN THEIR WRITTEN CONSENTS?

A: A RRUN shareholder can only revoke or change an action by written consent prior to the time that RRUN has received the requisite number of consents to approve the merger. This will be a short period of time, as RRUN expects to receive sufficient consents to approve the merger promptly.

Q. SHOULD RRUN SHAREHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?

A: No. After the merger is complete, United will send RRUN shareholders a letter to transmittal and written instructions for exchanging their stock certificates. RRUN shareholders should not surrender their RRUN stock certificates until after the merger and until they receive the letter of transmittal.

Q. WHO CAN ANSWER QUESTIONS REGARDING THE MERGER?

A: If you would like additional copies of this proxy statement/prospectus, or if you have questions about the merger or the other matters discussed in this document, you should contact:

United Management, Inc.
Suite 104
1456 St. Paul St., Kelowna
British Columbia V1Y 2E6
Canada
Attention: Christine Cerisse

RRUN Ventures, Inc.
4th Floor
62 West 8th Avenue
Vancouver, BC V5Y 1M7
Canada
Attention: Ray Hawkins

PROSPECTUS SUMMARY

United Management, Inc.

We were organized as a Nevada corporation on January 29, 1997 for the purpose of creating a corporate vehicle to seek, investigate and, if the investigation warrants, acquire an interest in business opportunities presented to us by persons or firms who or which desire to employ our funding in their business or to seek the perceived advantages of a publicly-held corporation.

The executive offices of United are located at Suite 104-1456 St. Paul St., Kelowna, British Columbia, Canada V1Y 2E6. The telephone number is (250) 868-8177.

In December 2000, we completed an initial public offering for 288,420 shares of our common stock for \$.40 per share pursuant to a Registration Statement that became effective with the Securities and Exchange Commission on November 28, 2000. In December 2000, we executed an agreement with RRUN Ventures, Inc., a Nevada corporation, and its shareholders to acquire all of RRUN Ventures, Inc.'s issued and outstanding shares in exchange for 305,439 shares of our common stock. RRUN's core business venture is RAHX, a platform that uses Peer to Peer or P2P technologies to enable and enhance the distribution of digital media files over the Internet.

RRUN Ventures, Inc.

RRUN Ventures, Inc., a development stage company, was incorporated in the State of Nevada on October 12, 2000. RRUN's core business venture is RAHX, a platform that uses Peer to Peer, or P2P, technologies to enable and enhance the distribution of digital media files over the Internet.

RRUN Acquisition

In December 2000, we executed an agreement with RRUN and its shareholders to acquire all of RRUN's issued and outstanding shares in exchange for 305,439 shares of our common stock. The share exchange is structured so that RRUN's current shareholders will own approximately 64% of the outstanding shares in the post-merger entity on a fully-diluted basis.

We believe, after examining RRUN's business plan, interviewing their management, and examining their proposed products, that RRUN's software can successfully compete with other companies in the digital file transfer industry.

The Offering

Shares outstanding prior to the offering	500,000
Shares sold in the offering	288,420 (1)
Shares to be issued to RRUN Ventures	305,439
Shares outstanding after the merger	2,211,859 (2)

(1) Assumes that 100% of the purchasers reconfirm their investment. There were 37 purchasers in the offering.

(2) This includes shares issuable upon the exercise of stock options issued by RRUN, which we are assuming.

Expiration Date

This offering will expire on November 28, 2001. There is no minimum number of securities that must be sold in the offering.

Recent Developments

Our board believes that the merger represents a good investment opportunity for our shareholders and recommends that the investors elect to accept the reconfirmation offering. The merger agreement was approved by the directors and shareholders of RRUN by written consent dated December 18, 2000. The merger agreement was confirmed by the unanimous consent of the directors on December 18, 2000.

Bob Hemmerling resigned as Secretary, Treasurer and Director in February, 2001 to pursue other business opportunities.

RISK FACTORS

RRUN Has a Limited Operating History. RRUN's operations are subject to the many risks inherent in a development stage business enterprise operating in a market dependent upon new technology. The likelihood of RRUN's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in a new business and the competitive environment in which it operates. Since inception, RRUN's efforts have been limited primarily to organizational activities and it has generated no revenues to date. Its operating history is insufficient for an investor to rely on in making a judgment about RRUN's future performance. RRUN cannot be certain that its business strategy will be successful or that it will successfully address the risks and uncertainties related to RRUN's limited operating history.

We Cannot Assure You That RRUN's Operating Results Will Be Profitable. RRUN's lack of operating history and unproven business model make it difficult to accurately forecast RRUN's future revenues or results of operations. RRUN has no meaningful historical financial data upon which to base planned operating expenses, and its sales and operating results are difficult to forecast. A variety of factors may cause RRUN's annual and quarterly operating results to fluctuate significantly. Many of these factors are outside of RRUN's control and include:

- o the effectiveness of its sales and marketing campaign;
- o market acceptance of RRUN's products;
- o the amount and timing of its operating costs and capital expenditures;
- o introductions by its competitors of new or enhanced services or products;
- o price competition and fluctuations in the prices of the products that RRUN sells;
- o changes in its management team and key personnel; and
- o fluctuations in general economic conditions and economic conditions specific to RRUN's industry.

One or more of these factors could materially and adversely affect gross margins and operating results in future periods. Given RRUN's stage of development and level of revenues, we cannot assure you that RRUN can meet these estimates, that the assumptions are reliable, or that RRUN will, at any point, attain profitability.

We have not achieved profitability and, given the level of our planned operating and capital expenditures, we expect to continue to incur losses and negative cash flows through at least 2002. Our accumulated deficit since inception as of March 31, 2001 was approximately \$428,288. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis in the future. If our revenue grows more slowly than we anticipate, or if our operating expenses exceed our expectations and cannot be adjusted accordingly, our business will be harmed.

We May Need Additional Capital in the Future and Additional Financing May Not Be Available, Which Could Affect RRUN's Ability to Continue Operations. We currently anticipate that our available cash resources, combined with the net proceeds from this offering and planned financing from private placement funding will be sufficient to meet our anticipated working capital and capital expenditure requirements for the next 24 months. Our resources may not be sufficient for our working

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capital and capital expenditure requirements. We may need to raise additional funds through public or private debt or equity financing in order to:

- o take advantage of opportunities, including international expansion or acquisitions of complementary businesses or technologies;
- o develop new products or services; or
- o respond to competitive pressures

Any additional financing we may need may not be available on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of unanticipated opportunities, develop new products or services or otherwise respond to unanticipated competitive pressures, and our business could be harmed. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward looking statement that involves risks and uncertainties, and actual results could vary materially as a result of a number of factors, including those set forth in this "Risk Factor" section.

RRUN May Not Receive Adequate Cooperation From the Major Record Labels,

Which Could Negatively Affect Its Ability to Generate Revenues. Even though RRUN's management believes that RAHX is a viable solution to the digital music dilemma, we cannot assure you that the major records labels will cooperate with RRUN. If the major record labels do not cooperate in providing content, then RRUN will move towards securing relationships with independent record labels. The Internet has become a valuable tool for independents, as they can forgo many of the middlemen in music distribution and place their materials directly in the hands of consumers. However, compared to major record labels, independent record producers own much smaller catalogs, and produce content that is not as popular. As a result, dependence on independent labels may produce lower revenues, and adversely affect RRUN's ability to become profitable and to sustain profitability.

RRUN is Dependent on Key Personnel. RRUN's success is highly dependent upon certain key management and technical personnel. Ray Hawkins and Pavel Bains have played important roles in RRUN's founding, development and promotion. Although RRUN intends to enter into employment agreements with both Mr. Hawkins and Mr. Bains, the loss of either of them could adversely affect RRUN's business, financial condition, and results of operations. RRUN intends to apply for and obtain "key man" life insurance on the life of Mr. Hawkins and Mr. Bains. We cannot assure you that either of these persons will remain with RRUN in the future due to circumstances either within or outside of their control. In addition, competition for qualified personnel is intense, and we cannot assure you that RRUN will be able to hire or retain additional qualified personnel. Any inability to attract and retain qualified personnel would adversely effect RRUN's business.

Issuance of Shares in the Acquisition Will Result in Substantial Additional Dilution. Our Certificate of Incorporation authorizes the board to issue 100,000,000 shares of common stock, \$.0001 par value. The proposed acquisition, if completed, will result in our issuing an additional 305,439 shares of common stock and will result in substantial dilution in the percentage of the common stock held by its present shareholders. Moreover, the common stock to be issued in the acquisition has been valued on an arbitrary or non-arm's-length basis by management, resulting in an additional reduction in the percentage of common stock held by our present shareholders.

There is No Public Market for Our Securities, Which Means You Could Experience Difficulty in Selling Your Shares. At the present time, there is no public market for our securities. It is unlikely that a regular trading market will develop when the reconfirmation offering is concluded, or if developed, that a market will be sustained, or that our securities purchased by the public in the offering

may be resold at their original offering price or at any other price. Any market for our securities that may develop will very likely be a limited one. While we intend to continue to timely file periodic reports under the Securities Exchange Act of 1934 for so long as we may be required to do so, no assurances are given

that we will continue to file these reports on a voluntary basis. In any event, due to the low price of our securities, many brokerage firms may choose not to engage in market making activities or effect transactions in our securities. Purchasers of our securities may have difficulties in reselling them and many banks may not grant loans using our securities as collateral. Our securities will not be eligible for listing on the Nasdaq Stock Market when this reconfirmation offering is completed.

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YOUR RIGHTS AND SUBSTANTIVE PROTECTION UNDER RULE 419
DEPOSIT OF OFFERING PROCEEDS AND SECURITIES

Rule 419 requires that offering proceeds, after deducting underwriting commissions, underwriting expenses and dealer allowances, if any, and the securities purchased by you and other investors in this offering, be deposited into an escrow or trust account governed by an agreement that contains certain terms and provisions specified by Rule 419. Under Rule 419, the funds will be released to us and the securities will be released to you only after we have met the following three basic conditions:

First, we must execute an agreement for an acquisition of a business or asset that will constitute our business and for which the fair value of the business or net assets to be acquired represents at least 80% of the maximum offering proceeds, but excluding underwriting commissions, underwriting expenses and dealer allowances, if any. We have entered into an agreement with RRUN.

Second, we must file a post-effective amendment to the registration statement that includes the results of this offering including, but not limited to, the gross offering proceeds raised to date, the amounts paid for underwriting commissions, underwriting expenses and dealer allowances, if any, amounts dispersed to us and amounts remaining in the escrow account. In addition, we must disclose the specific amount and use of funds disbursed to us to date, including payments to officers, directors, controlling shareholders or affiliates, specifying the amounts and purposes of these payments. We must also disclose the terms of the reconfirmation offer with the conditions prescribed by the rules. The post-effective amendment must also contain information regarding the acquisition candidate and business, including audited financial statements. This prospectus complies with this requirement.

Third, we will mail a copy of the prospectus to each investor within five business days of the effective date a post-effective amendment. This prospectus is the reconfirmation prospectus. The reconfirmation offering will be made as described under "Prospectus Summary; Reconfirmation Offering." After we

submit a letter to the escrow agent that the requirements of Rule 419 have been met and after the acquisition is closed, the escrow agent can release the funds and securities.

We entered into an escrow agreement with City National Bank, N.A., Los Angeles, California, which provides that:

The proceeds are to be deposited into the escrow account maintained by the escrow agent promptly upon receipt. While Rule 419 permits 10% of the funds to be released to us prior to the reconfirmation offering, we do not intend to release these funds. The funds and any dividends or interest earned, are to be held for the sole benefit of the investor and can only be invested in bank deposit, in money market mutual funds, federal government securities or securities for which the principal or interest is guaranteed by the federal government.

All securities issued for the offering and any other securities issued, including stock splits, stock dividends or similar rights are to be deposited directly into the escrow account promptly upon issuance. Your name must be included on the stock certificates or other documents evidencing the securities. The securities held in the escrow account are to remain as issued, and are to be held for your sole benefit. You retain the voting rights, if any, to the securities held in your name. The securities held in the escrow account may neither be transferred or disposed of nor any interest created in them other than by will or the laws of descent and distribution, or under a qualified domestic relations order as defined by certain tax laws or retirement laws.

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MERGER

Background of the Merger Agreement

In November 2000 we commenced a "blank check" offering under Rule 419 of the Securities Act. The offering was successful in raising \$115,368 in gross proceeds from investors. On November 20, 2000, we started initial discussions with RRUN. Following November 28, 2000, when our Rule 419 offering closed, we began serious negotiations with RRUN on December 1, 2000. The acquisition of RRUN by United became probable on or about December 6, 2000. The merger agreement between us and RRUN was completed December 18, 2000, and we filed a post-effective amendment on December 21, 2000. Under Rule 419, \$115,368 and 288,420 shares purchased by the investors were placed in escrow pending:

- o distribution of a reconfirmation prospectus to the investors describing the acquisition of RRUN; and
- o the subsequent reconfirmation by at least 80% of the investors that they have elected to remain investors.

In the event the merger is not approved by at least 80% of the investors, then the shares deposited in the escrow account will not be released to the investors. Instead, the \$115,368 in offering proceeds in the escrow account will be returned to the investors, and the share certificates will be canceled. Under Rule 419, the value of RRUN must represent at least 80% of the maximum offering proceeds, or \$92,294. Based upon independent audited financial statements and an independent valuation of RAHX, Inc., which is 80% owned by RRUN, RRUN's business value is more than \$92,294.

Terms and Conditions of Merger Agreement

Stockholders wishing to obtain a copy of the merger agreement, which is incorporated into this prospectus by reference, may obtain one without charge by writing to United Management, Suite 104, 1456 St. Paul St., Kelowna, British Columbia, Canada V1Y 2E6, attention: Christine Cerisse.

Under the merger agreement, RRUN will be merged into us. If the merger is consummated, 305,439 shares of common stock will be issued to former RRUN shareholders. Each shareholder who holds shares of our common stock registered in the registration statement declared effective by the SEC on November 28, 2000 prior to the merger and who accepts the reconfirmation offer will, after consummation, hold the same number of shares held prior to the merger, but the aggregate percentage interest in United Management will be decreased to approximately 35.6%. RRUN will merge into United Management with United Management as the surviving entity.

Our name will be changed to "RRUN Ventures, Inc." after the merger. The merger is intended to be consummated so that the transaction will be tax-free to all parties involved under Internal Revenue Code Section 368(a)(1)(A). Each investor who rejects the reconfirmation offer will be paid his or her pro rata share of the amount in the escrow account at \$.40 per share, and current holders of our common stock, which is restricted from resale under United States securities laws, will tender their shares to us for cancellation. Governmental approval is not required to consummate the merger.

The result of the merger, assuming that 80% of the investors reconfirm their investment, is that former RRUN shareholders will own approximately 33% of the surviving entity while our current shareholders will own approximately 67% of United Management on a fully-diluted basis.

Investors deciding to accept the reconfirmation offer are directed to sign a reconfirmation letter and return it to United Management, Inc., Attention: Christine Cerisse, who will forward each reconfirmation letter to our escrow agent. Any investor who fails to return his or her form so that it is received by Ms. Christine Cerisse within 45 business days from the date of their reconfirmation prospectus will be deemed to have rejected the reconfirmation offer and will automatically be sent a check within five business days representing his or her pro rata share of the funds in the escrow account for the benefit of the investors.

United Special Meeting

The United Special Meeting of Shareholders will be held at United's offices located at Suite 104, 1456 St. Paul St., Kelowna, British Columbia, Canada on August 13, 2001 at 9:00 a.m., local time. At the United annual meeting, holders of United common stock will be asked to consider and vote upon:

- The merger, the merger agreement and the issuance of shares of United common stock in the merger
- Any other business that may properly come before the United annual meeting or any postponement or adjournment

United shareholders are entitled to vote at the United meeting if they owned shares of United as of July 1, 2001, United's record date. On that date, there were 788,420 shares of United common stock outstanding and entitled to vote at the United meeting.

RRUN Written Consents

RRUN shareholders will have an opportunity to approve the merger and the merger agreement by written consent. Holders of shares of RRUN common stock at the close of business on the date the first written consent is given are entitled to submit written consents. As of July 1, 2001 there were 6,108,780 shares of RRUN common stock issued and outstanding. Approval of the merger and merger agreement requires the approval of the holders of a majority of the outstanding shares of RRUN common stock.

RRUN Optionholders

Each outstanding option to acquire shares of RRUN common stock shall be assumed by United. As a result of the merger, each RRUN stock option shall be treated as an option to acquire shares of United common stock upon the same manner determined by multiplying the number of shares presently subject to the RRUN options by the exchange ratio by which the RRUN common shares are to be exchanged for shares of United common stock in the merger and by dividing the exercise price for such shares of RRUN common stock by the exchange ratio to

determine the new exercise price. Based on the number of RRUN options that are expected to be outstanding at the closing of the merger, these options will be converted into options to purchase approximately 57,150 shares of United common stock.

Rights of Dissenting Shareholders

United

Under the Nevada Revised Statutes, United shareholders do not have appraisal rights.

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RRUN

Under Nevada Revised Statutes, even if enough holders of RRUN common stock approve the merger, a RRUN shareholder can refuse the merger consideration and exercise his appraisal rights to dissent and obtain payment for the fair value of his common stock.

Certain Income Tax Consequences

The merger is intended to qualify as a "tax-free reorganization" for purposes of the federal income tax law so that United Management's and RRUN's stockholders will not recognize gain or loss from the transaction. The transaction is not expected to result in the recognition of gain or loss to either United Management or RRUN in the respective jurisdictions where each entity is subject to taxation. No opinion of counsel nor a ruling from the internal revenue service has been obtained. This statement is for general information only and our stockholders should consult their own tax advisors as to the specific tax consequences of the merger to them.

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DILUTION

The difference between the initial public offering price per share of common stock and the net tangible book value per share after this offering constitutes the dilution to investors in this offering. Net tangible book value per share of common stock is determined by dividing our net tangible book value,

which is total tangible assets less total liabilities, by the number of shares of common stock outstanding.

As of March 31, 2001, our net tangible book value was -\$70,726 or -\$0.14 per share of common stock. Excluding the \$115,368 proceeds of the offering and the 288,720 shares issued in the offering, our net tangible book value as of March 31, 2001 was -\$70,726 or -\$0.14 per share of common stock. Net tangible book value represents the amount of our total assets, less any intangible assets and total liabilities. Our net tangible book value as of March 31, 2001 on an unaudited pro forma combined basis, taking into account the acquisition of RRUN and issuance of 305,439 shares of common stock to RRUN's present shareholders, was -\$489,283 or approximately -\$0.22 per share, based on 2,211,859 outstanding shares of common stock, including 1,118,000 issuable upon the exercise of RRUN options. The result will be an immediate dilution to our present shareholders, and substantial dilution of 112.5% to the public investors on a post-offering basis, and 155% on a post-merger basis. The following tables illustrate this dilution:

Public offering price per share		\$0.40	100%
Net tangible book value per share before the offering		-\$0.14	
Increase per share attributable to new investors		\$0.09	

Dilution per share to new investors		\$0.45	112.5%
		=====	=====

Number of Shares Before Offering	Money Received For Shares Before Offering	Net Tangible Book Value Per Share Before Offering
500,000	\$100	-\$0.14

Total Number of Shares After Offering	Total Amount of Money Received For Shares	Pro-Forma Net Tangible Book Value Per Share After Offering
788,420	\$115,368	-\$0.05

Public offering price per share		\$0.40	100%
Net tangible book value per share before the Offering		-\$0.14	
Proforma net tangible book value per share		-\$0.22	55%
Post-merger dilution per share to new investors		-\$1.62	155%

The tables are based upon the potential acquisition of RRUN, the possible issuance of 305,439 shares of common stock to present RRUN shareholders and the assumption that 100% of the investors reconfirm their investment.

USE OF PROCEEDS

The gross proceeds of this offering were \$115,368. Rule 419 permits 10% of the funds, or \$11,536, to be released from escrow to us prior to the reconfirmation of the offering. However, we did not request release of these funds. We will receive the gross proceeds in the event a business combination with RRUN is closed according to Rule 419.

We have not incurred and do not intend to incur in the future any debt from anyone other than management for our organizational activities. Debt to management will not be repaid. Management is not aware of any circumstances that would change this policy. Also, none of the proceeds are being used to repay debt. Management will pay the offering expenses.

Under Rule 419, after the reconfirmation offering and the closing of the business combination, \$115,368, plus any dividends received, but less any amount returned to investors who did not reconfirm their investment under Rule 419, will be released to us, and utilized as follows:

	Amount	Percent
Gross Proceeds	\$115,368	100%
Offering Expenses	\$ 15,000	13.0%
Working Capital	\$100,368	77.0%

The anticipated application of the net proceeds are for professional consulting fees, payroll, operational premises rent and equipment leases. Further detail is provided as follows:

Working Capital Breakdown (listed in order of priority):

Item	Amount
Payroll (1)	20,000
Professional Services and Consulting (2)	55,000
Deposits for additional Operational Premises (3)	15,000
Deposits for Equipment leases (4)	10,000
Misc.	368

(1) Payroll Costs Description:

The funds will be used for human resources sourcing of additional staff and payroll costs attributed to new personnel acquisitions.

(2) Professional Services and Consulting Fees Description:

The funds will be used for the following Professional Service providers.

Professional Service Provider	Amount	Purpose
Foley & Lardner	15,000	Legal fees
Price Waterhouse Coopers	22,000	Business consulting/accounting
Cane & Company	8,000	Legal fees

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Morgan & Company	10,000	Audit fees
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(3) Operational Premises Costs Description:

The funds will be used for deposits of new office premises for the Company, specifically business development offices in New York, NY.

(4) Equipment Leases Costs Description:

The funds will be used for deposits on leases of server equipment, specifically files and web servers.

The proceeds received in this offering have been placed into the escrow account pending closing of the pending business combination with RRUN. These funds are in an insured financial institution in either a certificate of deposit, interest bearing savings account or in short term federal government securities as placed by City National Bank, N.A., Los Angeles, California.

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CAPITALIZATION

Our capitalization on March 31, 2001, and as adjusted to give effect to the issuance of shares to RRUN's shareholders after the proposed acquisition is completed, is as follows:

<TABLE>
<CAPTION>

ADJUSTMENTS	PRO FORMA	UNITED MANAGEMENT, INC.	RRUN VENTURES, INC.
<S>	<C>	<C>	<C>
Loans payable		\$ 13,106	\$183,942
-	\$197,048		
Common Shares Subject to Reconfirmation		\$ 115,368	
	\$115,368		
			\$183,942
-		\$ 128,474	
	\$312,416		
=====			
SHAREHOLDERS' EQUITY			
Share Capital		\$ 50	\$ 6,109 (b)
(50)	\$ 6,109		
Additional Paid In Capital		\$ 15,670	\$ 4,622 (b)
(15,670)	\$ 4,622		

Deficit		\$ (86,446)	\$ (429,288) (b)
18,955	\$ (500,014)		
			(b)
(3,235)			

Capitalization		\$ (70,726)	\$ (418,557)
	\$ (489,283)		
=====			

=====

- (a)
 - (b) Record the reverse take-over transaction
- </TABLE>

THE UNITED SPECIAL MEETING

When and Where the Meeting will be held

This proxy statement/prospectus is being furnished to United shareholders as part of the solicitation of proxies by the United board of directors for use at the United special meeting, to be held on August 13, 2001 at 9:00 a.m., local time at United's corporation headquarters at Suite 104, 1456 St. Paul St., Kelowna, British Columbia, Canada and at any adjournments or postponements thereof.

This proxy statement/prospectus, and the accompanying proxy card, are first being mailed to holders of United common stock on or about August 3, 2001.

What Will Be Voted Upon

The purpose of the United special meeting is to consider and vote upon the following proposal:

- to approve the merger, the merger agreement and the issuance of shares of United common stock in connection with the merger.

The United board of directors does not presently intend to bring any business before the United meeting other than the specific proposal referred to above and specified in the notice of the United special meeting. The United board of directors knows of no other matters that are to be brought before the United special meeting. If any other business properly comes before the United special meeting, including the consideration of a motion to adjourn the meeting, including for purposes of soliciting additional votes, it is the intention of persons named in the enclosed form of proxy to vote the shares they represent as the United board of directors may recommend.

Which Shareholders May Vote

Only holders of record of United common stock at the close of business on July 1, 2001, the United record date, are entitled to notice of and to vote at the United annual meeting. As of the close of business on the United record date, there were 788,420 shares of United common stock outstanding and entitled to vote, held of record by 47 shareholders. A majority, or 403,094 of these

shares, present in person or represented by proxy, will constitute a quorum for the transaction of business.

How Do United Shareholders Vote

The United proxy card accompanying this proxy statement/prospectus is solicited on behalf of the United board of directors for use at the United meeting. Shareholders are requested to complete, date and sign the accompanying proxy and promptly return it in the accompanying envelope or otherwise mail it to United. All proxies that are properly executed and returned, and that are not revoked, will be voted at the United special meeting in accordance with the instructions indicated. EXECUTED BUT UNMARKED PROXIES WILL BE VOTED FOR APPROVAL AND ADOPTION OF ALL OF THE MATTERS LISTED ON THE PROXY CARD.

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How To Change Your Vote

A United shareholder who has given a proxy may revoke it at any time before it is exercised at the United meeting, by doing one of the following:

- delivering a written notice of revocation with Ms. Christine Cerisse, President, Suite 676-141, 757 W. Hastings St., Vancouver, BC V6C 1A1, Canada
- executing a subsequently dated proxy and delivering it Ms. Christine Cerisse, President, Suite 676-141, 757 W. Hastings St., Vancouver, BC V6C 1A1, Canada
- attending the United special meeting and voting in person.

Attending the United special meeting will not, by itself, revoke a proxy. The United shareholder must also vote at the meeting.

Vote Required To Approve Each Proposal

Under Nevada law, the charter documents of United, approval of the merger and approval of the merger agreement and the issuance of shares of United common stock in connection with the merger requires the affirmative vote of a majority of the outstanding shares of United common stock.

THE MATTERS TO BE CONSIDERED AT THE UNITED MEETING ARE OF GREAT IMPORTANCE TO THE SHAREHOLDERS OF UNITED. ACCORDINGLY, SHAREHOLDERS ARE URGED TO READ AND CAREFULLY CONSIDER THE INFORMATION PRESENTED IN THIS PROXY STATEMENT/PROSPECTUS, AND TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ENCLOSED PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

Solicitation Of Proxies And Expenses Of Solicitation

United's management will bear the cost of the solicitation of proxies in the enclosed form from its shareholders. In addition to solicitation by mail, the directors, officers and employees of United may solicit proxies from shareholders by telephone, telegram, letter, email, facsimile or in person.

Deadline For Receipt Of Shareholder Proposals

Under Rule 14a-8 of the Securities Exchange Act, a shareholder intending to present a proposal to be included in United's proxy statement for its 2001 Annual Meeting of Shareholders must deliver a proposal in writing to its executive offices no later than July 24, 2001.

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RRUN SOLICITATION OF WRITTEN CONSENTS

Purpose Of Consent Solicitation

RRUN is soliciting written consents from its shareholders to approve the merger and the merger agreement.

In accordance with RRUN's bylaws and Nevada law, the merger may be approved and adopted without a meeting of RRUN shareholders by written consent of at least a majority of the shares of RRUN common stock. If the holders of a majority of the shares of the RRUN common stock consent to the merger and approve the merger agreement, no further action will be required by RRUN shareholders to approve the merger and the merger agreement.

The RRUN board of directors has approved the merger and the merger agreement, believes that the terms of the merger agreement are fair to and in the best interests of RRUN and its shareholders, and recommends that the RRUN shareholders vote "FOR" the merger by executing and returning RRUN written consents.

Record Date And Consent Rights

The date for determining shareholders of record entitled to give or withhold consent to the merger will be the date on which the first written consent is given. Only holders of shares of RRUN common stock at the close of business on the date the first written consent is given will be entitled to submit written consents. As of July 1, 2001, there were approximately 7 holders of record of RRUN shares. There were 6,108,780 shares of RRUN common stock

issued, and each share of which is entitled to one vote on the merger.

A written consent may be revoked by delivery of written notice to the secretary of RRUN at any time prior to the time duly executed RRUN written consents have been returned, and not revoked, by the holders of a majority of the outstanding RRUN common stock.

Expenses Of Consent Solicitation

RRUN written consents are being solicited by and on behalf of the RRUN board of directors. RRUN will bear all expenses in connection with such solicitation. In addition to solicitation by use of the mail, RRUN written consents may be solicited by directors, officers and employees of RRUN in person or by telephone or other means of communication. Such directors, officers and employees will not be additionally compensated for, but may be reimbursed for out-of-pocket expenses incurred in connection with any solicitations.

Required Consents

Approval of the merger and merger agreement requires the approval of the holders of a majority of the outstanding shares of RRUN common stock. As of July 1, 2001, neither United nor any of its executive officers or directors beneficially owned any outstanding shares of RRUN common stock.

RRUN SHAREHOLDERS SHOULD READ AND CAREFULLY CONSIDER THE INFORMATION PRESENTED IN THIS DOCUMENT, AND COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ENCLOSED RRUN WRITTEN CONSENT IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

APPRAISAL RIGHTS

RRUN Shareholders

Holders of RRUN common stock are entitled to exercise dissenters' rights under Chapter 92A, Sections 92A.380 and 92A.410 through 92A.500 of the Nevada Revised Statutes. A stockholder of RRUN will be entitled to relief as a dissenting stockholder if and only if he or she complies strictly with all of the procedural and other requirements of Sections 92A.380 and 92A.410 through 92A.500 of the Nevada Revised Statutes. A copy of Sections 92A.380 and 92A.410 through 92A.500 is attached as Appendix C. The following is not intended to be a complete statement of the method of compliance with Sections 92A.380 and 92A.410 through 92A.500 and is qualified in its and by reference to the copy of Sections 92A.380 and 92A.410 through 92A.500 attached as Appendix C.

Right to Dissent

Stockholders of a Nevada corporation have the right to dissent from certain corporate actions in certain circumstances. According to Nevada Revised Statutes Sec. 92A.380(1)(a)(1), these circumstances include consummation of a merger requiring approval of the corporation's stockholders. Stockholders who are entitled to dissent are also entitled to demand payment in the amount of the fair value of their shares.

Requirements

According to Nevada Revised Statutes Section 92A.420(1), stockholders of RRUN who wish to assert dissenters' rights:

- must deliver written notice to RRUN, BEFORE the vote is taken at the special meeting, of their intent to demand payment for their RRUN common stock if the merger is completed; and
- must not vote their shares in favor of approval of the merger agreement.

Stockholders failing to satisfy these requirements will not be entitled to dissenters' rights under Chapter 92A of the Nevada Revised Statutes.

Thereafter, the "Subject Corporation", as defined below, is required to send a written dissenters' notice to all RRUN stockholders who satisfied these two requirements; written notice of intent to demand payment, and not voting in favor of the merger. The written dissenters' notice is required to be sent within 10 days after completion of the merger. According to Nevada law, RRUN is deemed to be the "Subject Corporation" before the merger occurs, and will be the "Subject Corporation" after the merger occurs. The dissenters' notice must include:

- a statement of where dissenting stockholders should send their demand for payment and where and when certificates for RRUN common stock are to be deposited;
- a form for demanding payment including the date the merger was announced and a certification from the stockholders asserting dissenters' rights that they acquired beneficial ownership of the shares before the date when the terms of the merger were announced to the news media or the stockholders;
- a date by which the Subject Corporation must receive the demand for payment, which may not be fewer than 30 or more than 60 days after the date the dissenters' notice is delivered; and - a copy

of sec. 92A.300 through sec. 92A.500 of the Nevada Revised Statutes.

RRUN stockholders wishing to exercise dissenters' rights must thereafter

- demand payment;
- certify whether they acquired beneficial ownership of RRUN common stock before December 21, 2001, the date the post-effective Amendment discussing the merger was filed; and
- Deposit their certificates in accordance with the terms of the dissenters' notice.

Nevada law further provides that RRUN stockholders who fail to demand payment or deposit their certificates where required by the dates set forth in the dissenters' notice will not be entitled to demand payment or receive the fair market value for their shares of RRUN common stock as provided under Nevada law. Instead, such stockholders will receive the same merger consideration as the stockholders of RRUN who do not exercise dissenters' rights.

Payment for Dissenting Shares

RRUN will be required under Nevada law to pay each dissenter who made a valid demand the amount it estimates to be the fair value of the dissenter's shares of RRUN common stock, plus accrued interest. RRUN must make such payment within 30 days after RRUN receives the dissenter's demand for payment. The payment must be accompanied by:

- a copy of RRUN's financial statements as of December 31, 2000, as well as RRUN's most current interim financial statements;
- a statement of RRUN's estimate of the fair value of the dissenter's shares of RRUN common stock;
- an explanation of how interest was calculated;
- a statement of the dissenter's rights to demand payment under Nevada law of the dissenter's estimate of the value of the RRUN common stock; and
- a copy of Sections 92A.300 through 92A.500 of the Nevada Revised Statutes.

RRUN may withhold payment from dissenters who became the beneficial owners of the shares of RRUN common stock on or after December 21, 2000. If payment is withheld in this fashion by RRUN, it must estimate the fair value of the dissenter's shares of RRUN common stock, plus accrued interest, and offer to pay this amount to each dissenter in full satisfaction of his demand. RRUN is

required to send this offer to all such dissenters with a statement of RRUN's estimate of the fair value of the shares of RRUN common stock, an explanation of how interest was calculated and a statement of the dissenters' rights to demand payment under Nevada law.

Nevada law provides that a dissenter who believes that the amount paid or offered is less than the full value of his or her shares of RRUN common stock, or that the interest due is incorrectly calculated, may, within 30 days after RRUN made or offered payment for the shares, either (1) notify RRUN in writing of his or her own estimate of the fair value of the shares of common stock and the amount of interest due and demand payment of the difference in this estimate and any payments made, or (2) reject the offer for payment made by RRUN and demand payment of the fair value of his or her shares and interest due.

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If a demand for payment remains unsettled, RRUN must commence a court proceeding within 60 days after receiving a demand, petitioning the court to determine the fair value of the shares of RRUN common stock and accrued interest. All dissenters whose demands remain unsettled would be made a party to the proceeding, which would be conducted in the district court of Washoe County, Nevada. If RRUN fails to commence such a proceeding, it would be required by Nevada law to pay the amount demanded to each dissenter whose demand remains unsettled. Dissenters would be entitled to a judgment:

- for the amount determined by the district court to represent the fair value of their shares, plus accrued interest, less any amount paid under Section 92A.460 of the Nevada Revised Statutes; or
- for the amount determined by the district court to represent the fair value of those shares on which RRUN elected to withhold payment under Section 92A.470 of the Nevada Revised Statutes, plus accrued interest.

The district court will assess the costs of the proceedings against RRUN; however, some or all of the costs could be assessed against all of the dissenters to the extent that the court finds that all or some dissenters acted arbitrarily, vexatiously or not in good faith in demanding payment. The district court may also assess against RRUN or the dissenters the fees and expenses of counsel and experts for the respective parties, in the amount the court finds equitable.

THE REQUIRED APPRAISAL RIGHTS' PROCEDURES MUST BE FOLLOWED EXACTLY OR THE APPRAISAL RIGHTS MAY BE LOST.

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PLAN OF OPERATION

The following discussion should be read along with the financial statements and notes, and by other more detailed financial information appearing in other parts of this prospectus.

United Management, Inc.

We are in the development stage as of June 30, 2000 and we completed an initial public offering in December 2000 using a Registration Statement that became effective with the Securities and Exchange Commission on November 28, 2000 and sold 288,420 shares of its common stock, \$.0001 par value, at a price of \$.40 per share. The offering was conducted directly by us without an underwriter. We are a "blank check" company subject to Rule 419 of Regulation C which was organized to obtain funding from persons purchasing in the offering in order to provide a vehicle to take advantage of business opportunities which management believes arise from time to time.

The deposited funds and the securities to be issued to subscribers are remaining in escrow and may not be released until an acquisition meeting certain specified criteria has been made and enough subscribers reconfirm their investments according to the procedure outlined in Rule 419.

We had no revenues for each of the years ended June 30, 2000 and June 30, 1999. We had a net loss of (\$16,932) for the year ended June 30, 2000 as compared to a net loss of (\$1,973) for the year ended June 30, 1999. In addition, at June 30, 2000, we had total assets of \$0 and total liabilities of \$3,235.

We had no revenues for each of the periods ended September 30, 2000 and September 30, 1999. We had a net loss of (\$9,254) for the period ended September 30, 2000 as compared to a net loss of (\$5,902) for the period ended September 30, 1999. In addition, at September 30, 2000, we had total assets of \$0 and total liabilities of \$12,489.

We had no revenues for each of the periods ended December 31, 2000 and December 31, 1999. We had a net loss of (\$24,121) for the period ended December 31, 2000 as compared to a net loss of (\$5,952) for the period ended December 31, 1999. In addition, at December 31, 2000, we had total assets of \$0 and total liabilities of \$36,610.

In December 2000, we executed an agreement with RRUN Ventures, Inc., a Nevada corporation, and its shareholders to acquire all of RRUN's issued and outstanding shares of capital stock in exchange for 305,439 shares of our common stock. Assuming this reconfirmation offering and acquisition is completed, RRUN's business will be our sole business.

RRUN Ventures Inc. Plan of Operation

Upon closing of the merger with United Management Inc., RRUN will require additional funds to finance its operations. RRUN plans to seek financing within six months of the merger to capitalize its funding requirements. This financing will satisfy its cash needs for the first twelve to eighteen months of operations. To further fund RRUN's business efforts it plans to meet the requirements to complete a listing on the NASDAQ Small Cap Market and subsequently execute a secondary offering of its common stock. This proposed listing on the NASDAQ Small Cap Market is planned for eighteen to twenty-four months after the closing of the merger between RRUN and United Management Inc.

Over the first twelve months of operations, RRUN will conduct significant product research and development, or R & D for it's Peer to Peer, or P2P product, RAHX. From system architecture design to

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working prototype and Alpha and Beta releases RAHX will be developed within a accelerated product cycle of six to nine months.

The R & D executed by RRUN will include but will not be limited to:

- o Development of the RAHX software and its software subset components
- o Development of the RAHX back end platform system
- o Development of various RAHX software licensee user tools

Within the first year of operation RRUN intends to invest significantly in equipment to be used in developing products, the RAHX back end technology and corporate file servers. The equipment invested in will include but not limited to:

- o Audio and Video Production equipment for the development of the interactive front end websites
- o Web, File, DNS and Proxy Servers that will handle the products' capacity needs
- o Networking/Communication servers to load balance the traffic coming through the RAHX websites

RRUN will continue its main operations out of its Vancouver, BC facility and intends to open business development offices in New York and Los Angeles.

RRUN anticipates that its staffing levels of RRUN will increase significantly to approximately 50 employees over the first year of operations to properly execute its business plan and to support its aggressive growth strategy.

In addition to increasing the number of employees, additional senior management will be required to add experience to the present management team and further RRUN's development. Over the first 12 months, RRUN intends to appoint additional members to the Board of Directors and form an advisory board of industry professionals to guide, counsel and assist it through its business strategy execution.

RRUN Ventures Inc. Implementation Plan

The RRUN Ventures Inc. initial implementation is planned over a period of two phases totaling twenty-four (24) months. Each phase is broken down into a number of stages that range from two to three months. The implementation plan during each stage describes the activity across various departments such as Operations, Finance, Venture Development/Product Development, and Sales/Marketing/Business Development. Each stage also lists the cost to execute the stage. The projected cost of each phase is as follows; phase 1, \$2,250,000 and; phase 2, \$5,000,000. The Company expects to secure the financing to satisfy the capital needs for each phase through the execution of private placement investments. The source of the private placement financing will be comprised of a mix of principal shareholders, private investors and venture capital companies. If the funding is unavailable, in whole or in part, at the expected time, the Company will delay implementation of entire components of certain aspects of the implementation plan until the necessary funding is secured.

Phase 1- Stage A

Duration: 2 months (October 1 - November 30, 2000)

Operations:

- o Establish and Incorporate Company
- o Set up Vancouver Production office
- o Complete evaluation of RAHX, Inc.
- o Complete purchase of RAHX, Inc.
- o Complete equity purchase of KAPH Data Engineering Inc. shares

Financing:

- o Initiate start up financing

Venture Development /Product Development:

- o Continue development of RAHXWARE software Sales/Marketing/Business

Development:

- o Soliciting to and securing of content owners
- o Soliciting to and securing of partners

Cost of Stage:

- o Approx. \$50K

Phase 1 - Stage B

Duration: 2 months (December 1 - January 31, 2001)

Operations:

- o Commence Human Resources (HR) recruitment program
- o Identify potential Advisory Board members
- o Identify potential Board Directors

Financing:

- o Source and secure RTO candidate

Venture Development/Product Development:

- o Commence development of RAHX.com website

Sales/Marketing/Business Development:

- o Soliciting to and securing of content owners
- o Soliciting to and securing of partners

Cost of Stage:

- o Approx. \$100K

Phase 1 - Stage C

Duration: 3 months (Feb 1 - April 30, 2001)

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Operations:

- o Open Los Angeles business development office
- o HR- seek candidates for various positions
- o Secure Advisory Board members
- o Secure Board Directors

Financing:

- o Complete transaction with RTO candidate
- o Commence trading as new company on NASD OTC:BB
- o Source and secure private placement financing
- o Identify investment banker to source further rounds of funding

Venture Development /Product Development:

- o Accelerated development of RAHXWARE commences
- o Launch of RAHX.com

Sales/Marketing/Business Development:

- o Launch of marketing for RAHX.com
- o Soliciting to and securing of content owners
- o Soliciting to and securing of partners

Cost of Stage:

- o Approx. \$400K

Phase 1 - Stage D

Duration: 3 months (May 1 - July 31, 2001)

Operations:

- o HR- seek candidates for various positions
- o Secure Advisory Board members
- o Secure Board Directors
- o Open business development office In New York

Sales/Marketing/Business Development:

- o Marketing of RAHX.com
- o Soliciting to and securing of content owners
- o Soliciting to and securing of partners

Cost of Stage:

- o Approx. \$700K

Phase 1 - Stage E

Duration: 2 months (August 1 - September 30, 2001)

Operations:

- o HR- seek candidates for various positions
- o Secure Advisory Board members
- o Secure Board Directors

Financing:

- o Source and secure secondary financing

Sales/Marketing/Business Development:

- o Launch of marketing for RAHXWARE
- o Soliciting to and securing of content owners

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Cost of Stage:

- o Approx. \$1.0 M

Phase 2 - Stage A

Duration: 3 months (October 1 - December 31, 2001)

Cost of entire phase 2: \$5.0 M

Operations:

- o Execute strategic plan
- o Identify opportunities

Financing:

- o Commence process for listing on NASDAQ Small Cap Market or national market

Venture Development /Product Development:

- o Launch of beta version of direct to consumer RAHXWARE software

Sales/Marketing/Business Development:

- o Marketing for RAHXWARE and RAHX.com
- o Soliciting to and securing of content owners

Phase 2 - Stage B

Duration: 3 months (January 1 - March 30 - 2002)

Operations:

- o Execute strategic plan
- o Identify opportunities

Venture Development /Product Development:

- o Launch of RAHXWARE licensing product

Sales/Marketing/Business Development:

- o Marketing for RAHXWARE and RAHX.com
- o Soliciting to and securing of content owners
- o Sales of RAHXWARE licensing program

Phase 2 - Stage C

Duration: 3 months (April, 2002 - June 30, 2002)

Operations:

- o Execute strategic plan
- o Identify opportunities

Sales/Marketing/Business Development:

- o Marketing for RAHXWARE and RAHX.com
- o Soliciting to and securing of content owners
- o Sales of RAHXWARE licensing program

Phase 2 - Stage D

Duration: 3 months (July, 2002 - September, 2002)

Operations:

- o Execute strategic plan
- o Identify opportunities

Financing:

- o Complete Listing on Nasdaq Small Cap Market or national market
- o Complete secondary offering or private placement

Sales/Marketing/Business Development:

- o Marketing for RAHXWARE and RAHX.com

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- o Soliciting to and securing of content owners
- o Sales of RAHXWARE licensing program

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DESCRIPTION OF BUSINESS

Introduction

United Management, Inc. was incorporated on January 29, 1997 under the

laws of the State of Nevada to engage in any lawful corporate purpose. Other than issuing shares to its shareholders, we never commenced any other operational activities. We can be defined as a "blank check" company, whose sole purpose at this time is to locate and consummate a merger or acquisition with a private entity. The board has elected to implement our principal business purpose, which is described below.

In December 2000, we completed an initial public offering of 288,420 shares of our common stock at a price of \$.40 per share using a Registration Statement that became effective with the Securities and Exchange Commission on November 28, 2000. In December 2000, we executed an agreement with RRUN Ventures, Inc. and its shareholders to acquire all of RRUN's issued and outstanding shares of capital stock in exchange for 305,439 shares of our common stock. RRUN was incorporated in Nevada in October 2000 and is a multi-media venture development organization focused on content distribution utilizing the Internet.

Core Business Venture

RRUN's core business venture is RAHX, a software platform that uses Peer to Peer, or P2P technologies to enable and enhance the distribution of digital media files over the Internet. P2P technologies allow users to exchange digital media files directly from their computers. RAHX focuses on providing both owners and consumers of media-related content a suite of software products that address their respective needs. To take advantage of the sudden growth in the file exchange industry, RRUN expects to launch the RAHX venture before the end of 2001.

RAHX is used together with the product, RAHXWARE, the software which consumers use to connect to RAHX.

Opportunities in the Digital Music Industry

There has been a recent media explosion around the controversial music software company Napster. Napster has caused an uproar within the music industry, as the company has led the way in pioneering a new process of distributing music over the Internet. This process has been dubbed file exchange or P2P. Consumers can now access music files directly with another consumer without going through a website or centralized server.

However, companies like Napster are currently subject to a number of highly publicized lawsuits because, among other things, they promote the use of a software that violates the rights of music copyright owners including major record labels Sony and Universal. An opportunity arises for a company to create a feasible solution that not only generates revenue for the major record labels, but also allows consumers to continue to download and exchange music easily for a low cost.

RRUN's core business venture is RAHX, a software platform that uses P2P technologies to enable and enhance the distribution of digital media files over the Internet. RAHX provides media users and content owners with an end-to-end solution of distributing music over the Internet by performing the following functions:

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- o Facilitating the transfer and exchanging of digital media files;
- o Managing the income flow from consumers to content owners;
- o Storing the income for the benefit of content owners;
- o Tracking the content use;
- o Distributing the income to content owners; and
- o Protecting the consumers with Internet security and content owners with digital rights management.

RAHX earns income for RRUN through a two-pronged business model: Direct to Consumer Model and Licensing Model. In the Direct to Consumer Model, RAHX provides a file exchange service or P2P media service directly to consumers and uses its file exchange software to generate transaction fees by acting as an agent to facilitate transactions between consumers and content owners. In the Licensing Model, RAHX licenses its software to other P2P media services that desire a method to generate revenue. RAHX bills these file exchange services software license fees and transaction facilitation fees. Under this model, RAHX earns a smaller transaction fee rate than in the direct to consumer model.

The Management

RRUN is operated by a team of professionals from the music, marketing, and technology sectors with core competencies in music industry licensing, Gen X & Y marketing, results-oriented business management, and systems integration software design and programming.

Company History

RRUN Ventures Inc. was founded in Vancouver, British Columbia in June of 2000. RRUN was incorporated in October 2000 under the laws of Nevada.

RRUN's key venture RAHX, Inc., was initially developed by a corporation controlled by RRUN's founders. RAHX was conceptualized as a software solution for the digital media file exchange industry. In November 2000, RRUN purchased the rights to RAHX by acquiring a controlling stake in RAHX, Inc. The first two RAHX products to emerge are the file exchange software solution RAHXWARE, and RAHX.net the promotional and support website for all RAHX products.

Currently RRUN is in start-up phase with a staff of ten and operates in Vancouver, British Columbia. To date RRUN has achieved the following:

- o Identified and secured a start-up management team;
- o Begun developing relationships with content owners;
- o Begun developing a partnership with technology firm Kaph Data Engineering;
- o Begun sourcing financing and exploring options to initiate an initial public offering;
- o Created a RAHX demo, a RAHX introductory trailer, and a RRUN website; and
- o Developed a relationship with a technology/entertainment law firm whose clients include: NARAS, AOL, Microsoft, Sony and BMG.

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RRUN's primary strength is its people. This group consists of individuals who developed their skills while dealing with the technological changes in the new economy. This group brings experience in marketing, financial software development, entertainment, technology, and project management. As a start-up, RRUN is able to move quickly and adapt to a dynamic environment. However, RRUN must also overcome the barriers that arise in the start-up phase. These barriers include the lack of:

- o Full financial capitalization to maximize operations; and
- o Strategic alliances with the major record labels and associations.

RRUN has already begun moving past these barriers through a number of steps that will be instrumental for RAHX's success. First, RRUN has used its contact base to begin recruitment of experienced advisors and executive management from the music and media industries. Second, RRUN plans to initiate an initial public offering on one of the North American Stock Exchanges. Third, RRUN is seeking to develop relationships with the major record companies in the music industry.

Products

The RAHX platform is used with the product RAHXWARE, the downloadable client software, which users use to connect to RAHX.

RAHX.COM and RAHX.net

RAHX.com and RAHX.net are complementary products to RAHX. These websites are used to promote the RAHX product line and accumulate a user base for RAHX. The RAHX.com website provides multi-media content to inform and entertain users and the RAHX.net site provides customer support to RAHX licensees.

Product Benefits

RRUN believes that RAHX offers the best file exchange solution for consumer, music artists, and copyright owners.

First, RAHX is designed to accurately record, collect, and distribute music royalties to their rightful owners. Since digital music emerged on the Internet, record companies have been searching for a viable system that allows them to use a financial system that will appeal to consumers. The RAHX Platform allows for consumers to purchase music for a reasonable price, and in turn deposit the money into the account of the copyright owner.

Second, if other P2P media services employ the RAHX financial subsystem, RRUN expects that it will save record companies and copyright owners the time and money lost in lawsuits.

Third, RRUN anticipates that through RAHX, artists and record labels can generate revenue for no additional costs. For every dollar generated on a sale of a CD, tape, or vinyl record, the artist and record label incurs costs due to the manufacturing and marketing dollars spent on the physical recording. With digital music, there is no additional manufacturing or marketing costs as the music product of the artist and record label is only a digital file of a sound recording.

Fourth, RRUN believes that RAHX will allow consumers to easily locate outdated or hard-to-find songs; and can provide compensation to copyright owners for these music recordings. Many times record companies stop distributing music recordings because it may be too expensive to manufacture and inventory product that is not in high demand. As a result, consumers are unable to find older music, and artists are not able earn revenue from these potential sales. RAHX can provide a system that will benefit both consumers and artists.

Fifth, RRUN expects that RAHX will give independent artists an opportunity to showcase their talent and generate revenue from the sales of their music. Through RAHX, independent artists will have another medium that directly distributes their music over the Internet. As a result, artists can maximize their revenues and retain control of their music.

Technology

RAHX combines standard Internet and EDI protocols with XML programming and various other software tools.

RAHX consists of four subsystems:

- o File Exchange System
- o Content Management System
- o Commercial Transaction System
- o Digital Rights Management System

These four systems are integrated to function as one unified RAHX system.

From System Architecture Design to Alpha and Beta releases and testing to full release, RAHX will be developed at an accelerated cycle of six to nine months. The development will require a staff of 25; consisting of programmers/integrators, project managers, and a projected budget of \$2 million.

The technology behind RAHX produces the following features and capabilities:

- o Royalty tracking - RAHX compiles accounting of all music single downloads by detailing copyright owners and accurately reporting music royalty remittance;
- o Customer debit accounts - RAHX establishes debit accounts for its customers to facilitate their purchases of downloaded music;
- o Transaction facilitation - RAHX uses a transaction-facilitating engine that simultaneously debits the account of a buyer and credits the accounts of the music owners;
- o Catalogue database - RAHX syncs with new and existing and new music databases to accurately identify all music recordings within the exchange network; and
- o Firewall protection - RAHX provides a security firewall to protect end users.

RRUN intends to file for a patent on RAHX and all of its components

when it completes its working prototype.

Although the technology used to create RAHX is proprietary, RRUN expects that others will be able to substantially reproduce the patented results within six months. To remain on the leading edge,

RRUN expects that it must devote a minimum of approximately 5% of revenues towards RAHX research and development.

Intellectual Property

Patents

The RAHX platform is a proprietary property consisting of numerous individual proprietary assets. RRUN has begun to prepare the necessary documents to achieve its' patents. RRUN has begun preparing the system architecture designs that will accompany the patent applications.

In patenting RAHX and its' subsystems, RRUN will patent the base concept, business model, and subsequently the data model architecture.

The patenting will include software/hardware components at a high level. Individual software and/or hardware components built to work within the initial framework of the RAHX platform will also undergo copyright, followed by patenting.

It takes two to three years to complete a patent, so as the system grows, it is initially copyrighted and a patent is filed when the entire system is integrated. At the inception phase any component will be linked to a manufacturing process that may be copyrighted for uniqueness, and included in the design requirements for the patent.

Trademarks

RRUN has already begun the process of preparing the documents necessary to obtain trademarks for the following:

- o RRUN Ventures Inc.;
- o RAHX, Inc.;
- o RAHX.com;
- o RAHX.net;
- o RAHX; and
- o RAHXWARE.

As more names are created for the RAHX and its subsystems, RRUN will continue to obtain trademarks for their protection.

Potential Liability From Digital Distribution of Copyrighted Music

Operation of RRUN's digital platform may result in liabilities or levels of unacceptance that may affect its profitability. Specifically, one or more of the factors listed below may result in liability or levels of unacceptance that may harm its present or future operations:

1) If RRUN's products and services do not accurately or completely provide rights reporting information, record companies and artists might not use its platform to digitally deliver their recorded music, and its business might be harmed.

2) RRUN might incur liability for the content of the recorded music that it digitally delivers for the following reasons:

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- o Because RRUN digitally delivers recorded music to third parties, it might be sued for negligence, copyright infringement, trademark infringement or other reasons.
- o These claims might include, among others, claims that by hosting, directly or indirectly, the websites of third parties, it is liable for copyright or trademark infringement or other wrongful actions by these third parties through these websites.
- o While RRUN has taken steps to prevent these claims, we cannot assure you that RRUN will successfully defend these claims. Even if a claim does not result in liability, RRUN could incur significant costs in investigating and defending against them.

3) RRUN's success and ability to compete substantially depends on its internally developed technologies and trademarks, which it protects through the application of patent, copyright, trade secret and trademark laws. However:

- o Patent applications or trademark registrations may not be approved. Even if they are approved, its patents or trademarks may be successfully challenged by others or invalidated.
- o If its trademark registrations are not approved because third parties own these trademarks, its use of these trademarks would be restricted unless it enters into arrangements with the third-party owners, which might not be possible on

commercially reasonable terms or at all.

- o Despite its efforts to protect its proprietary rights from unauthorized use or disclosure, parties may attempt to disclose, obtain or use its solutions or technologies.
- o The steps RRUN has taken may not prevent others from misappropriating its solutions or technologies in foreign countries where laws or law enforcement practices may not protect its proprietary rights as fully as in the United States.

Protection of Proprietary Rights

RRUN's success and ability to compete substantially depends on its internally developed technologies and trademarks, which it protects through a combination of patent, copyright, trade secret and trademark laws. Patent applications or trademark registrations may not be approved. Even if they are approved, its patents or trademarks may be successfully challenged by others or invalidated. If its trademark registrations are not approved because third parties own these trademarks, its use of these trademarks would be restricted unless it enters into arrangements with the third-party owners, which might not be possible on commercially reasonable terms or at all. The primary forms of intellectual property protection for its products and services internationally are patents and copyrights. Patent protection throughout the world is generally established on a country-by-country basis.

To date, RRUN has not applied for any patents outside the United States. It may do so in the future. Copyrights throughout the world are protected by several international treaties, including the Berne Convention for the Protection of Literary and Artistic Works. Despite these international laws, the level of practical protection for intellectual property varies among countries. In particular, United States government officials have criticized various countries, including China and Brazil, for inadequate intellectual property protection. If its intellectual property is infringed in any country without a high level of intellectual property protection, its business could be harmed. RRUN generally enters into confidentiality or license agreements with its employees, consultants and corporate partners, and

generally controls access to and distribution of its technologies, documentation and other proprietary information.

Despite its efforts to protect its proprietary rights from unauthorized use or disclosure, parties may attempt to disclose, obtain or use its solutions or technologies. The steps RRUN has taken may not prevent others from misappropriating its solutions or technologies, particularly in foreign

countries where laws or law enforcement practices may not protect its proprietary rights as fully as in the United States. RRUN has licensed, and it may license in the future, certain proprietary rights to third parties. While it attempts to ensure that the quality of its brand is maintained by its business partners, they may take actions that could impair the value of its proprietary rights or its reputation. In addition, these business partners may not take the same steps RRUN has taken to prevent others from misappropriating its solutions or technologies.

Market Research

P2P Industry

P2P computing facilitates direct person-to-person communication, information, and file sharing from one PC to another. P2P distributes processing power, file storage, and network traffic to the edges of the net, thus allowing individual computer users to exchange video, music and text files without the involvement of a centralized source or server.

P2P computing differs from the traditional server based system by:

- o Enabling users to retain control and privacy over their information compared with posting personal data to a central server
- o Eliminating multiple database support compared with a single "hub" of information on your PC
- o Enabling live file and information viewing compared with a more static environment
- o Reducing data transfer times and facilitating a richer, more personal communications experience

Before P2P media services emerged, Internet users located music over the web by spending countless hours searching millions of websites for specific music recordings, or by visiting MP3 music sites like MP3.com and Emusic.com, where they were given access to a limited amount of music and were required to pay for it. As a result, consumers were not able to find the specific music they were searching for in a cost-effective manner. Napster was the first P2P media service to enter the market and provide users with a convenient method of locating music. Users were now able to type a music title in a search field and any computer that contained the search item throughout the network was displayed.

Most of the P2P media services have not generated any form of revenue. The tendency of these companies is to release the software, build a user base then hope to leverage that customer group to generate advertising revenue. Since the inception of P2P technology, no universally accepted revenue model has emerged from Napster, Gnutella, iMesh or any of the other current P2P media services..

Although there is no current research available regarding the potential size of the P2P market, RRUN believes that a large market exists for its product. Its expectations stem from the fact that music is

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only the first of many digital file types that will be transferred between computers over the Internet. For example, consumers are already able to trade movies in the controversial Div-X format. Just like MP3s changed the music industry, Div-X is doing the same for the movie industry. Div-X movies are DVD quality and can be copied from a PC hard drive to a regular CD. The CD is then played in a standard DVD player. Other digital files currently being exchanged over P2P media services are e-books, text documents, photo images, and software programs. As a result, RRUN believes that the consumer demand for these P2P media services can only continue to expand, resulting in potentially greater revenue streams for companies that possess a sustainable business model.

Recent News and Changes

Since RRUN's inception, several actions have taken place that can effect how the industry and financial markets view RRUN and its RAHX project. First, BMG and Napster have decided to form an alliance. This is significant in that BMG is one of the major record labels that are suing Napster. BMG has shown the entire media industry that P2P technologies are viable and potentially lucrative innovations that must be embraced rather than halted. Furthermore, this alliance has opened up new opportunities as other P2P media services will attempt to form separate partnerships with each of the record labels.

Second, Scour Exchange, another P2P media service recently declared bankruptcy. Scour was forced to do so because the financial community did not view investing in a company without a revenue model as a wise choice. This recent news gives further validity to RAHX as RRUN believes that it has developed a feasible P2P model that can generate revenue.

Third, Intel has recently made a strategic business move to fund P2P companies through their Intel Capital division. At the same time Intel has created a P2P working group among 17 companies, including IBM and Hewlett Packard. This move signifies the importance of P2P and media services like RAHX, and how these systems have the potential to expand the scope of the Internet.

Competition

Competitors

Currently there are over 25 music P2P services on the Internet, and seven, Napster, Gnutella, Hotline, Cute MX, iMesh, AudioGalaxy, and Spin Frenzy,

have emerged as the major participants due to their claims of large consumer user bases. Because these companies were the first group to offer P2P media services, and because they charge no user fees, they claim they have been able to quickly amass large user bases. As a result, these companies have gained an initial head start over RAHX.

However, the recent bankruptcy filing by Scour and the alliance between BMG and Napster prove that these companies cannot continue offering copyrighted material for free. Napster has proposed implementing a subscription model, and when this financial system is placed in the next six months, a percentage of Napster's user base will look for an alternative to paying flat monthly fees. RRUN believes that RAHX, which may charge for downloads but is designed to offer superior quality and advanced features, will emerge as the best alternative.

Currently, all of the competitors to RAHX fail to offer security to their users through the use of technology features like firewalls. In a P2P network, where all users are directly connected to one another, security becomes a major issue as the system allows hackers easy access into the computers of users.

RRUN's Competitive Advantages

Through the RAHX technology, RRUN aims to differentiate itself from competitors and penetrate the market quickly through a number of competitive advantages it believes it possesses.

First, RAHX is developed to give consumers added security through a built-in firewall and virus scan component. Management believes no competitor offers any security device for their users. As competitors begin to implement some type of revenue system over the next 12 months, management believes users are expected to shy away from paying for a system that does not protect their hard-drives.

Second, RRUN is developing RAHX to maintain quality standards to ensure consumers receive a level of quality assurance regarding the music recording(s) they have purchased. On the current P2P media services, management believes there are no quality ratings to ensure users receive the correct music recording(s). Management believes users currently take a chance each time they download, and are often disappointed that by the end of their download. Downloading a song can take anywhere from thirty seconds to one hour, and sometimes consumers receive a song with very poor sound quality.

Third, RAHX is designed to account for every downloaded music recording, ensuring the owners receive credit. Currently, management believes no competitor can properly track whom the music file belongs to through their P2P

network.

Marketing Plan

Key Objectives

RRUN's marketing strategy will be a key factor in achieving success in its overall strategic plan. Effectively executing the marketing strategy will help the Company realize the following objectives:

1. Develop a RAHX.net brand awareness;
2. Build a strong RAHX customer base;
3. Develop RAHX awareness in the file exchange industry; and
4. Complete licensing agreements with P2P media services.

The Company will execute its marketing strategy for RAHX over three periods. The marketing strategy covers elements of distribution, promotion, and pricing. The marketing strategy spans across two years in accordance with the aforementioned implementation plan. (i.e. the RRUN Ventures Inc. initial implementation is planned over a period of two phases totaling twenty-four (24) months. Each phase is broken down into a number of stages that range from two to three months). During each phase and subsequent stages the marketing strategy evolves in accordance with development and distribution of RAHX.

The periods are broken down into the following (based on the aforementioned Implementation Plan):

- o Phase 1 - Stages A through E: October 1, 2000 - September 30, 2001
- o Phase 2 - Stages A and B: October 1, 2001 - March 30, 2002
- o Phase 2 - Stages C and D: April 1 - September 30, 2002

Distribution Strategy

The objectives of the distribution strategy are:

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- 1) To most efficiently execute a rapid and widespread deployment of:
 - o The RAHX digital file exchange executable software for consumers
 - o The RAHX platform for licensees

2) To produce and launch the RAHX.com and RAHX.net websites to serve as the distribution location for the RAHXWARE software product

3) To achieve a significant distribution reach through RAHX licensee customers that would integrate the RAHX plug-in with their browser, and distribute RAHX to their users through system wide dynamic upgrades

The Distribution Strategy Implementation Timeline (as per aforementioned Implementation Plan) is as follows:

Phase 1- Stage A through E: October 1, 2000 - September 30, 2001

- o Launch of RAHX.com during Stage C (Feb 1 - April 30, 2001)

Phase 2 - Stage A and B: October 1 - March 30, 2002

- o Launch of beta version of direct to consumer RAHXWARE software during Stage A (October 1 - December 31, 2001)
- o Launch of RAHXWARE licensing product during Stage B (January 1 - March 30 - 2002)

Phase 2 - Stage C and D: April 1 - September 30, 2002

- o Continued distribution effort through sales of RAHXWARE licensing program

Promotion Strategy

The objective of the promotion strategy is to effectively invest promotion and advertising dollars to attain a critical mass of RAHX users and RAHX enabled licensees. Within the first year RRUN expects to:

- o Develop RAHX brand awareness
- o Build a base of loyal RAHX users
- o Develop relationships with digital music companies and P2P media services
- o Develop relationships with leading companies in the content industries, i.e., music, movies, publishing, etc.

The Promotion Strategy Implementation Timeline (as per aforementioned Implementation Plan) is as follows:

Phase 1- Stage A through E: October 1, 2000 - September 30, 2001

- o Launch of marketing promotional strategy for RAHX.com during Stage C (Feb 1 - April 30, 2001)
- o Launch of marketing promotional strategy for RAHXWARE Stage E (August 1 - September 30, 2001)

Phase 2 - Stage A and B: October 1 - March 30, 2002

- o Continued marketing promotional strategy for RAHXWARE and RAHX.com
- o Launch of marketing promotional strategy for RAHXWARE licensing sales program Stage B (January 1 - March 30 - 2002)

Phase 2 - Stage C and D: April 1 - September 30, 2002

- o Continued marketing promotional strategy for RAHXWARE and RAHX.com
- o Continued marketing promotional strategy for RAHXWARE licensing program

The details of the promotion strategy are as follows:

The promotional mix will revolve around Direct Sales, Internet Marketing, Trade Shows, Promotions, Advertising and Publicity in support of the launches of RAHX.com and RAHXWARE.

1) Direct Sales

RRUN intends to build a RAHX sales team that will research, develop, and maintain relationships with potential and established P2P media services. This team is expected to serve as liaisons with licensee customers and constantly be on the front lines searching out new customers at tradeshow, conventions, etc.

2) Internet Marketing

RRUN seeks to develop a marketing program that will research, develop and implement an online marketing strategy to create RAHX.com and RAHX software brand awareness and get the RAHX message to consumers and potential licensee customers. This will include search engine positioning, affiliate programs, online news releases, direct mailing lists, newsgroup monitoring, newsletter distribution, and other innovative web marketing tools still in development.

3) Trade Shows

Attendance at industry trade shows can provide RAHX with an excellent cost effective opportunity to source potential partners, competition, and other product development opportunities. The RAHX sales team would attend trade shows that focus on the digital entertainment industry.

4) Promotions

- o Promotional teams - RAHX aims to develop brand awareness in the minds of its target consumer market and increase the RAHX user base through street-level marketing tactics. The RAHX Promo Teams will visit local hot spots frequented by the target consumers, including universities, nightclubs, sporting events, etc.

- o Sponsorships - RAHX plans to sponsor entertainment, sporting, music and other events in each American market that target a typical RAHX consumer. This effort can provide an excellent opportunity to develop RAHX brand awareness and to associate the RAHX brand with the lifestyle of the target consumer.

5) Advertising

RAHX plans to implement an extensive advertising campaign in each local market to create RAHX brand awareness and increase RAHX membership. The advertising campaign will be done

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through print, radio, and the Internet. Each of these mediums will be targeted towards the consumer market.

6) Publicity

RAHX seeks to generate publicity through news releases, cutting edge publicity campaigns and, charity events. These marketing initiatives will strive to spread the RAHX name in each local market and tie RAHX in with the local community.

Pricing Strategy

RAHXWARE will be offered to consumers and licensees for free through the RAHX websites. However, as stated, consumers who download music recordings through RAHXWARE will be charged a subscription fee or a per music recording price.. RAHX and the content owners will set the actual price.

Summary of Marketing Costs under the previously mentioned marketing strategy periods (derived from the Implementation Plan):

Phase 1 - Stages A through E: October 1, 2000 - September 30, 2001
o Approximately \$ 725,000

Phase 2 - Stages A and B: October 1, 2001 - March 30, 2002
o Approximately \$ 1,300,000

Phase 2 - Stages C and D: April 1 - September 30, 2002
o Approximately \$ 1,300,000

Operations

Facilities

RRUN operates out of a leased 3600 sq. ft office/production premises in Vancouver, British Columbia in a Class B commercial building. RRUN has an option to secure additional space in the building. RRUN is likely to exceed current facilities after one year when it will either move to larger premises, or move some departments to another property.

Operating out of Vancouver, BC allows RRUN access to a highly talented labor pool at a much lower cost than it would outside of Canada.

RRUN intends to open two business development offices in New York and Los Angeles. These offices are necessary to remain in close proximity to the major media companies. In doing so, RRUN can develop the numerous business relationships necessary for success.

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Equipment

Within the first four to six months RRUN intends to invest \$1,000,000 in equipment to be used in developing products, the RAHX backend technology, and corporate file servers. In months seven to twelve, RRUN expects to invest an additional \$600,000.

Labor

RRUN intends to employ 22 people within the first three months and plans to grow to 50 within a year. It plans to use a number of resources in locating and recruiting talent.

Annual salaries for staff and executives will range through four levels: \$36,000, \$60,000, \$100,000 and \$150,000.

RRUN also has a stock option plan. 535,000 options have been issued to officers and employees under the plan. An additional 608,000 options were issued to consultants.

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PRINCIPAL SHAREHOLDERS

The table below lists as of the date of this Prospectus, the beneficial ownership of our voting securities by each person known by us to be the beneficial owner of more than 5% of our securities, as well as the securities beneficially owned by all our directors and officers. The table indicates the number and percentage of shares held before and after the proposed acquisition. Unless specifically indicated, the shareholders listed possess sole voting and investment power with respect to the shares shown.

Directors, Officers and 5% Stockholders	Shares Beneficially Owned Prior to Acquisition		Shares to be Beneficially Owned After Acquisition	
	Number	Percent	Number	Percent
550605 B.C. Ltd.(5) 4th Floor, 62 W. 8th Avenue Vancouver, B.C. V5Y 1M7	0	0	140,700 (1)	6.3%
Ray A. Hawkins(5) 71-1075 Granville Street Vancouver, B.C. V6Z 1L4	0	0	162,489 (2)	7.3%
Pavel Bains(5) 9351 Granville Street Richmond, B.C. V6Y 1P9	0	0	131,500 (2)	5.9%
Edwin Kwong(5) 986 W. 37th Avenue Vancouver, B.C. V5Z 2L5	0	0	119,000 (2)	5.4%
Saya Kyvrikosaios(5) #306 - 1139 West Broadway Vancouver, B.C. V6H 1G1	0	0	119,000 (2)	5.4%
Pickwick Company(6) #267 - 1755 Robson Street Vancouver, B.C. V6G 3B7	0	0	200,000 (3)	9.0%
Gurpal Johal(5) 18536 58 B Street Surry, B.C. V3S 5X9	0	0	200,000 (3)	9.0%
EMH, LLC(7) 25 Flint Hill Road West Tisbury, MA 02575 USA	0	0	80,000 (3)	3.6%
Carl Jennings(5) 7413 Oskaloosa Drive Derwood, MD 20855-2651	0	0	103,000 (3)	4.6%

Christine Cerisse Suite 104, 1456 St. Paul St. Kelowna, British Columbia Canada V1Y 2E6	30.4%	152,000	6.8%
Bob Hemmerling Suite 104, 1456 St. Paul St. Kelowna, British Columbia Canada VIY 2E6	30.4%	152,000	6.8%
All United Management directors and officers as a group (2 persons)	60.8%	N/A	N/A0%
All RRUN directors and officers as a group (3 persons)		1,775,689 (4)	79.3%

(1) Ray A. Hawkins owns 74% of 550605 B.C. Ltd.

(2) Includes 100,000 shares issuable upon the exercise of options.

(3) Issuable upon the exercise of options.

(4) Includes 300,000 shares issuable upon the exercise of options.

(5) These RRUN shareholders will receive the shares indicated upon consummation of the merger. None of the investors in the offering are currently or will be holders of 5% or more of our securities immediately after the merger.

(6) Pickwick Company is 100% owned by Lawrence Austin, 520-177 Telegraph Rd., Bellingham, WA 98226.

(7) EMH, LLC is 100% owned by Norman B. Hall, 25 Flint Hill Rd, West Tisbury, MA 02575.

All the stock shown above are common stock. The balance of our outstanding Common stock are held by 8 persons.

MANAGEMENT

Christine M. Cerisse, 45, President and sole Director, was appointed to her position on January 29, 1999. Ms. Cerisse has spent over 19 years in the financial industry in the field of financial planning and financial management. She is a Chartered and Registered Financial Planner and has been a principal in both a financial planning company and a broker dealer company. Ms. Cerisse has provided management and business consulting for start-up project teams, as well as been a principal in various entrepreneurial businesses including real estate development and property management, product distribution networks and several environmental companies. Ms. Cerisse has over twenty five years involvement in managing her own corporate portfolio of investments, including residential, commercial, and industrial properties, stocks, bonds, commodities and other securities. She devotes a nominal part of her time to our business.

Prior "Blank Check" Experience

Christine M. Cerisse has no prior experience as an officer of a blank check company, and has no prior direct experience in identifying emerging companies for investment and/or business combinations. As of the date of this Prospectus, Ms. Cerisse has not raised capital or attempted to raise capital for a blank check company.

Upon consummation of the merger, our directors and officers will be as follows:

Name	Age	Position
Ray Hawkins	31	Director, President and CEO
Edwin Kwong	29	Director, COO
Saya Kyvrikosaios	32	Director, VP Product and Technology Development

RRUN Resumes

Ray Hawkins - Director, President & CEO. As the President & CEO, Mr. Hawkins duties include the forging of business development, securing of partnerships, and overseeing product development, and marketing campaigns.

Mr. Hawkins is a serial entrepreneur with over a decade of experience in the fields of media, entertainment, and marketing. From 1990-1995, Mr. Hawkins operated his own music artist management firm, RAH Talent. During that time Mr. Hawkins also acted as the CEO of Empire Communications, a record label that produced a number of cutting edge music artists. From 1993-1997 Mr. Hawkins acted as a music consultant, procuring cutting edge music for movie and television production houses like Paramount Pictures and video game companies like Electronic Arts. From 1996-1999 Mr. Hawkins was the founder, President, and CEO of TAXI Communications Network Inc., a leading edge media and marketing firm that produced a popular local culture magazine, TAXI Vancouver, and developed

urban based marketing campaigns for companies like Labatt Breweries, Universal Music, Virgin Megastore and Molson Canada.

Edwin Kwong - Director, COO. Mr. Kwong uses his background in finance and project management to oversee the day-to-day operations of RRUN.

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Mr. Kwong has over 5 years of international management consulting experience in Project Management and Finance in Canada and Asia. In 1993 Mr. Kwong received a Bachelor of Commerce in Finance from the University of British Columbia. In 1996 Mr. Kwong received a Graduate Diploma in Asian Pacific Management. From 1994-1996 Mr. Kwong worked as Investment Advisor Assistant for Great Pacific Management in Vancouver. From 1996 to 1997 Mr. Kwong acted as a consultant in Hong Kong for Manulife International Ltd. and Ernst and Young Management Consulting. From 1997-1998 Mr. Kwong was a Project Executive for Hopewell Holdings in Hong Kong and Indonesia. In 1998 Mr. Kwong completed his Level 1 examination in the Chartered Financial Analyst program. From 1999-2000 Mr. Kwong was the Senior Business Specialist for Intria Items Inc., a financial technology solutions division of Canadian Imperial Bank of Commerce.

Saya Kyvrikosaios - Director, VP Product and Technology Development. Mr. Kyvrikosaios is a well-diversified management and technology professional and uses his skills and experience to lead the product and technology development for RRUN.

From 1991-1995 Mr. Kyvrikosaios acted as the Branch Manager and Implementation Consultant for Laurentian Bank. From 1995-1998 Mr. Kyvrikosaios was the Project Manager and Technology Implementation Consultant for Credit Union Enterprise Datawest Ltd. From 1998-2000 Mr. Kyvrikosaios acted as the Project Leader of Western Canada for INTRIA Items Inc., a subsidiary of the Canadian Imperial Bank of Commerce. In 1999 Mr. Kyvrikosaios received his Bachelor's degree in Business Administration from Simon Fraser University.

The above listed officers and directors will serve until the next annual meeting of the shareholders or until their death, resignation, retirement, removal, or disqualification, or until their successors have been duly elected and qualified. Vacancies in the existing Board of Director are filled by majority vote of the remaining Directors. The officers serve at the will of the Board of Directors. There are no family relationships between any executive officer and director.

Conflicts of Interest

Members of our management are associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as our officers and directors. Because the officers and directors are engaged in other business activities, management

anticipates it will devote only a minor amount of time to our affairs. As a result, we may not identify a viable acquisition candidate within 18 months of the date of this prospectus.

Our officers and directors are now and may in the future become shareholders, officers or directors of other companies that may be formed for the purpose of engaging in business activities similar to those conducted by us. Accordingly, additional direct conflicts of interest may arise in the future with respect to individuals acting on our behalf or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities that come to these individuals' attention in the performance of their duties. We do not currently have a right of first refusal pertaining to opportunities that come to management's attention where the opportunity may relate to our proposed business operations.

The officers and directors are, so long as they remain officers or directors, subject to the restriction that all opportunities contemplated by our plan of operation that come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to us and the other companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the officers' or directors' fiduciary duties. If we or the companies that the officers and directors are affiliated with both desire to take advantage of an opportunity, then those officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if we should decline to do so. Except

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as stated above, we have not adopted any other conflict of interest policy with respect to those transactions.

EXECUTIVE COMPENSATION

United

Ms. Cerisse has not received any compensation for her services rendered to us. Also, Ms. Cerisse is not accruing any compensation under any agreement with us.

No retirement, pension, profit sharing, stock option or insurance programs or other similar programs have been adopted by us.

RRUN

RRUN's officers have agreed to act without cash compensation until authorized by the Board of Directors. They have accepted and executed stock

options agreements in lieu of current cash compensation.

RRUN will execute management compensation agreements with their current executives within 60 days of the date we consummate the merger. None of the directors are accruing any compensation under any agreement with RRUN.

<TABLE>

SUMMARY COMPENSATION TABLE

<CAPTION>

Name	Annual Compensation Title	Salary	Options	Long Term Compensation Exercise Price
Expiration Date	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
Ray Hawkins	CEO	\$0	100,000	\$.10
12/1/03				
Edwin Kwong	COO	\$0	100,000	\$.10
12/1/03				
Saya Kyvrikosaios	VP	\$0	100,000	\$.10
12/1/03				

No retirement, pension or insurance programs or other similar programs have been adopted by RRUN for the benefit of its employees.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

United

There have been no related party transactions, or any other transactions or relationships.

RRUN

In November 2000, RRUN issued 4,200,000 shares at an ascribed value of

\$209,315 to founding shareholders and to a company controlled by certain founding shareholders as part of the acquisition of its technology asset.

As of December 8, 2000, RRUN Ventures, Inc. owed a total of \$29,861.59 to RRUN Ventures, Inc.'s President and CEO, Ray Hawkins. There is no loan agreement in place for funds forwarded to RRUN Ventures, Inc. This debt is interest free and has no specific terms of repayment.

LEGAL PROCEEDINGS

There is no litigation pending or threatened by or against us.

MARKET FOR OUR COMMON STOCK

There is no trading market for our common stock at present and there has been no trading market to date. Management has not undertaken any discussions with any prospective market maker concerning the participation in the aftermarket for our securities and management does not intend to initiate any discussions until we have consummated a merger or acquisition. We cannot guarantee that a trading market will ever develop or if a market does develop, that it will continue.

Market Price

Our common stock is not quoted at the present time. The Securities and Exchange Commission has adopted a Rule that defines a "penny stock," for 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:

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

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- o 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.
- o To approve a person's account for transactions in penny stocks, the broker or dealer must:
- o obtain financial information and investment experience and objectives of the person; and
- o make a reasonable determination that the transactions in penny

stocks are suitable for that person and that 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,

- o sets forth the basis on which the broker or dealer made the suitability determination; and
- o 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 stock in both public offering and in secondary trading, and about 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.

We cannot predict whether, upon a successful merger or acquisition, we will qualify our securities for listing on Nasdaq or some other national exchange, or be able to maintain the maintenance criteria necessary to insure continued listing. Failure to qualify our securities or to meet the relevant maintenance criteria after qualification in the future could mean that our securities would not be traded on a national exchange. However, trading, if any, in our securities may then continue in the non-Nasdaq over-the-counter market. As a result, a shareholder may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our securities.

Escrow

The common stock under this offering will remain in escrow until our closing of a business combination with RRUN under the requirements of Rule 419. There are currently ten holders of our outstanding common stock. The outstanding common stock was sold in reliance upon an exemption from registration contained in Section 4(2) of the Securities Act. None of our officers, directors, current shareholders or any of their affiliates or associates purchased any of the shares in this offering.

Penny Stock Regulation

Our securities are not currently quoted on any recognized quotation medium. While we cannot assure you that a public market will ever develop for our common stock, if a market should develop, trading our common stock would be subject to the requirements of certain rules promulgated under the Securities Exchange Act of 1934, which require additional disclosure by broker-dealers in connection with any trades involving a stock defined as a penny stock. A penny

stock is generally any non-Nasdaq equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These

rules require the delivery, prior to any penny stock transaction, of a disclosure scheduled explaining the penny stock market and the risks associated them, and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers, accredited investors and institutions. For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. The additional burdens imposed upon broker-dealers by these requirements may discourage them from effecting transactions in our securities, which could severely limit the liquidity of our securities and the ability of purchasers in this offering to sell the securities in the secondary market.

Dividends

We have not paid any dividends to date, and have no plans to do so in the immediate future.

Transfer Agent

We do not have a transfer agent at this time.

DESCRIPTION OF SECURITIES

Our authorized capital stock consists of 100,000,000 shares, of common stock, par value \$.0001 per share. There are 500,000 shares of common stock issued and outstanding, as of the date of this filing.

Common Stock

All shares of common stock have equal voting rights and, when validly issued and outstanding, are entitled to one vote per share in all matters to be voted upon by shareholders. The shares of common stock have no preemptive, subscription, conversion or redemption rights and may be issued only as fully paid and nonassessable shares. Cumulative voting for electing directors is not permitted, which means that the holders of a majority of the issued and outstanding shares of common stock represented at any meeting where a quorum is present will be able to elect the entire Board of Directors if they so choose. In that event, the holders of the remaining shares of common stock will not be able to elect any directors. In the event we are liquidated, each shareholder is entitled to receive a proportionate share of our assets available for distribution to shareholders after the payment of liabilities and after

distribution in full of preferential amounts, if any. All shares of our common stock issued and outstanding are fully paid and nonassessable. Holders of stock are entitled to share pro rata in dividends and distributions with respect to the common stock, as may be declared by the Board of Directors out of legally available funds.

There are no outstanding options or warrants to purchase, or securities convertible into, our common equity. The 500,000 shares of our common stock currently outstanding are restricted securities as that term is defined in the Securities Act.

RRUN Options

RRUN has issued 535,000 options to its officers and employees, and 608,000 options to consultants. We are assuming the stock option plan and agreements as part of the merger.

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SHARES ELIGIBLE FOR FUTURE RESALE

There has been no public market for our common stock and we cannot assure you that a significant public market for our common stock will be developed or be sustained after this offering. Sales of substantial amounts of common stock in the public market after this offering, or the possibility of substantial sales, could harm prevailing market prices for the common stock or our future ability to raise capital through an offering of equity securities.

If 100% of the investors reconfirm their investment, we will have 788,420 shares outstanding. The 288,420 shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act unless purchased by "affiliates" of United Management, Inc., as that term is defined in Rule 144 under the Securities Act described below. The 305,839 shares to be issued when the merger is consummated will be restricted stock under Rule 144.

RRUN has issued 535,000 options to its officers and directors under its stock option plan. An additional 608,000 options were issued to consultants. These options will be assumed by us as part of the merger transaction.

REPORTS TO STOCKHOLDERS

We are subject to the information requirements of the Securities

Exchange Act of 1934. We file reports and other information with the Securities and Exchange Commission. We intend to furnish our shareholders, after the close of each fiscal year, an annual report that will contain audited financial statements certified by our independent certified public accountants. We may also furnish our shareholders quarterly reports containing unaudited financial information. RRUN's fiscal year ends on December 31.

LEGAL MATTERS

The validity of the shares offered under this prospectus is being passed upon for us by Evers & Hendrickson LLP of San Francisco, California.

EXPERTS

Our financial statements as of the period ended June 30, 2000, and included in this prospectus and in the registration statement, have been so included in reliance upon the reports of Cordovano & Harvey, P.C., independent certified public accountants, included in this prospectus, and upon the authority of the firm as experts in accounting and auditing.

RRUN's financial statements as of the period ended November 15, 2000, and included in this prospectus and in the registration statement, have been so included in reliance upon the reports of Morgan & Company, Chartered Accountants, independent accountants, included in this prospectus, and upon the authority of the firm as experts in accounting and auditing.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Article XII of the Articles of Incorporation and Article VI of our Bylaws, as amended, state certain indemnification rights. Our Bylaws provide that we will possess and may exercise all powers of indemnification of officers, directors, employees, agents and other persons and all incidental powers and authority. Our Board of Directors is authorized and empowered to exercise all of our powers of

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indemnification, without shareholder action. Our assets could be used or attached to satisfy any liabilities subject to indemnification.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

The Nevada Revised Statutes, as amended, authorize us to indemnify any director or officer under certain prescribed circumstances and subject to certain limitations against certain costs and expenses, including attorneys' fees actually and reasonably incurred in any action, suit or proceedings,

whether civil, criminal, administrative or investigative, to which the person is a party by reason of being a director or officer if it is determined that the person acted under the applicable standard of conduct stated in the statutory provisions. Our directors and officers are indemnified to the full extent permitted by Nevada law in our Articles of Incorporation.

We may also purchase and maintain insurance for the benefit of any director or officer that may cover claims for situations where we could not provide indemnification.

Although indemnification for liabilities arising under the '33 Act may be permitted to officers, directors or persons controlling us under Nevada law, we have been informed that in the opinion of the U.S. Securities and Exchange Commission, this form of indemnification is against public policy as expressed in the '33 Act, and is considered unenforceable.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In January, 2000, we appointed Cordovano & Harvey, P.C. to replace Kish, Leake & Associates, P.C. as our principal accountants. The report of Kish, Leake & Associates, P.C. on our financial statements did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles. We had no disagreements with them on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. We did not consult with Cordovano & Harvey, P.C. on any accounting or financial reporting matters in the periods prior to their appointment. The change in accountants was approved by the Board of Directors. We filed a Form 8-K with the Commission (File No. 000-27233) on January 24, 2000.

UNITED MANAGEMENT, INC.

PROXY FOR SPECIAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of UNITED MANAGEMENT, INC., a Nevada corporation, hereby acknowledges receipt of the Notice of Special Meeting of Shareholders and Proxy Statement/Prospectus, each dated August 3, 2001, and

hereby appoints Christine Cerisse as proxy and attorney-in-fact, with full power of substitution, on behalf and in the name of the undersigned, to represent the undersigned at the Special Meeting of Shareholders of UNITED MANAGEMENT, INC., to be held on August 13, 2001 at 9:00 a.m., local time, at Suite 104, 1456 St. Paul St., Kelowna, British Columbia V1Y 2E6, Canada, and any adjournment(s) or postponement(s) thereof, and to vote all shares of common stock which the undersigned would be entitled to vote if then and there personally present, on the matters set forth on the reverse side.

PROPOSAL TO APPROVE THE MERGER, APPROVE AND ADOPT THE MERGER AGREEMENT AND APPROVE THE ISSUANCE OF SHARES PURSUANT TO THE MERGER AGREEMENT.

[] FOR [] AGAINST [] ABSTAIN

In their discretion, the proxies are authorized to vote upon such other matter(s) which may properly come before the meeting and at any adjournment(s) thereof.

MARK HERE FOR ADDRESS CHANGE AND NOTE BELOW []

THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR THE APPROVAL OF THE MERGER, THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT, AND THE APPROVAL OF THE ISSUANCE OF SHARES OF UNITED COMMON STOCK PURSUANT TO THE MERGER AGREEMENT.

Such attorney or substitute shall have and may exercise all of the powers of said attorney-in-fact hereunder.

Dated: _____

Signature

Signature

(This proxy should be marked, dated, signed by the shareholder(s) exactly as his or her name appears hereon, and returned promptly in the enclosed envelope. Persons signing in a fiduciary capacity should so indicated. If shares are held by joint tenants or as community property, both should sign.)

WRITTEN CONSENT OF THE STOCKHOLDERS OF
RRUN VENTURES, INC.
IN LIEU OF SPECIAL MEETING

As authorized by Section 78.325 of the Nevada Revised Statutes and by Section 6 of the bylaws of RRUN Ventures, Inc. (the "Corporation"), the undersigned, constituting record holders of (i) a majority of the issued and outstanding common stock of the Corporation, without a meeting and based upon this written consent, do hereby take and consent to the following action:

APPROVAL OF AGREEMENT AND PLAN OF REORGANIZATION

WHEREAS, the Boards of Directors of United Management, Inc. ("United") and this Corporation believe that it is advisable and in the best interests of the corporations and their stockholders that this Corporation succeed United through a reverse merger (the "Merger") of this Corporation and United, as provided in the Agreement and Plan of Reorganization dated as of December 18, 2000 by and among United and RRUN Corporation (the "Merger Agreement"); and

WHEREAS, the Board of Directors of this Corporation found that the Merger is fair and in the best interests of this Corporation's stockholders.

RESOLVED: That the stockholders of this Corporation hereby approve the terms of the Merger and hereby adopt the Merger Agreement;

RESOLVED FURTHER: That the said Merger Agreement and the terms and conditions set forth and provided therein are hereby in all respects approved, adopted, authorized, and agreed to;

RESOLVED FURTHER: That the proper officers of this Corporation are hereby authorized and directed to execute and file a certificate of merger in the office of the Secretary of the State of the State of Nevada; and

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RESOLVED FURTHER: That this Written Consent may be executed in one or more counterparts each of which shall constitute an original, but all of which, taken together, shall constitute one instrument.

IN WITNESS WHEREOF, the undersigned has duly executed this Written Consent as of the date hereof:

Dated: August ____, 2001

[STOCKHOLDER]

Name of Authorized Representative
(if shareholder is an institution)

Title (if applicable)

Signature

Number of Shares Held

Common Stock _____

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NEVADA REVISED STATUTES

NRS 92A.380 Right of stockholder to dissent from certain corporate actions and to obtain payment for shares.

1. Except as otherwise provided in NRS 92A.370 and 92A.390, a stockholder is entitled to dissent from, and obtain payment of the fair value of his shares in the event of any of the following corporate actions:

(a) Consummation of a plan of merger to which the domestic corporation is a party:

(1) If approval by the stockholders is required for the merger by NRS 92A.120 to 92A.160, inclusive, or the articles of incorporation and he is entitled to vote on the merger; or

(2) If the domestic corporation is a subsidiary and is merged with its parent under NRS 92A.180.

(b) Consummation of a plan of exchange to which the domestic corporation is a party as the corporation whose subject owner's interests will be acquired, if he is entitled to vote on the plan.

(c) Any corporate action taken pursuant to a vote of the stockholders to the

event that the articles of incorporation, bylaws or a resolution of the board of directors provides that voting or nonvoting stockholders are entitled to dissent and obtain payment for their shares.

2. A stockholder who is entitled to dissent and obtain payment under NRS 92A.300 to 92A.500, inclusive, may not challenge the corporate action creating his entitlement unless the action is unlawful or fraudulent with respect to him or the domestic corporation. (Added to NRS by 1995, 2087)

NRS 92A.410 Notification of stockholders regarding right of dissent.

1. If a proposed corporate action creating dissenters' rights is submitted to a vote at a stockholders' meeting, the notice of the meeting must state that stockholders are or may be entitled to assert dissenters' rights under NRS 92A.300 to 92A.500, inclusive, and be accompanied by a copy of those sections.

2. If the corporate action creating dissenters' rights is taken by written consent of the stockholders or without a vote of the stockholders, the domestic corporation shall notify in writing all stockholders entitled to assert dissenters' rights that the action was taken and send them the dissenter's notice described in NRS 92A.430. (Added to NRS by 1995, 2089; A 1997, 730)

NRS 92A.420 Prerequisites to demand for payment for shares.

1. If a proposed corporate action creating dissenters' rights is submitted to a vote at a stockholders' meeting, a stockholder who wishes to assert dissenter's rights:

(a) Must deliver to the subject corporation, before the vote is taken, written notice of his intent to demand payment for his shares if the proposed action is effectuated; and

(b) Must not vote his shares in favor of the proposed action.

2. A stockholder who does not satisfy the requirements of subsection 1 and NRS 92A.400 is not entitled to payment for his shares under this chapter. (Added to NRS by 1995, 2089; 1999, 1631)

NRS 92A.430 Dissenter's notice: Delivery to stockholders entitled to assert rights; contents.

1. If a proposed corporate action creating dissenters' rights is authorized at a stockholders' meeting, the subject corporation shall deliver a written dissenter's notice to all stockholders who satisfied the requirements to assert those rights.

2. The dissenter's notice must be sent no later than 10 days after the effectuation of the corporate action, and must:

(a) State where the demand for payment must be sent and where and when certificates, if any, for shares must be deposited;

(b) Inform the holders of shares not represented by certificates to what extent the transfer of the shares will be restricted after the demand for payment is received;

(c) Supply a form for demanding payment that includes the date of the first announcement to the news media or to the stockholders of the terms of the proposed action and requires that the person asserting dissenter's rights certify whether or not he acquired beneficial ownership of the shares before that date;

(d) Set a date by which the subject corporation must receive the demand for payment, which may not be less than 30 nor more than 60 days after the date the notice is delivered; and

(e) Be accompanied by a copy of NRS 92A.300 to 92A.500, inclusive. (Added to NRS by 1995, 2089)

NRS 92A.440 Demand for payment and deposit of certificates; retention of rights of stockholder.

1. A stockholder to whom a dissenter's notice is sent must:

(a) Demand payment;

(b) Certify whether he acquired beneficial ownership of the shares before the date required to be set forth in the dissenter's notice for this certification; and

(c) Deposit his certificates, if any, in accordance with the terms of the notice.

2. The stockholder who demands payment and deposits his certificates, if any, before the proposed corporate action is taken retains all other rights of a stockholder until those rights are canceled or modified by the taking of the proposed corporate action.

3. The stockholder who does not demand payment or deposit his certificates where required, each by the date set forth in the dissenter's notice, is not entitled to payment for his shares under this chapter. (Added to NRS by 1995, 2090; A 1997, 730)

NRS 92A.450 Uncertificated shares: Authority to restrict transfer after demand for payment; retention of rights of stockholder.

1. The subject corporation may restrict the transfer of shares not represented

by a certificate from the date the demand for their payment is received.

2. The person for whom dissenter's rights are asserted as to shares not represented by a certificate retains all other rights of a stockholder until those rights are canceled or modified by the taking of the proposed corporate action. (Added to NRS by 1995, 2090)

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NRS 92A.460 Payment for shares: General requirements.

1. Except as otherwise provided in NRS 92A.470, within 30 days after receipt of a demand for payment, the subject corporation shall pay each dissenter who complied with NRS 92A.440 the amount the subject corporation estimates to be the fair value of his shares, plus accrued interest. The obligation of the subject corporation under this subsection may be enforced by the district court:

- (a) Of the county where the corporation's registered office is located; or
- (b) At the election of any dissenter residing or having its registered office in this state, of the county where the dissenter resides or has its registered office. The court shall dispose of the complaint promptly.

2. The payment must be accompanied by:

- (a) The subject corporation's balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, a statement of income for that year, a statement of changes in the stockholders' equity for that year and the latest available interim financial statements, if any;
- (b) A statement of the subject corporation's estimate of the fair value of the shares;
- (c) An explanation of how the interest was calculated;
- (d) A statement of the dissenter's rights to demand payment under NRS 92A.480; and
- (e) A copy of NRS 92A.300 to 92A.500, inclusive. (Added to NRS by 1995, 2090)

NRS 92A.470 Payment for shares: Shares acquired on or after date of dissenter's notice.

1. A subject corporation may elect to withhold payment from a dissenter unless he was the beneficial owner of the shares before the date set forth in the dissenter's notice as the date of the first announcement to the news media or to the stockholders of the terms of the proposed action.

2. To the extent the subject corporation elects to withhold payment, after taking the proposed action, it shall estimate the fair value of the shares, plus accrued interest, and shall offer to pay this amount to each dissenter who agrees to accept it in full satisfaction of his demand. The subject corporation shall send with its offer a statement of its estimate of the fair value of the shares, an explanation of how the interest was calculated, and a statement of the dissenters' right to demand payment pursuant to NRS 92A.480. (Added to NRS by 1995, 2091)

NRS 92A.480 Dissenter's estimate of fair value: Notification of subject corporation; demand for payment of estimate.

1. A dissenter may notify the subject corporation in writing of his own estimate of the fair value of his shares and the amount of interest due, and demand payment of his estimate, less any payment pursuant to NRS 92A.460, or reject the offer pursuant to NRS 92A.470 and demand payment of the fair value of his shares and interest due, if he believes that the amount paid pursuant to NRS 92A.460 or offered pursuant to NRS 92A.470 is less than the fair value of his shares or that the interest due is incorrectly calculated.

2. A dissenter waives his right to demand payment pursuant to this section unless he notifies the subject corporation of his demand in writing within 30 days after the subject corporation made or offered payment for his shares. (Added to NRS by 1995, 2091)

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NRS 92A.490 Legal proceeding to determine fair value: Duties of subject corporation; powers of court; rights of dissenter.

1. If a demand for payment remains unsettled, the subject corporation shall commence a proceeding within 60 days after receiving the demand and petition the court to determine the fair value of the shares and accrued interest. If the subject corporation does not commence the proceeding within the 60-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

2. A subject corporation shall commence the proceeding in the district court of the county where its registered office is located. If the subject corporation is a foreign entity without a resident agent in the state, it shall commence the proceeding in the county where the registered office of the domestic corporation merged with or whose shares were acquired by the foreign entity was located.

3. The subject corporation shall make all dissenters, whether or not residents of Nevada, whose demands remain unsettled, parties to the proceeding as in an action against their shares. All parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

4. The jurisdiction of the court in which the proceeding is commenced under

subsection 2 is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers have the powers described in the order appointing them, or any amendment thereto. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

5. Each dissenter who is made a party to the proceeding is entitled to a judgment:

(a) For the amount, if any, by which the court finds the fair value of his shares, plus interest, exceeds the amount paid by the subject corporation; or

(b) For the fair value, plus accrued interest, of his after-acquired shares for which the subject corporation elected to withhold payment pursuant to NRS 92A.470. (Added to NRS by 1995, 2091)

NRS 92A.500 Legal proceeding to determine fair value: Assessment of costs and fees.

1. The court in a proceeding to determine fair value shall determine all of the costs of the proceeding, including the reasonable compensation and expenses of any appraisers appointed by the court. The court shall assess the costs against the subject corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously or not in good faith in demanding payment.

2. The court may also assess the fees and expenses of the counsel and experts for the respective parties, in amounts the court finds equitable:

(a) Against the subject corporation and in favor of all dissenters if the court finds the subject corporation did not substantially comply with the requirements of NRS 92A.300 to 92A.500, inclusive; or

(b) Against either the subject corporation or a dissenter in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously or not in good faith with respect to the rights provided by NRS 92A.300 to 92A.500, inclusive.

3. If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the subject

corporation, the court may award to those counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefited.

4. In a proceeding commenced pursuant to NRS 92A.460, the court may assess the costs against the subject corporation, except that the court may assess costs against all or some of the dissenters who are parties to the proceeding, in amounts the court finds equitable, to the extent the court finds that such parties did not act in good faith in instituting the proceeding.

5. This section does not preclude any party in a proceeding commenced pursuant to NRS 92A.460 or 92A.490 from applying the provisions of N.R.C.P. 68 or NRS 17.115. (Added to NRS by 1995, 2092)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by Registrant [X]
Filed by a party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to ss.240.14a-12

UNITED MANAGEMENT, INC.

(Name of Registrant as Specified In Its Charter)

Board of Directors - United Management, Inc.

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee Paid:

Fee paid previously with preliminary materials.

66

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

67

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

Filing Party:

Date Filed:

68

UNITED MANAGEMENT, INC.

Suite 104-1456 St. Paul St., Kelowna,
British Columbia, Canada V1Y 2E6

PROXY STATEMENT

For the Annual Meeting of Shareholders
to be held on November 24, 2000

This Proxy Statement and the accompanying proxy are furnished to the shareholders of United Management, Inc. (the "Company") in connection with the solicitation of proxies by the Board of Directors for use at the 2000 Annual Meeting of Shareholders (the "Annual Meeting"). The Annual Meeting will be held on Friday, November 24, 2000, beginning at 9:00 am at the Company's headquarters, located at Suite 104-1456 St. Paul St., Kelowna, British Columbia, Canada V1Y 2E6, and at any postponements or adjournments of the Annual Meeting. The Annual and Interim Report of the Company for the year ended June 30, 2000, the Notice of Annual Meeting, this Proxy Statement and the enclosed proxy were initially mailed to the shareholders on or about November 11, 2000. The enclosed proxy is being solicited by the Board of Directors of the Company.

The Company is paying all costs of preparing, assembling and mailing this Proxy Statement. The Company has made arrangements to forward copies of proxy materials to brokerage houses, custodians, nominees and fiduciaries for forwarding of proxy soliciting material to the beneficial owners of the Common Stock of the Company at the Company's expense. In addition to the solicitation of proxies by mail, some of the officers, directors and regular employees of the Company may without additional compensation solicit proxies by telephone or personal interview. The Company will bear the costs of these solicitations.

Voting and Revocability of Proxies

Shareholders are encouraged to complete the enclosed proxy and return it to the Company as soon as possible. Any person who completes the enclosed

proxy may revoke it at any time prior to its exercise by delivering to the Secretary of the Company either a signed statement revoking the proxy or a properly executed proxy bearing a later date. A shareholder may also revoke a proxy by attending the Annual Meeting and voting his or her shares personally. Proxies that have been properly dated, signed and returned will be voted in accordance with the instructions given by the shareholder. If a proxy is signed and returned but no voting instructions are given, each valid proxy will be voted in the election of directors FOR those nominees presented by the Board of Directors and FOR approval of Cordovano & Harvey, P.C. as the independent auditors of the Company and FOR approval of Foley & Lardner as the Company's outside counsel. Should any other business properly come before the Annual Meeting, the person or persons named as the proxy shall be allowed to vote on such matter as that person or those persons determine in his, her or their sole discretion.

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Abstentions will be counted as shares present or represented and entitled to vote for the purposes of determining whether a quorum exists at the Annual Meeting. Broker non-votes are deemed to be not present for the purposes of determining whether a quorum exists.

Shareholders of record as of the close of business on August 25, 2000 are entitled to notice of the Annual Meeting and to vote in person or by proxy. The Common Stock of the Company (the "Common Stock") is the only class of outstanding securities entitled to vote at the Annual Meeting. As of the close of business on August 25, 2000, there were 500,000 shares of Common Stock outstanding and entitled to vote. The presence of a majority of the outstanding shares of Common Stock, either in person or by proxy, will constitute a quorum at the Annual Meeting.

PROPOSAL NUMBER 1

ELECTION OF DIRECTORS

The Company's Bylaws provide that the Board of Directors shall consist of between one and five members, with the exact number of directors between one and five to be determined by the Board of Directors. The Board of Directors has set the number of directors at two, and there are currently two members of the Board of Directors.

Persons may be nominated for election to the Board of Directors by the shareholders upon the making of a proper motion at the Annual Meeting.

Two directors are to be elected at the Annual Meeting to serve until the following annual meeting of shareholders. The Board of Directors will present at the Annual Meeting for election and recommends a vote FOR the following nominees: Christina Cerisse and Bob Hemmerling. Each nominee was

recommended unanimously by the Board of Directors for presentation to the shareholders for election at the Annual Meeting. Each nominee is currently a member of the Board of Directors.

Persons receiving a plurality of the votes cast at the Annual Meeting will be elected to the Board of Directors. A "plurality" means that the individuals who receive the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen. Votes against any candidate and any shares not voted (such as by abstention or broker non-votes) will have no impact on the election of directors. All proxies will be voted FOR the election of each of these nominees unless authority to vote for the election of any nominee or nominees is withheld by the shareholder giving the proxy. If any nominee should unexpectedly decline or be unable to act as a director, the proxies may be voted for a substitute nominee to be designated by the Board of Directors. The Board of Directors does not believe that any nominee will decline to serve.

Shareholders are entitled to one vote for each share held.

Background information with respect to the two nominees for election to the Board of Directors is set forth below.

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NOMINEES FOR ELECTION TO BOARD OF DIRECTORS

Christine M. Cerisse, President, was appointed to her position on January 29, 1999. Ms. Cerisse has spent over 19 years in the financial industry in the field of financial planning and financial management. She is a Chartered and Registered Financial Planner and has been a principal in both a financial planning company and a broker dealer company. Ms. Cerisse has provided management and business consulting for start-up project teams, as well as been a principal in various entrepreneurial businesses including real estate development and property management, product distribution networks and several environmental companies. Ms. Cerisse has over twenty five years involvement in managing her own corporate portfolio of investments, including residential, commercial, and industrial properties, stocks, bonds, commodities and other securities. She devotes a nominal part of her time to our business.

Robert Hemmerling, Secretary, Treasurer and a director, was appointed to his positions with the Company on April 21, 1997. In addition to his positions with the Company, since September 1996, Mr. Hemmerling has been employed with Strathmore Resources, Ltd., Kelowna, British Columbia in the investor relations department. Strathmore Resources is engaged in the business of acquiring and developing uranium properties. Prior, from January 1996 through August 1996, Mr. Hemmerling was unemployed. From January 1992 through December 1995, Mr. Hemmerling was an electrician with Concord Electric, Kelowna, British Columbia. He devotes only such time as necessary to the business of the Company,

which time is expected to be nominal.

Directors are elected at annual meetings of the shareholders to terms which extend until the following annual meeting. Officers are appointed by, and serve at the discretion of, the Board of Directors.

The Board of Directors met once in 2000 as of the date of this Proxy Statement. Each director has attended all of the meetings of the Board of Directors during such period as that director has been a member of the Board of Directors.

No members of the Board of Directors are currently compensated for attending meetings of the Board of Directors.

There are no agreements between the Company and any of its officers or directors which concern changes of control of the Company.

Reports under Section 16(a) of the Exchange Act

Pursuant to Rules 16a-2(a) and 16b-3(a), the Company's directors, executive officers and principal shareholders were not required to file an initial Form 3, and are not required to file a Form 5.

SECURITIES OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding the number of shares of the voting securities which each director, each nominee for election to the Board of Directors the percentage of shares which the executive officers and directors owned as a group as of August 25, 2000. The only class of equity securities which has a present right to vote in elections of directors is the Common Stock.

<TABLE>

<CAPTION>

Number of Shares Name (1) Beneficially Owned	Percent of Class	Director	
		Since	Address
<S>	<C>	<C>	
Christine Cerisse 152,000	30.4	1999	Suite 104-1456 St. Paul St., Kelowna, British Columbia, Canada V1Y 2E6

Bob Hemmerling	1997	Suite 104-1456 St. Paul St.,
152,000	30.4	Kelowna, British Columbia,
		Canada V1Y 2E6

All Executive Officers and Directors		
304,000	60.8	

</TABLE>

EXECUTIVE COMPENSATION

Compensation of Executive Officers

None of our officers and/or directors receive any compensation for their respective services rendered unto the Company, nor have they received such compensation in the past. They all have agreed to act without compensation until authorized by the Board of Directors, which is not expected to occur until the we have generated revenues from operations after consummation of a merger or acquisition. As of the date of this registration statement, the Company has no funds available to pay directors. Further, none of the directors are accruing any compensation pursuant to any agreement with the Company.

PROPOSAL NUMBER 2

APPROVAL OF INDEPENDENT AUDITORS

The Board of Directors has selected Cordovano & Harvey, P.C. ("Cordovano & Harvey") as the independent auditors for the Company for the fiscal year ending June 30, 2000.

On January 19, 2000, the Company was informed by J.D. Kish, CPA, the engagement partner responsible for the Company's audit, that Kish, Leake & Associates, P.C. ("Kish, Leake") was resigning. On January 21, 2000, the Company retained the firm of Cordovano & Harvey, P.C. as its new auditors. The Board of Directors made this determination after receiving a recommendation from Kish, Leake.

The report of Kish, Leake & Associates, P.C. on the financial statements of the Company did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or

accounting principles. The Company has had no disagreements with its former principal accountants on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which disagreements, if not resolved to the satisfaction of the former principal accountants, would have caused it to make reference to the subject matter of the disagreements in connection with its report relating to its audit for the Company.

It is not anticipated that representatives of Cordovano & Harvey or Kish, Leake will be present at the Annual Meeting. If representatives are present, they will be provided an opportunity to make a statement should they wish to do so and to respond to appropriate questions.

The Board of Directors recommends a vote "FOR" approval of Cordovano & Harvey as the Company's independent auditors for the fiscal year ending June 30, 2000.

PROPOSAL NUMBER 3

APPROVAL OF OUTSIDE COUNSEL

The Board of Directors has selected Foley & Lardner as the outside counsel.

On July 15, 2000, the Company was informed by Antoine M. Devine, Esq., the engagement partner responsible for the Company's legal representation, that Evers & Hendrickson, LLP was dissolving, and that the Corporate/Securities Department was moving to Foley & Lardner. On August 1, 2000, the Company retained the firm of Foley & Lardner as its new outside counsel.

It is not anticipated that representatives of Foley & Lardner or Evers & Hendrickson, LLP will be present at the Annual Meeting. If representatives are present, they will be provided an opportunity to make a statement should they wish to do so and to respond to appropriate questions.

The Board of Directors recommends a vote "FOR" approval of Foley & Lardner as the Company's outside counsel.

SUBMISSION OF SHAREHOLDER PROPOSALS FOR 2001 ANNUAL MEETING OF SHAREHOLDERS

The 2001 Annual Meeting of Shareholders has been scheduled to take place on August 25, 2001. Shareholder proposals for presentation at that meeting must be received by the Company by no later than May 15, 2001.

OTHER BUSINESS

It is not intended that any business other than that set forth in the Notice of Annual Meeting and more specifically described in this Proxy Statement will be brought before the Annual Meeting. If any other business should properly come before the Annual Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their best judgment on that business or any matters dealing with the conduct of the Annual Meeting pursuant to the discretionary authority granted in the proxy.

November 10, 2000

By Order of the Board of Directors,

/s/ Christine Cerisse

Christine Cerisse,
President

Upon written request of any person whose proxy is being solicited hereby, the Company will provide without charge a copy of the Company's Annual Report on Form 10-KSB for the year ended June 30, 2000, which was filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, including the financial statements and schedules thereto, but without exhibits. All such requests may be directed to: Christine Cerisse, President, Express Investments Associates, Inc., Suite 104-1456 St. Paul St., Kelowna, British Columbia, Canada V1Y 2E6.

FINANCIAL STATEMENTS

UNITED MANAGEMENT, INC.

The following financial statements are attached to this report and filed as a part of this Registration Statement.

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FINANCIAL STATEMENTS

RRUN VENTURES, INC.

The following financial statements are attached to this report and filed as a part of this Registration Statement.

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To the Board of Directors and Shareholders

Independent Auditors' Report

We have audited the balance sheet of United Management, Inc. (a development stage company) as of June 30, 2000 and the related statements of operations, shareholders' equity and cash flows for the year ended June 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Management, Inc. as of June 30, 2000, and the related statements of operations and cash flows for the year ended June 30, 2000 in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company has a substantial dependence on the success of its development stage activities, significant losses since inception, lack of liquidity, and a working capital deficiency at June 30, 2000. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters are also described in Note A. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Cordovano and Harvey, P.C
Denver, Colorado
July 17, 2000

Independent Auditors' Report

We have audited the accompanying balance sheet of United Management, Inc. (a development stage company) as of June 30, 1999 (not separately included herein)

and the related statements of income, shareholders' deficit, and cash flows for the fiscal year ended June 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Management, Inc. at June 30, 1999, and the results of its operations and cash flows for the fiscal year ended June 30, 1999 in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 5 (not separately included herein), the Company is in the development stage and has no operations as of June 30, 1999. The deficiency in working capital as of June 30, 1999 raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are described in Note 5 (not separately included herein). The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Kish, Leake, and Associates, P.C.
Certified Public Accountants
Englewood, Colorado
August 24, 1999

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

BALANCE SHEET

June 30, 2000

ASSETS

TOTAL ASSETS \$ -
=====

LIABILITIES AND SHAREHOLDERS' (DEFICIT)

LIABILITIES

Accounts payable and accrued liabilities	\$ 3,235	-----
TOTAL LIABILITIES	3,235	-----

SHAREHOLDERS' (DEFICIT)

Common stock, \$.0001 par value, 100,000,000 shares authorized, 500,000 shares issued and outstanding	50	
Additional paid-in capital	15,670	
Deficit accumulated during the development stage	(18,955)	-----
TOTAL SHAREHOLDERS' (DEFICIT)	(3,235)	-----
	\$ -	=====

See accompanying notes to financial statements

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENTS OF OPERATIONS

	Year Ended		January 29, 1997
	June 30, 2000	June 30, 1999	(inception) Through June 30, 2000
	-----	-----	-----
COSTS AND EXPENSES			(unaudited)
Legal fees	\$ 8,421	\$ -	\$ 8,421
Accounting fees	2,233	1,623	3,856
Licenses and fees	253	350	603
Printing costs	6,025	-	6,025
Stock-based compensation for			

organizational costs (Note B)	-	-	50
	-----	-----	-----
LOSS FROM OPERATIONS	(16,932)	(1,973)	(18,955)
	-----	-----	-----
INCOME TAX BENEFIT (EXPENSE) (NOTE C)			
Current tax benefit	3,223	376	3,609
Deferred tax expense	(3,223)	(376)	(3,609)
	-----	-----	-----
NET LOSS	\$ (16,932)	\$ (1,973)	\$ (18,955)
	=====	=====	=====
BASIC AND DILUTED			
LOSS PER COMMON SHARE	\$ (0.03)	\$ *	\$ (0.04)
	=====	=====	=====
BASIC AND DILUTED WEIGHTED AVERAGE			
COMMON SHARES OUTSTANDING	500,000	500,000	500,000
	=====	=====	=====

* Less than .01 per share

See accompanying notes to financial statements

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

	Year Ended		January 29, 1997
	June 30, 2000	June 30, 1999	(inception) Through June 30, 2000
	-----	-----	-----
OPERATING ACTIVITIES			(unaudited)
Net loss	\$ (16,932)	\$ (1,973)	\$ (18,955)
Non-cash transactions:			
Stock-based compensation for			
organizational costs (Note B)	-	-	50
Third party expenses paid by			

affiliate on behalf of the company, recorded as additional-paid-in capital	15,670	-	15,670
Changes in operating assets and liabilities:			
Accounts payable and accrued liabilities	1,262	1,973	3,235
	-----	-----	-----
NET CASH (USED IN) OPERATING ACTIVITIES	\$ -	\$ -	\$ -
	-----	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-	-
	-----	-----	-----
NET CHANGE IN CASH	-	-	-
Cash, beginning of period	-	-	-
	-----	-----	-----
CASH, END OF PERIOD	\$ -	\$ -	\$ -
	=====	=====	=====

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest	\$ -	\$ -	\$ -
	=====	=====	=====
Income taxes	\$ -	\$ -	\$ -
	=====	=====	=====

Non-cash financing activities:

500,000 shares common stock issued for services	\$ -	\$ -	\$ 50
	=====	=====	=====

See accompanying notes to financial statements

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<TABLE>

UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)

January 29, 1997 (inception) through June 30, 2000

<CAPTION>

Deficit			Preferred Stock		Common Stock	
Additional	Accumulated					
Paid-In	During		Shares	Amount	Shares	Amount
Capital	Development	Total				
	Stage					
-----	-----	-----	-----	-----	-----	-----
<S>			<C>	<C>	<C>	<C>
<C>	<C>	<C>				
Beginning balance, January 29, 1997			-	\$ -	-	\$ -
-	\$ -	\$ -				\$ -
Common stock issued in exchange for organization costs			-	-	500,000	50
-	-	50				
Net loss for the period ended March 31, 1997			-	-	-	-
-	(50)	(50)				
-----	-----	-----	-----	-----	-----	-----
	BALANCE, JUNE 30, 1997		-	-	500,000	50
-	(50)	-				
Net loss for year ended June 30, 1998 ..			-	-	-	-
-	-	-				
-----	-----	-----	-----	-----	-----	-----
	BALANCE, JUNE 30, 1998		-	-	500,000	50
-	(50)	-				
Net loss for year ended June 30, 1999 ..			-	-	-	-
-	(1,973)	(1,973)				
-----	-----	-----	-----	-----	-----	-----
	BALANCE, JUNE 30, 1999		-	-	500,000	50
-	(2,023)	(1,973)				
Third party expenses paid by an affiliate on behalf of the Company			-	-	-	-
15,670	-	15,670				
Net loss for year ended June 30, 2000 ..			-	-	-	-
-	(16,932)	(16,932)				

-----	-----	-----	-----	-----	-----	-----	-----
	BALANCE, JUNE 30, 2000		-	\$	-	500,000	\$ 50
\$15,670	\$(18,955)	\$ (3,235)					
=====	=====	=====	=====	=====	=====	=====	=====

See accompanying notes to financial statements.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note A: Organization and summary of significant accounting policies

Organization

United Management, Inc. (the "Company") was incorporated under the laws of Nevada on January 29, 1997 to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. The Company is a development stage enterprise in accordance with Statement of Financial Accounting Standard (SFAS) No. 7.

The Company has been in the development stage since inception and has no operations to date.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company is a development stage company with no revenue as of June 30, 2000 and has incurred losses of \$(16,932), \$(1,973) and \$(18,955) for the years ended June 30, 2000 and 1999 and for the period January 29, 1997 (inception) through June 30, 2000, respectively. The Company has no operating history or revenue, no assets, and continuing losses which the Company expects will continue for the foreseeable future. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time. An affiliate of the Company plans to continue advancing funds on an as needed basis and in the longer term, revenues from the operations of a merger candidate, if found. The Company's continuation as a going concern is dependent upon continuing capital advances from an affiliate and commencing operations or locating and consummating a business combination with an operating company. There is no assurance that the affiliate will continue to provide capital to the Company or that the Company can commence

operations or identify such a target company and consummate such a business combination. These factors, among others, raise substantial doubt 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.

Summary of significant accounting policies

Cash equivalents

The Company's financial instruments consist of accounts payable and accrued liabilities. For financial accounting purposes and the statement of cash flows, cash equivalents include all highly liquid debt instruments purchased with an original maturity of three months or less.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note A: Organization and summary of significant accounting policies, continued

Use of estimates

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

Income Taxes

The Company reports income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes", which requires the liability method in accounting for income taxes. Deferred tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its reported amount on the financial statements. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid or refunds received, as provided under currently enacted law. Valuation allowances are established when necessary to reduce the deferred tax assets to the amounts expected to be realized. Income tax expense or benefit is the tax payable or refundable, respectively, for the period plus or minus the change during the period in the deferred tax assets and liabilities.

Loss per common share

The Company has adopted Statement of Financial Accounting Standards No. 128 ("SFAS 128") which requires the disclosure of basic and diluted earnings per share. Basic earnings per share is calculated using income available to common

shareowners divided by the weighted average of common shares outstanding during the year. Diluted earnings per share is similar to basic earnings per share except that the weighted average of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares, such as options, had been issued. The Company has a simple capital structure and no outstanding options at June 30, 2000. Therefore, dilutive earnings per share are not applicable and accordingly have not been presented

Fiscal year

The Company operates on a fiscal year ending on June 30.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note A: Organization and summary of significant accounting policies, continued

Stock based compensation

SFAS No. 123, "Accounting for Stock-Based Compensation" was issued in October 1995. This accounting standard permits the use of either a fair value based method or the method defined in Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" ("APB 25") to account for stock-based compensation arrangements. Companies that elect to use the method provided in APB 25 are required to disclose pro forma net income and earnings per share that would have resulted from the use of the fair value based method. The Company has elected to continue to determine the value of stock-based compensation arrangements under the provisions of APB 25. For stock issued to officers the fair value approximates the intrinsic value. Therefore, no pro forma disclosures are presented.

Fair value of financial instruments

SFAS 107, "Disclosure About Fair Value of Financial Instruments," requires certain disclosures regarding the fair value of financial instruments. The Company has determined, based in available market information and appropriate valuation methodologies, the fair value of its financial instruments approximates carrying value. The carrying amounts of cash, accounts payable, and other accrued liabilities approximate fair value due to the short-term maturity of the instruments.

Recently issued accounting pronouncements

The Company has adopted the following new accounting pronouncements for the year ended June 30, 2000. There was no effect on the financial statements presented from the adoption of the new pronouncements.

Statement of Financial Accounting Standard ("SFAS") No. 130, "Reporting Comprehensive Income," requires the reporting and display of total comprehensive income and its components in a full set of general-purpose financial statements.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," is based on the "management" approach for reporting segments. The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as the source of the Company's reportable segments. SFAS No. 131 also requires disclosure about the Company's products, the geographic areas in which it earns revenue and holds long-lived assets, and its major customers.

SFAS No. 132, "Employers' Disclosures about Pensions and Other Post-retirement Benefits," which requires additional disclosures about pension and other post-retirement benefit plans, but does not change the measurement or recognition of those plans.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note A: Organization and summary of significant accounting policies, concluded

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133 is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. This statement is not expected to affect the Company as the Company currently does not have any derivative instruments or hedging activities.

In June 1999, the FASB issued SFAS No. 137, which amended the implementation date for SFAS No. 133 to be effective for all fiscal quarters of all fiscal years beginning after June 15, 2000.

Statement of Position ("SOP") 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This SOP requires that entities capitalize certain internal-use software costs once certain criteria are met.

SOP 98-5, "Reporting on the Costs of Start-Up Activities." Sop 98-5 provides, among other things, guidance on the reporting of start-up costs and organization costs. It requires costs of start-up activities and organization costs to be

expensed as incurred.

The Company will continue to review these new accounting pronouncements over time to determine if any additional disclosures are necessary based on evolving circumstances.

Note B: Related party transactions

The Company maintains a mailing address at an affiliate's address. This address is Suite 106, 1456 St. Paul Street, Kelowna, B.C., Canada, V1Y 2E6. At this time the Company has no need for an office.

The Company has issued an officer 500,000 shares of common stock in exchange for services related to management and organization costs of \$50.00. The officer will provide administrative and marketing services as needed. The officer may, from time to time, advance to the Company any additional funds that the Company needs for costs in connection with searching for or completing an acquisition or merger.

The Company does not maintain a checking account and all expenses incurred by the Company have historically been paid by an affiliate. Since inception the Company incurred \$18,995 in expenses of which \$15,670 were paid by an affiliate. The affiliate does not expect to be repaid for the expenses it pays on behalf of the Company. Accordingly, as the expenses are paid, they are classified as additional-paid-in capital.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note C: Income taxes

(a)

(b) A reconciliation of U.S. statutory federal income tax rate to the effective rate for the period from January 30, 1997 (inception) through June 30, 2000 is as follows:

Year Ended	Year Ended	January 30, 1997 (inception) Through June 30, 2000
June 30, 2000	June 30, 1999	

U.S. statutory federal rate	15.00%	15.00%	15.00%
State income tax rate, net of federal benefit	4.04%	4.04%	4.04%
Net operating loss (NOL) for which no tax benefit is currently available	-19.04%	-19.04%	-19.04%
	----- 0.00%	----- 0.00%	----- 0.00%
	=====	=====	=====

The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the years ended June 30, 2000 and 1999 was \$2,848 and \$366, respectively. The change in the valuation allowance for the period from January 29, 1997 (inception) through June 30, 2000 was \$3,609. NOL carryforwards at June 30, 2000 will begin to expire in 2012. The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer impaired and the allowance is no longer required.

Should the Company undergo an ownership change, as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation which could reduce or defer the utilization of those losses.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

Notes to Financial Statements

Note D: Shareholders' equity

Common Stock

The Company initially authorized 25,000 shares of \$1.00 par value common stock. On January 29, 1997 the Board of Directors approved an increase in authorized shares to 100,000,000 and changed the par value to \$.0001. On January 29, 1997 the Company issued 500,000 shares of common stock for services valued at \$.0001 per share. The shares were valued nominally at \$50 as there was no market price for the Company's common stock as of the date of issuance.

Note D: Shareholders' equity, concluded

On June 25, 1999 the Company filed amended articles with the state of Nevada to change the authorized shares of common stock originally approved by the Board of Directors on January 29, 1997 from 25,000, no par value to 100,000,000, \$.0001 par. Nevada Revised Statutes Section 78.385 (c) treats this amendment as if it was filed on January 29, 1997, therefore, giving the Company enough shares for the original issuance of 500,000 shares of common stock.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

BALANCE SHEET
(Stated in U.S. Dollars)

	SEPTEMBER 30 2000	JUNE 30 2000
ASSETS	\$ -	\$ -
=====		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,699	\$ 3,235
Loans payable	10,790	-
	-----	-----
	12,489	3,235
	-----	-----
ShareHOLDERS' DEFICIENCY		
Share Capital		
Authorized:		
100,000,000 common shares, par value \$.0001 per share		
Issued and outstanding:		
500,000 common shares	50	50
Additional paid in capital	15,670	15,670
Deficit	(28,209)	(18,955)
	-----	-----

(12,489)

(3,235)

\$

-

\$

-

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF OPERATIONS AND DEFICIT
(Stated in U.S. Dollars)

	THREE MONTHS ENDED SEPTEMBER 30		INCEPTION JANUARY 29 1997 TO SEPTEMBER 30 2000
	2000	1999	
Expenses			
Office and sundry	\$ 2,127	\$ 2,415	\$ 8,755
Professional fees	7,127	3,487	19,404
Stock based compensation for organizational costs	-	-	50
Net Loss For The Period	9,254	5,902	\$ 28,209
Deficit, Beginning Of Period	18,955	50	
Deficit, End Of Period	\$ 28,209	\$ 5,952	
Net Loss Per Share	\$ (0.02)	\$ (0.01)	

Weighted Average Number of Shares Outstanding	500,000	500,000
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UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF CASH FLOWS
(Stated in U.S. Dollars)

	THREE MONTHS ENDED SEPTEMBER 30		INCEPTION JANUARY 29 1997 TO SEPTEMBER 30 2000
	2000	1999	2000

Cash Flow From Operating Activities			
Net loss for the period	\$ (9,254)	\$ (5,902)	\$ (28,209)
Non-cash transactions:			
Stock-based compensation for organizational costs	-	-	50
Third party expenses paid by affiliate on behalf of the Company, recorded as additional paid-in capital	-	-	15,670
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities			
Accounts payable and accrued liabilities	(1,536)	4,214	1,699
Loans payable	10,790	1,688	10,790
	-	-	-

Change In Cash	-	-	-
Cash, Beginning Of Period	-	-	-

Cash, End Of Period

\$ - \$ - \$ -

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF SHAREHOLDERS EQUITY

SEPTEMBER 30, 2000
(Stated in U.S. Dollars)

	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT	TOTAL
Shares Issued For Cash At \$0.0001	500,000	\$ 50	\$ -	\$ (50)	\$ -
Balance, June 30, 1997 And 1998	500,000	50	-	(50)	-
Loss For The Year	-	-	-	(1,973)	(1,973)
Balance, June 30, 1999	500,000	50	-	(2,023)	(1,973)
Third Party Expenses Paid By Affiliate On Behalf Of The Company, Recorded As Additional Paid-In Capital	-	-	15,670	-	15,670
Loss For The Year	-	-	-	(16,932)	(16,932)
Balance, June 30, 2000	500,000	50	15,670	(18,955)	(3,235)

Loss For The Period	-	-	-	(9,254)	(9,254)

Balance, September 30, 2000	500,000	\$ 50	\$15,670	\$(28,209)	\$(12,489)
=====					

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2000
(Stated in U.S. Dollars)

1. BASIS OF PRESENTATION

The unaudited financial statements as of September 30, 2000 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the June 30, 2000 audited financial statements and notes thereto.

2. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on January 29, 1997.

b) Development Stage Activities

The Company has been in the development stage since inception and has no operations to date.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon

future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Development Stage Company

The Company is a developed stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

b) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2000
(Stated in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial Instruments

The Company's financial instruments consist of accounts payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

d) Net Loss Per Share

Net loss per share is based on the weighted average number of common shares outstanding during the period plus common share equivalents, such as options, warrants and certain convertible securities. This method requires primary earnings per share to be computed as if the common share equivalents were exercised at the beginning of the period or at the date of issue and as if the funds obtained thereby were used to purchase common shares of the Company at its average market value during the period.

4. NEW ACCOUNTING STANDARDS

- a) Effective December 15, 1995, Statement of Financial Accounting Standards No. 123 ("SFAS-123") "Accounting for Stock-based Compensation" was adopted for United States GAAP purposes. SFAS-123 enables a company to elect to adopt a fair value methodology for accounting for stock based compensation. The Company has determined that the fair value of stock options is similar to the issue price at the time of granting. The Company does not expect to elect to adopt the fair value methodology, although the pro forma results of operations and earnings per share determined as if the fair value methodology had been applied will be disclosed as required under SFAS-123 in future years.
- b) In March, 1995, Statement of Financial Accounting Standards No. 121 (SFAS-121) "Accounting for Impairment of long-lived assets and for long-lived assets to be disposed of" was issued. Certain long-lived assets held by the Company must be reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Accordingly, the impairment loss is recognized in the period it is determined. The Company has adopted these standards. There was no material effect on its financial position or results of operations of the Company from its adoption.

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

BALANCE SHEET
(Stated in U.S. Dollars)

	DECEMBER 31 2000	JUNE 30 2000
ASSETS		
Restricted Cash (Note 4)	\$ 115,368	\$ -
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 23,504	\$ 3,235
Loans payable	13,106	-
	-----	-----
	36,610	3,235
Common Shares Subject To Reconfirmation (Note 4)	115,368	-
	-----	-----
	151,978	3,235
	-----	-----
ShareHOLDERS' DEFICIENCY		
Share Capital (Note 4)		
Authorized:		
100,000,000 common shares, par value \$0.0001 per share		
Issued and Outstanding:		
500,000 common shares at December 31, 2000 and at June 30, 2000		
	50	50
Additional paid in capital	15,670	15,670
Deficit	(52,330)	(18,955)
	-----	-----
	(36,610)	(3,235)
	-----	-----
	\$ 115,368	\$ -

<TABLE>

UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF OPERATIONS AND DEFICIT
(Stated in U.S. Dollars)

<CAPTION>

INCEPTION

JANUARY 29

1997 TO

DECEMBER 31

2000

THREE MONTHS ENDED

DECEMBER 31

2000

1999

SIX MONTHS ENDED

DECEMBER 31

2000

1999

<S>

<C>

Expenses

Office and sundry

\$ 11,070

Professional fees

41,210

Stock based compensation

for organizational costs

50

<C>

<C>

<C>

<C>

\$ 2,315

\$ 677

\$ 4,443

\$ 3,092

21,806

1,758

28,932

5,245

-

-

-

-

Net Loss For The Period

\$ 52,330

24,121

2,435

33,375

8,337

Deficit, Beginning Of Period

Deficit, End Of Period

28,209

5,952

18,955

50

52,330

8,387

\$ 52,330

\$ 8,387

Net Loss Per Share

\$ (0.04)

\$ (0.01)

\$ (0.06)

\$ (0.01)

Weighted Average Number Of Shares Outstanding	597,185	500,000	548,593	500,000
--	---------	---------	---------	---------

</TABLE>

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<TABLE>

UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF CASH FLOWS
(Stated in U.S. Dollars)

<CAPTION>

INCEPTION

JANUARY 29

1997 TO

DECEMBER 31

2000

THREE MONTHS ENDED

DECEMBER 31

2000

1999

SIX MONTHS ENDED

DECEMBER 31

2000

1999

<S>

<C>

Cash Flow From Operating
Activities

Net loss for the period	\$ (24,121)	\$ (2,435)	\$ (33,375)	\$ (8,337)
\$ (52,330)				

Non-cash transactions:

Stock-based compensation
for organizational costs

-	-	-	-
---	---	---	---

50

Third party expenses paid
by affiliate on behalf

of the Company, recorded as additional paid-in capital	-	7,812	-	7,812
15,670				
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities				
Accounts payable and accrued liabilities	21,805	(3,689)	20,269	525
23,504				
Loans payable	2,316	(1,688)	13,106	-
13,106				

	-	-	-	-

Cash Flow From Financing Activities				
Common stock subject to reconfirmation	115,368	-	115,368	-
115,368				

Change In Cash	115,368	-	115,368	-
115,368				
Cash, Beginning Of Period	-	-	-	-
-				

Cash, End Of Period	\$115,368	\$	\$115,368	\$
\$115,368				
=====				
=====				

</TABLE>

STATEMENT OF SHAREHOLDERS' DEFICIENCY

DECEMBER 31, 2000
(Stated in U.S. Dollars)

	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT	TOTAL
Shares Issued For Cash At \$0.0001	500,000	\$ 50	\$ -	\$ (50)	\$ -
Balance, June 30, 1997 And 1998	500,000	50	-	(50)	-
Loss For The Year	-	-	-	(1,973)	(1,973)
Balance, June 30, 1999	500,000	50	-	(2,023)	(1,973)
Third Party Expenses Paid By Affiliate On Behalf Of The Company, Recorded As Additional Paid-In Capital	-	-	15,670	-	15,670
Loss For The Year	-	-	-	(16,932)	(16,932)
Balance, June 30, 2000	500,000	50	15,670	(18,955)	(3,235)
Loss For The Period	-	-	-	(33,375)	(33,375)
Balance, December 31, 2000	500,000	\$ 50	\$15,670	\$ (52,330)	\$ (36,610)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000
(Stated in U.S. Dollars)

1. BASIS OF PRESENTATION

The unaudited financial statements as of December 31, 2000 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the June 30, 2000 audited financial statements and notes thereto.

2. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on January 29, 1997.

b) Development Stage Activities

The Company has been in the development stage since inception and has no operations to date.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations

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have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Use of Estimates

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

c) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

d) Financial Instruments

The Company's financial instruments consist of accounts payable and accrued liabilities, and loans payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

e) Net Loss Per Share

Net loss per share is based on the weighted average number of common shares outstanding during the period plus common share equivalents, such as options, warrants and certain convertible securities. This method requires primary earnings per share to be computed as if the

common share equivalents were exercised at the beginning of the period or at the date of issue and as if the funds obtained thereby were used to purchase common shares of the Company at its average market value during the period.

4. SHARE CAPITAL

In December 2000, the Company completed an initial public offering of 288,420 common shares at \$0.40 per share for cash proceeds of \$115,368. The proceeds of the offering and the common shares issued pursuant thereto are being held in an escrow account, and shall remain in the escrow account until an acquisition meeting specific criteria is completed. Before the acquisition can be completed, and before the deposited funds and deposited securities can be released to the Company and the investors, respectively, the Company is required to update its registration statement with a post-effective amendment, and within five business days after the effective date thereof, the Company is required to furnish the investors with the prospectus produced thereby containing the terms of a reconfirmation offer and information regarding the proposed acquisition candidate and its business. Investors must have no fewer than 20 and no more than 45 business days from the effective date of the post-effective amendment to decide to reconfirm their investment and remain an

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investor or, alternately, require the return of their investment. Each investor shall have 20 business days from the date of this prospectus to reconfirm their investment. Any investor not making any decision within the 20 business day period will automatically have their investment returned.

If the Company does not complete an acquisition meeting the specified criteria within 18 months of the effective date of its initial public offering, all of the deposited funds in the escrow account must be returned to investors.

5. ACQUISITION AGREEMENT

In December 2000, the Company executed an agreement with RRUN Ventures Inc., a private Nevada corporation, and its shareholders to acquire all of the issued and outstanding common shares of RRUN Ventures Inc. in exchange for 305,439 of the Company's common shares. Consummation of this transaction is conditional, among other things, upon the acceptance of the reconfirmation offer by the holders of at least 80% of the common shares subscribed for in the initial public offering described in Note 4.

UNITED MANAGEMENT, INC.
(A Development Stage Company)

BALANCE SHEET
(Stated in U.S. Dollars)

	MARCH 31 2001	JUNE 30 2000
<hr style="border-top: 1px dashed black;"/>		
ASSETS		
Restricted Cash (Note 4)	\$ 116,438	\$ --
<hr style="border-top: 1px dashed black;"/>		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 58,690	\$ 3,235
Loans payable	13,106	--
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	71,796	3,235
Common Shares Subject To Reconfirmation (Note 4)	115,368	--
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	187,164	3,235
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
ShareHOLDERS' DEFICIENCY		
Share Capital (Note 4)		
Authorized:		
100,000,000 common shares, par value		
\$0.0001 per share		
Issued and Outstanding:		
500,000 common shares at March 31, 2001		
and at June 30, 2000	50	50
Additional paid in capital	15,670	15,670
Deficit	(86,446)	(18,955)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
	(70,726)	(3,235)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

\$ 116,438 \$ --

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<TABLE>

INC.
Company)

UNITED MANAGEMENT,
(A Development Stage

STATEMENT OF OPERATIONS AND

DEFICIT

(Stated in U.S.

Dollars)

<CAPTION>

		INCEPTION			THREE MONTHS ENDED		
		JANUARY 29		MARCH 31			
NINE MONTHS ENDED		1997 TO					
MARCH 31		MARCH 31					
2001	2000	2001		2001		2000	
Expenses							
<S>		<C>		<C>		<C>	
<C>		<C>		<C>		<C>	
Office and sundry				\$	210	\$	1,396
\$ 4,653	\$ 4,096	\$	11,280				
Professional fees					34,976		870
63,908	6,257		76,186				
Stock based compensation for organizational costs					-		-
-	-		50				
					35,186		2,266
68,561	10,353		87,516				
Less: Interest Income					(1,070)		-

	(1,070)	-	(1,070)		
Net Loss For The Period	67,491	10,353	\$ 86,446	34,116	2,266
Deficit, Beginning Of Period	18,955	50		52,330	8,137
Deficit, End Of Period	\$ 86,446	\$ 10,403		\$ 86,446	\$ 10,403
Net Loss Per Share	\$ (0.11)	\$ (0.02)		\$ (0.04)	\$ (0.01)
Weighted Average Number Of Shares Outstanding	627,368	500,000		788,420	500,000

</TABLE>

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<TABLE>

UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF CASH FLOWS
(Stated in U.S. Dollars)

<CAPTION>

INCEPTION

JANUARY 29

THREE MONTHS ENDED

NINE MONTHS ENDED

1997 TO

MARCH 31

MARCH 31

MARCH 31

2001

2000

2001

2000

2001

Cash Flows From Operating Activities

<u><S></u>			<u><C></u>		
<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>
Net loss for the period			\$	(34,116)	\$ (2,266)
\$ (67,491)	\$ (10,353)	\$ (86,446)			
Non-cash transactions:					
Stock-based compensation for organizational costs				-	-
-	-	50			
Third party expenses paid by affiliate on behalf of the Company, recorded as additional paid-in capital				-	2,983
-	10,545	15,670			

Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities

Accounts payable and accrued liabilities				35,186	(717)
55,455	(192)	58,690			
Loans payable				-	-
13,106	-	13,106			

1,070

-

1,070

1,070

-

Cash Flows From Financing Activity

Common stock subject to reconfirmation				-	-
115,368	-	115,368			

Change In Cash

116,438

-

116,438

1,070

-

Cash, Beginning Of Period

-

-

-

115,368

-

Cash, End Of Period				\$	116,438	\$	-
\$	116,438	\$	-	\$	116,438		

=====

=====

</TABLE>

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<TABLE>

UNITED MANAGEMENT, INC.
(A Development Stage Company)

STATEMENT OF SHAREHOLDERS' DEFICIENCY

MARCH 31, 2001
(Stated in U.S. Dollars)

<CAPTION>

ADDITIONAL

PAID-IN

CAPITAL

DEFICIT

TOTAL

SHARES

AMOUNT

<S>

<C>

<C>

<C>

Shares Issued For Cash At	<C>	<C>	
\$0.0001			
-	\$	(50)	\$ -

500,000	\$	50	\$
---------	----	----	----

Balance, June 30, 1997 And 1998			
-	(50)	-	

500,000	50
---------	----

Loss For The Year			
-	(1,973)	(1,973)	

-	-
---	---

Balance, June 30, 1999			
-	(2,023)	(1,973)	

500,000	50
---------	----

Third Party Expenses Paid By Affiliate On Behalf

Of The Company, recorded as additional paid-in capital			-	-
15,670	-	15,670		
Loss For The Year			-	-
-	(16,932)	(16,932)		

Balance, June 30, 2000			500,000	50
15,670	(18,955)	(3,235)		
Loss For The Period			-	-
-	(67,491)	(67,491)		

Balance, March 31, 2001			500,000	\$ 50
15,670	\$ (86,446)	\$ (70,726)		\$
=====				

</TABLE>

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UNITED MANAGEMENT, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001
(Stated in U.S. Dollars)

1. BASIS OF PRESENTATION

The unaudited financial statements as of March 31, 2001 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in

accordance with United States generally accepted principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the June 30, 2000 audited financial statements and notes thereto.

2. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on January 29, 1997.

b) Development Stage Activities

The Company has been in the development stage since inception and has no operations to date.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Use of Estimates

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

c) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

d) Financial Instruments

The Company's financial instruments consist of accounts payable and accrued liabilities, and loans payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

e) Net Loss Per Share

The loss per share is calculated using the weighted average number of common shares outstanding during the year. Fully diluted loss per share is not presented, as the impact of the exercise of options is anti-dilutive.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001
(Stated in U.S. Dollars)

4. SHARE CAPITAL

In December 2000, the Company completed an initial public offering of 288,420 common shares at \$0.40 per share for cash proceeds of \$115,368. The proceeds of the offering and the common shares issued pursuant thereto are being held in an escrow account, and shall remain in the escrow account until an acquisition meeting specific criteria is completed. Before the acquisition can be completed, and before the deposited funds and deposited securities can be released to the Company and the investors, respectively, the Company is required to update its registration statement with a post-effective amendment, and within five business days after the effective date thereof, the Company is required to furnish the investors with the prospectus produced thereby containing the terms of a reconfirmation offer and information regarding the proposed acquisition candidate and its business. Investors must have no fewer than 20 and no more than 45 business days from the effective date of the post-effective amendment to decide to reconfirm their investment and remain an investor or, alternately, require the return of their investment. Each investor shall have 20 business days from the date of this prospectus to reconfirm their investment. Any investor not making any decision within the 20 business day period will automatically have their investment returned.

If the Company does not complete an acquisition meeting the specified criteria within 18 months of the effective date of its initial public offering, all of the deposited funds in the escrow account must be returned to investors.

5. ACQUISITION AGREEMENT

In December 2000, the Company executed an agreement with RRUN Ventures Inc., a private Nevada corporation, and its shareholders to acquire all of the issued and outstanding common shares of RRUN Ventures Inc. in exchange for 305,439 of the Company's common shares. Consummation of this transaction is conditional, among other things, upon the acceptance of the reconfirmation offer by the holders of at least 80% of the common shares subscribed for in the initial public offering described in Note 4.

AUDITORS' REPORT

To the Directors
RRUN Ventures Inc.

We have audited the consolidated balance sheet of RRUN Ventures Inc. (A Development Stage Company) as at December 31, 2000 and the consolidated statements of operations and deficit, cash flows, and stockholders' deficiency for the period then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and the results of its operations and cash flows for the period then ended in accordance with United States generally accepted accounting principles.

Vancouver, B.C.

"Morgan & Company"

February 14, 2001

Chartered Accountants

COMMENTS BY INDEPENDENT AUDITORS FOR U.S. READERS
ON CANADA-U.S. REPORTING CONFLICT

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when the financial statements are affected by significant uncertainties such as those described in Note 1(b) of the financial statements. Our report to the shareholders, dated February 14, 2001, is expressed in accordance with Canadian reporting standards, which do not permit a reference to such an uncertainty in the Auditors' Report when the uncertainty is adequately disclosed in the financial statements.

Vancouver, B.C.

"Morgan & Company"

February 14, 2001

Chartered Accountants

RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2000
(Stated in U.S. Dollars)

ASSETS

Current

Cash	\$ 10,794
Prepaid expense	500

11,294

Investment (Note 4)

6,750

\$ 18,044
=====

LIABILITIES

Current

Accounts payable	\$ 32,114
Loans and advances payable (Note 6(b))	66,803

98,917

STOCKHOLDERS' DEFICIENCY

Share Capital

Authorized:

25,000,000 common shares, par value

\$0.001 per share

Issued and Outstanding:

6,108,780 common shares

6,109

Additional paid in capital

4,622

Deficit	(91,604)

	(80,873)

	\$ 18,044
	=====

Approved by the Board of Directors:

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RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT

FROM INCEPTION ON OCTOBER 12, 2000 TO DECEMBER 31, 2000
(Stated in U.S. Dollars)

Expenses	
Administrative services	\$ 30,164
Consulting	12,609
Office and sundry	9,970
Professional fees	21,781
Travel	4,944

Minority interest in loss of subsidiary	79,468 (219)

Net Loss For The Period	79,249
Deficit, Beginning Of Period	-

Net Asset Deficiency Of Legal Parent At Date Of Reverse Take-Over Transaction	79,249

		12,355

Deficit, End Of Period	\$	91,604
		=====
Net Loss Per Share	\$	0.02
		=====
Weighted Average Number Of Common Shares Outstanding		5,943,780
		=====

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RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM INCEPTION ON OCTOBER 12, 2000 TO DECEMBER 15, 2000
(Stated in U.S. Dollars)

Cash Flows From Operating Activities		
Net loss for the period	\$	(79,249)
Adjustments To Reconcile Net Loss To Net		
Cash Used By Operating Activities		
Shares issued for other than cash		4,200
Minority interest in loss of subsidiary		(219)
Prepaid expense		(500)
Accounts payable		32,114
Loans and advances payable		66,803

		23,149

Cash Flows From Investing Activity		
Net asset deficiency of legal parent at dat of reverse take-over transaction		(12,355)

Increase In Cash		10,794

Cash, Beginning Of Period	-

Cash, End Of Period	\$ 10,794
	=====

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES

During the period, the Company issued 4,200,000 common shares at a value of \$4,200 for consulting services.

During the period, the Company acquired 67% of the issued and outstanding shares of RAHX Inc. by issuing 2,814,000 common shares at a value of \$Nil.

During the period, the Company acquired 15% of the issued and outstanding shares of Kaph Data Engineering Inc. by issuing 400,000 common shares at a value of \$6,750.

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<TABLE>

RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF STOCKHOLDERS'

DEFICIENCY

DECEMBER 31, 2000
(Stated in U.S. Dollars)

<CAPTION>

ADDITIONAL

PAID-IN

CAPITAL

DEFICIT

TOTAL

SHARES

AMOUNT

<S>

<C>

<C>

<C>

<C>

<C>

Shares Issued For Cash And Services
- \$ - \$ 4,200

4,200,000 \$ 4,200 \$

Adjustment To Number Of Shares Issued And

Outstanding As A Result Of The Acquisition Of RAHX, Inc.			
RAHX, Inc.		(4,200,000)	(4,200)
-	-	(4,200)	
RRUN Ventures Inc.		5,708,780	5,709
(1,509)	4,200		
Adjustment To Stated Value Of Stockholders' Equity To Reflect Minority Interest In The Net Assets Of RAHX, Inc. At The Acquisition Date			
(219)	-	(219)	-
Net Asset Deficiency Of Legal Parent At Date Of Reverse Take-Over Transaction			
-	(12,355)	(12,355)	-
Shares Issued To Acquire Investment In Kaph Data Engineering Inc.			
6,350	-	400,000	400
		6,750	
Loss For The Period			
-	(79,249)	(79,249)	-

Balance, December 31, 2000			
4,622	\$ (91,604)	\$ (80,873)	6,108,780 \$ 6,109 \$
=====			

</TABLE>

1. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on October 12, 2000.

b) Development Stage Activities

The Company was organized to develop innovative technology based ventures with a current emphasis on building new technologies for the entertainment and content industry. The Company's initial venture is RAHX, a business concept focused on the growing Peer-To-Peer (P2P) file exchange industry. The first branded RAHX product is Rahxware, a platform that uses P2P technologies to enable and enhance the distribution of digital media over the internet.

The Company is in the development stage, therefore, recovery of assets is dependent upon future events, the outcome of which is indeterminable. In addition, successful completion of the Company's development program and its transition, ultimately to the attainment of profitable operations, is dependent upon obtaining adequate financing to fulfil its development activities and achieve a level of sales to support its cost structure.

Management is of the opinion that sufficient short term funding will be obtained and that current negotiations with potential users of its products will be successful.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Consolidation

These consolidated financial statements include the accounts of the Company and its 67% owned subsidiary, RAHX, Inc.

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000
(Stated in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

c) Investments

Investments in companies owned less than 20% are recorded at the lower of cost or fair market value.

d) Software Development Costs

The costs to develop new software products and enhancements to existing software products will be expensed as incurred until technological feasibility has been established. Once technological feasibility has been established, any additional costs will be capitalized.

e) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

f) Financial Instruments

The Company's financial instruments consist of cash and accounts payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000
(Stated in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Net Loss Per Share

Net loss per share is calculated using the weighted average number of common shares outstanding during the period. Fully diluted loss per share is not presented as the impact of the exercise of options is anti-dilutive.

3. ACQUISITION OF SUBSIDIARY

Effective November 13, 2000, RRUN Ventures Inc. acquired 67% of the issued and outstanding shares of RAHX, Inc. by issuing 2,814,000 common shares. Since the transaction resulted in the former shareholders of RAHX, Inc. owning the majority of the issued shares of RRUN Ventures Inc., the transaction, which is referred to as a "reverse take-over", has been treated for accounting purposes as an acquisition by RAHX, Inc. of the net assets and liabilities of RRUN Ventures Inc. Under this purchase method of accounting, the results of operations of RRUN Ventures Inc. are included in these consolidated financial statements from November 13, 2000.

RRUN Ventures Inc. had a net asset deficiency at the acquisition date, therefore, the 2,814,000 common shares issued on acquisition were issued at an ascribed value of \$Nil with the net asset deficiency of \$12,355 charged to deficit. RAHX, Inc. is deemed to be the purchaser for accounting

purposes. Accordingly, its net assets are included in the consolidated balance sheet at their previously recorded amounts.

The acquisition is summarized as follows:

Current Assets	\$	11,357
Current Liabilities		23,712

Net Asset Deficiency	\$	(12,355)
		=====

4. INVESTMENT

Kaph Data Engineering Inc. - 159 common shares representing 15% of the Company's issued and outstanding common share capital	\$	6,750
		=====

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000
(Stated in U.S. Dollars)

5. STOCK OPTION PLAN

The Company has granted stock options for the purchase of up to 600,000 common shares at \$0.10 per share, and up to 518,000 common shares at \$0.25 per share. All expiring on December 1, 2003.

6. RELATED PARTY TRANSACTIONS

- a) During the period, the Company issued 4,200,000 at a value of \$4,200 to founding shareholders, and to a company controlled by certain founding shareholders for consulting services.
- b) Loans and advances payable are due to related parties, are interest free, and have no specific terms of repayment.

RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEET
(Unaudited)
(Stated in U.S. Dollars)

	MARCH 31 2001	DECEMBER 31 2000
ASSETS		
Current		
Cash	\$ 3,685	\$ 10,794
Prepaid expense	-	500
	-----	-----
	3,685	11,294
Computer Equipment, at cost less accumulated amortization	5,796	-
Investment (Note 4)	6,750	6,750
	-----	-----
	\$ 16,231	\$ 18,044
=====		
LIABILITIES		
Current		
Accounts payable	\$ 250,846	\$ 32,114
Loans and advances payable (Note 6)	183,942	66,803
	-----	-----

434,788

98,917

STOCKHOLDERS' DEFICIENCY

Share Capital

Authorized:

25,000,000 common shares,
par value \$0.001 per share

Issued and Outstanding:

6,108,780 common shares

6,109

6,109

Additional paid in capital

4,622

4,622

Deficit

(429,288)

(91,604)

(418,557)

(80,873)

\$ 16,231

\$ 18,044

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<TABLE>

RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited)
(Stated in U.S. Dollars)

<CAPTION>

INCEPTION	THREE
OCTOBER 12	MONTHS
2000 TO	ENDED
MARCH 31	MARCH 31
2001	2001

Expenses

<S>		<C>
	Administrative services	\$
43,771	\$ 73,935	
	Amortization	
226	226	
	Consulting	
267,524	280,133	
	Office and sundry	
15,034	25,004	
	Professional fees	
4,475	26,256	
	Travel	
6,654	11,598	

337,684	417,152	
	Minority interest in loss of subsidiary	-
	(219)	

Net Loss For The Period	
337,684	416,933

Deficit, Beginning Of Period	
91,604	-

Net Asset Deficiency Of Legal Parent At
Date Of Reverse Take-Over Transaction

12,355

Deficit, End Of Period		\$
429,288	\$ 429,288	

Net Loss Per Share		\$
0.06		

Weighted Average Number Of Common Shares Outstanding
6,108,780

</TABLE>

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<TABLE>

RRUN VENTURES INC.
(A Development Stage Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
(Stated in U.S. Dollars)

<CAPTION>

THREE INCEPTION
MONTHS OCTOBER 12
ENDED 2000 TO
MARCH 31 MARCH 31
2001 2001

Cash Flows From Operating Activities

<S>
<C> <C>
Net loss for the period
\$ (337,684) \$ (416,933)
Item not involving cash:
Amortization
226 226

(337,458) (416,707)

Adjustments To Reconcile Net Loss To Net

Cash Used By Operating Activities

Shares issued for other than cash

- 4,200

Minority interest in loss of subsidiary

- (219)

Prepaid expense

500 -

Accounts payable

218,732 250,846

Loans and advances payable

117,139 183,942

(1,087) 22,062

Cash Flows From Investing Activities

Net asset deficiency of legal parent at
date of reverse take-over transaction

- (12,355)

Purchase of computer equipment

(6,022) (6,022)

(6,022) (18,377)

Increase (Decrease) In Cash

(7,109) 3,685

Cash, Beginning Of Period

10,794 -

Cash, End Of Period

\$ 3,685 \$ 3,685
=====

</TABLE>

<TABLE>

INC.
Company)

RRUN VENTURES
(A Development Stage

STOCKHOLDERS' DEFICIENCY

CONSOLIDATED STATEMENT OF

MARCH 31, 2001
(Unaudited)
(Stated in U.S.

Dollars)

<CAPTION>

ADDITIONAL

PAID-IN

CAPITAL

DEFICIT

TOTAL

SHARES

AMOUNT

<S>

<C>

<C>

<C>

<C>

<C>

Shares Issued For Cash And Services

4,200,000

\$ 4,200

\$

- \$ - \$ 4,200

Adjustment To Number Of Shares
Issued And Outstanding As A
Result Of The Acquisition
Of RAHX, Inc.

RAHX, Inc.

(4,200,000)

(4,200)

- - (4,200)

RRUN Ventures Inc.

5,708,780

5,709

(1,509) 4,200

Adjustment To Stated Value Of
Stockholders' Equity To Reflect
Minority Interest In The Net
Assets Of RAHX, Inc. At The
Acquisition Date

(219) - (219)

Net Asset Deficiency Of Legal
Parent At Date Of Reverse Take-
Over Transaction

- (12,355) (12,355)

Shares Issued To Acquire Investment					
In Kaph Data Engineering Inc.			400,000		400
6,350	-	6,750			
Loss For The Period			-		-
-	(79,249)	(79,249)			

Balance, December 31, 2000			6,108,780		6,109
4,622	(91,604)	(80,873)			
Loss For The Period			-		-
-	(337,684)	(337,684)			

Balance, March 31, 2001			6,108,780	\$	6,109
4,622	\$ (429,288)	\$ (418,557)			\$
=====					
=====					

</TABLE>

RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001
(Unaudited)
(Stated in U.S. Dollars)

1. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on October 12, 2000.

b) Development Stage Activities

The Company was organized to develop innovative technology based ventures with a current emphasis on building new technologies for the entertainment and content industry. The Company's initial venture is RAHX, a business concept focused on the growing Peer-To-Peer (P2P) file exchange industry. The first branded RAHX product is Rahxware, a platform that uses P2P technologies to enable and enhance the distribution of digital media over the internet.

The Company is in the development stage, therefore, recovery of assets is dependent upon future events, the outcome of which is indeterminable. In addition, successful completion of the Company's development program and its transition, ultimately to the attainment of profitable operations, is dependent upon obtaining adequate financing to fulfil its development activities and achieve a level of sales to support its cost structure.

Management is of the opinion that sufficient short term funding will be obtained and that current negotiations with potential users of its products will be successful.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Consolidation

These consolidated financial statements include the accounts of the Company and its 67% owned subsidiary, RAHX, Inc.

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Development Stage Company

The Company is a development stage company as defined in the Statements of Financial Accounting Standards No. 7. The Company is devoting substantially all of its present efforts to establish a new business and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

c) Investments

Investments in companies owned less than 20% are recorded at the lower of cost or fair market value.

d) Software Development Costs

The costs to develop new software products and enhancements to existing software products will be expensed as incurred until technological feasibility has been established. Once technological feasibility has been established, any additional costs will be capitalized.

e) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

f) Amortization

Computer equipment is being amortized on the declining balance basis at 30% per annum.

g) Financial Instruments

The Company's financial instruments consist of cash and accounts payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001
(Unaudited)
(Stated in U.S. Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Net Loss Per Share

Net loss per share is calculated using the weighted average number of common shares outstanding during the period. Fully diluted loss per share is not presented as the impact of the exercise of options is anti-dilutive.

3. ACQUISITION OF SUBSIDIARY

Effective November 13, 2000, RRUN Ventures Inc. acquired 67% of the issued and outstanding shares of RAHX, Inc. by issuing 2,814,000 common shares. Since the transaction resulted in the former shareholders of RAHX, Inc. owning the majority of the issued shares of RRUN Ventures Inc., the transaction, which is referred to as a "reverse take-over", has been treated for accounting purposes as an acquisition by RAHX, Inc. of the net assets and liabilities of RRUN Ventures Inc. Under this purchase method of accounting, the results of operations of RRUN Ventures Inc. are included in these consolidated financial statements from November 13, 2000.

RRUN Ventures Inc. had a net asset deficiency at the acquisition date, therefore, the 2,814,000 common shares issued on acquisition were issued at an ascribed value of \$Nil with the net asset deficiency of \$12,355 charged to deficit. RAHX, Inc. is deemed to be the purchaser for accounting purposes. Accordingly, its net assets are included in the consolidated balance sheet at their previously recorded amounts.

The acquisition is summarized as follows:

Current Assets	\$ 11,357
Current Liabilities	23,712

Net Asset Deficiency	\$ (12,355)
	=====

4. INVESTMENT

Kaph Data Engineering Inc. - 159 common shares representing 15% of the Company's issued and outstanding common share capital	\$ 6,750
	=====

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RRUN VENTURES INC.
(A Development Stage Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2001
(Unaudited)
(Stated in U.S. Dollars)

5. STOCK OPTION PLAN

The Company has granted stock options for the purchase of up to 600,000 common shares at \$0.10 per share, and up to 518,000 common shares at \$0.25 per share. All expiring on December 1, 2003.

6. RELATED PARTY TRANSACTION

Loans and advances payable are due to related parties, are interest free, and have no specific terms of repayment.

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UNITED MANAGEMENT INC.
(A Development Stage Company)

INTRODUCTION TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2001, AND FOR THE YEAR ENDED JUNE 30, 2000
AND FOR THE PERIOD FROM JULY 1, 2000 TO MARCH 31, 2001
(Stated in U.S. Dollars)

The following unaudited pro-forma consolidated balance sheet, pro-forma consolidated statements of operations and explanatory notes give effect to the acquisition of RRUN Ventures Inc. by United Management Inc. Since the transaction resulted in the former shareholders of RRUN Ventures Inc. owning the majority of the issued shares of United Management Inc., the transaction, which is referred to as a "reverse take-over", has been treated for accounting purposes as an acquisition by RRUN Ventures Inc. of the net assets and liabilities of United Management Inc.

The pro-forma consolidated balance sheet, pro-forma consolidated statements of operations and explanatory notes are based on the estimates and assumptions set forth in the explanatory notes. This pro-forma consolidated balance sheet and the pro-forma consolidated statements of operations have been prepared utilizing the historical financial statements of United Management Inc. and RRUN Ventures Inc. and should be read in conjunction with the historical financial statements and notes thereto included elsewhere in this filing.

The pro-forma consolidated statements of operations have been prepared as if the acquisition had been consummated on July 1, 1999 under the purchase method of accounting and carried through to March 31, 2001. The pro-forma consolidated balance sheet has been prepared as if the acquisition was consummated on March 31, 2001.

This pro-forma consolidated financial data is provided for comparative purposes only, and does not purport to be indicative of the actual financial position or results of operations had the acquisition occurred at the beginning of the

fiscal period presented, nor are they necessarily indicative of the results of future operations.

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<TABLE>

UNITED MANAGEMENT INC.
(A Development Stage Company)

PRO-FORMA CONSOLIDATED BALANCE SHEET

MARCH 31, 2001
(Stated in U.S. Dollars)

<CAPTION>

		UNITED MANAGEMENT INC.		RRUN VENTURES INC.	
ADJUSTMENTS	PRO-FORMA				
ASSETS					
Current					
<S>		<C>		<C>	<C>
	<C>				
Cash		\$	116,438	\$	3,685
-	\$ 120,123				\$
Computer Equipment			-		5,796
-	5,796				
Investment			-		6,750
-	6,750				
		\$	116,438	\$	16,231
-	\$ 132,669				\$
LIABILITIES					
Current					
Accounts payable		\$	58,690	\$	250,846

-	\$	309,536			
Loans payable			13,106	183,942	
-		197,048			
			-----	-----	
			71,796	434,788	
-		506,584			
Common Shares Subject To Reconfirmation			115,368	-	
-		115,368			
			-----	-----	
			187,164	434,788	
-		621,952			
			-----	-----	
SHAREHOLDERS' DEFICIENCY					
Share Capital			50	6,109	(a)
(50)		6,109			
Additional Paid In Capital			15,670	4,622	(a)
50		4,622			
					(b)
(15,720)					
Deficit			(86,446)	(429,288)	(b)
18,955		(500,014)			
					(b)
(3,235)					
			-----	-----	
			(70,726)	(418,557)	
-		(489,283)			
			-----	-----	
			\$ 116,438	\$ 16,231	\$
-	\$	132,669			
			=====	=====	
			=====	=====	

</TABLE>

<TABLE>

UNITED MANAGEMENT INC.
(A Development Stage Company)

PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED JUNE 30, 2000
(Stated in U.S. Dollars)

<CAPTION>

ADJUSTMENTS	PRO-FORMA	UNITED MANAGEMENT INC.	RRUN VENTURES INC.
<S>		<C>	<C>
<C>	<C>		
Revenue		\$ -	\$ -
\$ -	\$ -		
Expenses		16,932	-
-	16,932		
Net Loss		\$ 16,932	\$ -
\$ -	\$ 16,932		
Net Loss Per Share			
	\$ 0.03		
Weighted Average Number Of Common Shares			
	593,859		
Outstanding			

</TABLE>

<TABLE>

UNITED MANAGEMENT INC.
(A Development Stage Company)

PRO-FORMA CONSOLIDATED STATEMENT OF

OPERATIONS

PERIOD ENDED JULY 1, 2000 TO MARCH

31, 2001

(Stated in U.S. Dollars)

<CAPTION>

ADJUSTMENTS	PRO-FORMA	UNITED MANAGEMENT INC.	RRUN VENTURES INC.
<S>		<C>	<C>
<C>	<C>		
Revenue		\$ -	\$ -
\$ -	\$ -		
Expenses		67,491	416,933
-	484,424		
Net Loss		\$ 67,491	\$ 416,933
\$ -	\$ 484,424		
Net Loss Per Share			
	\$ 0.82		

Weighted Average Number Of Common Shares
Outstanding

593,859

</TABLE>

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UNITED MANAGEMENT INC.
(A Development Stage Company)

NOTES AND ASSUMPTIONS TO THE UNAUDITED CONSOLIDATED PRO-FORMA
BALANCE SHEET AND PRO-FORMA STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2000
AND FOR THE PERIOD FROM JULY 1, 2000 TO MARCH 31, 2001
(Stated in U.S. Dollars)

1. ORGANIZATION AND BASIS OF PRESENTATION

The unaudited pro-forma consolidated balance sheet and consolidated statements of operations have been prepared based on historical financial information, using U.S. generally accepted accounting principles of United Management Inc. for the year ended June 30, 2000, and for the nine months ended March 31, 2001, and of RRUN Ventures Inc. for the period from inception on October 12, 2000 to March 31, 2001 considering the effects of the reverse take-over transaction as if the transaction was completed effective July 1, 1999 in the case of the pro-forma consolidated statements of operations, and effective March 31, 2001 in the case of the pro-forma consolidated balance sheet.

2. ASSUMPTION

The number of common shares used in the calculation of the pro-forma net loss per share data is based on the weighted average number of common shares outstanding during the period adjusted to give effect to shares assumed to be issued, had the transaction referred to above been consummated July 1, 1999.

3. PRO-FORMA ADJUSTMENTS

[BACK COVER]

Part II. Information Not Required In Prospectus

Item 24. Indemnification of officers and directors

The information required by this Item is incorporated by reference to "Indemnification of Officers and Directors" in the Prospectus.

Item 25. Other Expenses of Issuance and Distribution

Our estimated expenses in connection with the issuance and distribution of the securities being registered are estimated to be as follows:

Securities and Exchange Commission filing fee	\$	53.00
Blue Sky filing fees		500.00
Legal fees and expenses		60,000.00
Printing		1,500.00
Marketing expenses		1,000.00
Miscellaneous		500.00

Total	\$	63,553.00
		=====

Management will bear all expenses shown above, except legal fees of \$15,000.

Item 26. Recent Sales of Unregistered Securities

There have been no sales of unregistered securities by the Company in the past three years.

RRUN issued options to the following officers, directors and consultants.

Optionee -----	Options Granted -----
Ray Hawkins	100,000
Pavel Bains	100,000
Edwin Kwong	100,000
Saya Kyvrikosaios	100,000
Pickwick Company(1)	200,000
Gurpal Johal (2)	200,000
Rhino Marketing Inc.(3)	25,000
Ken Kwong	25,000
K. Tony Matharu	25,000
Jason Thompson	25,000
Sunjeev Bath	35,000
EMH, LLC	80,000
Carl Jennings	103,000

Total # of Options Granted	1,118,000

(1) Pickwick Company is 100% owned by Lawrence Austin, 520-177 Telegraph Rd, Bellingham, Washington 98226.

(2) EMH, LLC is 100% owned by Norman B. Hall, 25 Flint Hill Rd., West Tisbury, MA 02575.

(3) Rhino Marketing, Inc. is 100% owned by Heather Morneau, 1352 Oriole Avenue, Port Coquitlam, BC, Canada V3B 5H6.

None of these options has been exercised as of the date of this registration statement.

Item 27. Exhibits

2.1**	Merger Agreement
3.1*	Articles of Incorporation
3.2*	Amendment to Articles of Incorporation
3.3*	Bylaws
4.1*	Specimen Informational Statement
5.1**	Opinion of Evers & Hendrickson LLP with respect to the legality of the shares being registered
10.1	Amendment to Merger Agreement
23.1.1	Consent of Kish, Leake & Associates, P.C.

23.1.2	Consent of Cordovano & Harvey, P.C.
23.1.3	Consent of Morgan & Company
23.2	Consent of Evers & Hendrickson LLP (included in Exhibit 5.1)
23.3.1**	Consent of Ray Hawkins
23.3.2**	Consent of Edwin Kwong
23.3.3**	Consent of Saya Kyvrikosaios
23.4	Consent of Evans & Evans, Inc.

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99.1**	Escrow Agreement
99.2**	RRUN Stock Option Plan
99.3	Form of Reconfirmation Letter
99.4	Valuation of RAHX, Inc. by Evans & Evans, Inc.

* Incorporated by reference to Form 10-SB, File No. 000-27233, filed September 3, 1999.

** Previously filed.

Item 28. Undertakings

We undertake that we will:

- 1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:
 - (i) Include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and
 - (iii) Include any additional or changed material information on the plan of distribution.
- 2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the bona fide offering.
- 3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

We undertake to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in

such names as the underwriter requires to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

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SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and authorized this registration statement on Form SB-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kelowna, Province of British Columbia, Canada, on August 2, 2001.

UNITED MANAGEMENT, INC.

/s/ Christine M. Cerisse

Christine M. Cerisse, President

Signature	Title	Date
/s/ Christine M. Cerisse ----- Christine M. Cerisse	President	August 2, 2001

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EXHIBIT 10.1

II-5

AMENDMENT TO THE AGREEMENT AND
PLAN OF REORGANIZATION

THIS AMENDMENT TO THE AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement") is entered into as of this 18th day of July 2001, in accordance with the terms of Section 7.11 of the Agreement, by and among United Management, Inc., a Nevada corporation ("UM"), and RRUN Ventures Inc. ("RRUN"), a Nevada corporation.

WHEREAS, the parties entered into the Agreement as of December 18, 2000; and

WHEREAS, the parties desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in the Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. Paragraph 3.3(b) and 3.4(b) shall be deleted in their entirety.

2. Paragraph 3.3 (a) shall be amended to read as follows:

"(a) It is specifically understood and agreed that options for the acquisition of RRUN common shares issued under the RRUN Stock Option Plan prior to the merger of RRUN and UM shall survive the merger and shall become options for the purchase of UM common shares. By entering into this Agreement, UM elects to assume such treatment of all RRUN options as set forth in subsection 7(m) of the RRUN Stock Option Plan. The number of UM common shares an option holder shall be entitled to purchase and the exercise price per share shall be as adjusted pursuant to subsection 4(b) of the RRUN Stock Option Agreements."

3. Paragraph 2.2 shall be amended to read as follows:

"The authorized capitalization of UM consists of 100,000,000 shares of Common Stock, par value \$0.0001 per share. As of the date hereof there are 500,000 restricted Common Shares of UM issued and outstanding."

Other than as set forth in this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this amendment to the agreement and plan of reorganization as of the date set forth above.

United Management, Inc.

RRUN Ventures Inc.

By: /s/ Christine Cerisse

Christine Cerisse

Its: President

By: /s/ Ray Hawkins

Ray Hawkins

Its: President

EX-23.1.1

CONSENT

TO: The Securities and Exchange Commission
Washington, D.C. 20549

RE: United Management, Inc.

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Post-effective Amendment No. 5 to Registration Statement No. 333-37198 of United Management, Inc. on Form SB-2 of our report dated August 24, 1999 on the financial statements of United Management, Inc. appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

Kish, Leake, and Associates
Englewood, Colorado
August 1, 2001

EX-23.1.2

CONSENT

TO: The Securities and Exchange Commission
Washington, D.C. 20549

RE: United Management, Inc.

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Post-effective Amendment No. 5 to Registration Statement No. 333-37198 of United Management, Inc. on Form SB-2 of our report dated July 17, 2000 on the financial statements of United Management, Inc. appearing in the Prospectus, which is part of this Registration.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

Cordovano and Harvey, P.C.
Denver, Colorado
August 1, 2001

INDEPENDENT AUDITORS' CONSENT

We consent to the use in Post Effective Amendment No. 5 to the Registration Statement of United Management Inc. on Form SB-2 of our Auditors' Report, dated February 14, 2001, on the consolidated balance sheet of RRUN Ventures Inc. as of December 31, 2000, and the consolidated statements of operations and deficit, cash flows, and stockholders' equity for the period then ended.

In addition, we consent to the reference to us under the heading "Experts" in such Registration Statement.

Vancouver, Canada

"Morgan & Company"

August 1, 2001

Chartered Accountants

EXHIBIT 23.4

EVANS & EVANS, INC.

400 BURRARD STREET
SUITE 1610
VANCOUVER, BRITISH COLUMBIA
CANADA, V6C 3A6

Tel: (604) 408-2222
Fax: (604) 408-2303
www.evansevens.com

Rahx, Inc.
4th Floor - 6 2 West 8th Avenue
Vancouver, BC V5Y 1M7

Re: United Management Inc. ("the Issuer")

Pursuant to the policies of the Securities and Exchange Commission in connection with the Post Effective Amendment Filing (the "Filing") of the Issuer, the undersigned hereby states that we:

1. are the authors of the Valuation Report (the "Valuation Report") dated November 25, 2000 pertaining to Rahx, Inc. (the "Company"), which is referred to in the Filing of the Issuer;
2. hereby consent to the attachment of the Valuation Report as an exhibit to the Filing; and,
3. hereby consent to the filing by the issuer and its solicitors of the Valuation Report with the Securities and Exchange Commission.

DATED at Vancouver, British Columbia, this 1st day of August 2001.

EVANS & EVANS, INC.

[UNITED LETTERHEAD]

RE: UNITED MANAGEMENT, INC. RECONFIRMATION OFFERING

DEAR _____:

AS YOU READ IN THE PROSPECTUS FOR THE OFFERING, WE ARE REQUIRED TO REQUEST RECONFIRMATION OF YOUR INVESTMENT AFTER ENTERING INTO AN AGREEMENT WITH A MERGER CANDIDATE. ON DECEMBER 18, 2000, WE ENTERED INTO A MERGER AGREEMENT WITH RRUN VENTURES, INC., AND SUBSEQUENTLY FILED A POST-EFFECTIVE AMENDMENT WITH THE SEC.

ATTACHED IS A COPY OF THE AMENDED PROSPECTUS FOR THE RECONFIRMATION OFFERING. IN ACCORDANCE WITH SEC RULES, YOU HAVE A MINIMUM OF 20 DAYS AND A MAXIMUM OF 45 DAYS FROM THE EFFECTIVE DATE OF THE PROSPECTUS (_____) TO NOTIFY US THAT YOU ELECT TO REMAIN AN INVESTOR. PLEASE READ THE AMENDED PROSPECTUS, THEN REVIEW THE STATEMENTS BELOW. IF YOU HAVE NO QUESTIONS REGARDING THE RECONFIRMATION OFFERING, PLEASE CHECK THE APPROPRIATE BOXES AND RETURN THIS LETTER IN THE SELF-ADDRESSED STAMPED ENVELOPE. WE MUST RECEIVE YOUR ELECTION TO REMAIN AN INVESTOR IN WRITING. ANY ADDITIONAL QUESTIONS REGARDING THE RECONFIRMATION OFFERING MAY BE DIRECTED TO CHRISTINE CERISSE AT 250-868-8177.

VERY TRULY YOURS,

CHRISTINE CERISSE

I HAVE READ THE PROSPECTUS AND THE AMENDED PROSPECTUS.

BY MY SIGNATURE BELOW, I AM RECONFIRMING MY INVESTMENT IN THE UNITED MANAGEMENT, INC. OFFERING.

PRINTED NAME

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VALUATION REPORT

RAHX, INC.
Vancouver, British Columbia

November 25, 2000

Evans & Evans, Inc.

Valuation Report: Rahx, Inc.
November 25, 2000

RAHX, INC.

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1.0 ASSIGNMENT AND BACKGROUND

Background

Rahx, Inc. (the "Company" or "Rahx") of Vancouver, British Columbia was organized and incorporated by the founders and management team of 550605 B.C. Ltd. (d.b.a.: RAH Media Ventures Group ["RAH"]) of Vancouver, British Columbia on October 12, 2000. The year-end of the Company is December 31st.

Rahx has been established to develop a suite of products and related professional services for the peer-to-peer ("P2P") file exchange marketplace. Peer-to-peer file exchange is based on P2P networking. P2P networking means that each computer that is connected to the network can each communicate with each other. Traditionally, P2P communication has been done between self-contained networks within organizations -- who have constructed such functionality. Given, P2P communication, P2P file exchange is the ability to transfer/download files directly from one computer on the network to another one (or more) computers on the network. The Company is focused on providing the 305 million current users on the Internet a P2P Web service that will allow them to easily and inexpensively transfer various types of data (audio, text, image, multimedia) between two or more parties (with proper payments to all parties) over the Internet using Rahx's own secure P2P file exchange software (i.e., "Rahxware") and methodologies.

Given the above business plan -- refer to Appendix 1.0 for a copy of the Rahx Business Plan -- Rrun Ventures Inc. ("Rrun" or "the Related Company") is seeking a public listing of its common shares on a U.S. stock market. The Related Company has decided to proceed with a listing on a U.S.-based stock exchange; namely, the National Association of Securities Dealers' Over-the-Counter Bulletin Board ("OTC BB").

Assignment

Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Report") was engaged by Rrun to prepare an independent Valuation Report (the "Report") regarding the fair market value of 100% of the issued and outstanding shares of Rahx, Inc.

Evans & Evans understands that such a determination of fair market value is requested by Rrun given that the transaction with Rahx is a non-arms' length transaction. As such in the Report, Evans & Evans will be required to determine the fair market value of 100% of the issued and outstanding shares of Rahx as at October 31, 2000 (i.e., the "Valuation Date").

As Evans & Evans will be relying extensively on information, materials and representations provided to us by Rahx management and associated representatives, the authors of the Report will require that management confirm to Evans & Evans in writing that it has reviewed the Report in detail and that the information and management's representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, its principals, owners and staff and associates, will not assume any legal and/or financial responsibility or liability for

losses incurred by the Rrun and/or Rahx Shareholders and their management teams and/or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report.

Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of

Evans & Evans, Inc.

Valuation Report: Rahx, Inc.
November 25, 2000

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any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report. For the purpose of this Report, the Valuation Date is October 31, 2000. Unless otherwise indicated, all monetary amounts are stated in U.S. dollars ("US\$").

2.0 VALUATION OPINION

It is the opinion of Evans & Evans, Inc., given the scope of its engagement and with reference to its engagement letter, that the fair market value of 100% of the issued and outstanding common shares of Rahx as at the Valuation Date is in the range of US\$275,000 to US\$370,000.

This Valuation Opinion as well as the entire Report is subject to the scope of the work conducted (refer to section 5.0) as well as the assumptions made (refer to section 6.0) and to all of the other sections of the Report.

3.0 DEFINITION OF FAIR MARKET VALUE

In this Report, fair market value is defined as the highest price available in an open and unrestricted market between informed and prudent parties, acting at arm's length and under no compulsion to act, expressed in terms of money or money's worth.

With respect to the market for the shares of a company viewed "en bloc" there are, in essence, as many "prices" for any business interest as there are purchasers and each purchaser for a particular "pool of assets", be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated

Evans & Evans, Inc.

Valuation Report: Rahx, Inc.
November 25, 2000

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competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or "synergies" that may result from such an acquisition.

Theoretically, each purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser. Based on the experience of the authors of the Report, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

The management of Rahx did not provide Evans & Evans with any written, specific special purchasers and the authors of the Report were unable to find any specific evidence of any known special purchasers who would be interested to pay synergetic value for Rahx at the Valuation Date.

While Evans & Evans reserves the right to change its assessments regarding special purchasers and Rahx, given all of the above, the authors of the Report have not reflected any special purchaser considerations in their assessment of fair market value.

The shares of the Company have been valued initially en bloc.

4.0 METHODOLOGY

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Valuation approaches are primarily income based or asset based.

Evans & Evans, Inc.

Valuation Report: Rahx, Inc.
November 25, 2000

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Income based approaches are appropriate where an asset and/or enterprise's future earnings are likely to support a value in excess of the value of the net assets employed in its operation. Commonly used income based approaches are the capitalization of indicated earnings or cash flow and discounted cash flow.

Asset based approaches can be founded on either going concern assumptions (i.e. an enterprise is viable as a going concern but has no commercial goodwill) or liquidation assumptions (i.e. an enterprise is not viable as a going concern, or going concern value is closely related to liquidation value).

Valuation approaches applicable to determining value of technology-based assets and companies that are comprised predominantly of intangible assets (e.g. software, Web-based processes and communication protocols, optimization techniques, alpha and beta research and patents) can be grouped into five general categories:

- (1) cost approach;
- (2) market approach (or sales comparison approach);
- (3) income based approach;
- (4) rules-of-thumb approach; and
- (5) combination of any of the above approaches.

As there are many definitions of cost, the cost approach generally reflects the original cost of the assets and/or business in question or the cost to reproduce the intangible assets of the business itself. This approach is premised on the principle that the most a notional purchaser and/or an investor will pay for an investment is the cost to obtain an investment of equal utility (whether by purchase or reproduction). The market or sales comparison approach uses the sales price of comparable assets as the basis for determining value. If necessary, the market transaction data is adjusted to improve its comparability and applicability to the asset being valued.

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The income-based approach considers the expected future earnings to be derived through the use of the asset. The present value of the expected future earnings is determined with the application of a discount or capitalization rate, reflecting the investor's required rate of return on investment. The rules-of-thumb approach can be applied to certain assets to serve as useful determination of value when industry professionals provide specific information as to standard industry characteristics and/or acknowledged and accepted rules. Rules-of-thumb often involve the input of specific industry competitors and professionals to indicate certain measurable criteria that can be

assessed and applied to as indications of value.

Lastly, a combination of the above approaches may be necessary to consider the various intangible elements that are often found within technology and industrial companies and/or are associated with the provision of professional services that involve certain methodologies and techniques that involve unique intellectual property. For example, the use of a rules-of-thumb approach, with an attached discount and/or premium to adjust the value based on a per case-by-case assessment of the business, may be made to the industry rules-of-thumb.

Rahx Valuation Approach

With respect to the Company, Evans & Evans believed it was appropriate to utilize one primary approach for determining the fair market value of the Company. Given the state of development of the Company Evans & Evans believed that an as adjusted book value calculation was the appropriate methodology to calculate the fair market value of the Company at the Valuation Date.

Calculating the Company's adjusted book value of the Company necessitates using an asset-based approach -- an original cost approach -- to determine the fair market value of the Company's technologies (i.e., Rahxware) /methodologies and business approaches

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(referred to as the "Rahx Intellectual Property") at the Valuation Date. Asset-based approaches generally incorporate the value in use of the net tangible assets plus any identifiable intangible assets (i.e., the Rahx Intellectual Property') capable of separate valuation.

The adjusted book value methodology and asset approach was deemed most appropriate given the present business level of the Company. More specifically, (1) the fact that while the Company forecasts revenues from its Rahx technologies and Web business as well as from additional professional services to has yet to even finish building and fully testing its products/solutions; (2) the Company has yet to generate any revenues from the sale of its anticipated products/services or secured any definitive guaranteed revenue generating strategic alliance or partnership agreements; (3) its lack of a significant number of established revenue-generating channels of distribution and marketing partners; (4) the need for the Company's business to be fully launched by the middle of 2001. Company management they are now planning for implementing points #3 and #4.

Accordingly, a notional purchaser would associate certain value to the development of the business plan, the strategic plan related to the technology and business to-date and the associated intangible value attached to the Company at the Valuation Date in reviewing the entire business as a going concern entity. An original cost approach was used to determine the value related directly to the intangible value so that the balance sheet could be adjusted accordingly. Such an assessment would result in an adjusted book value of the Company. The original cost approach does not necessarily reflect the level of cash flow or income the Company may generate in the future (often a principal valuation technique); however it does provide -- in the view of Evans & Evans - a more reasonable method and logical estimate (based on the current state of development of the Rahx Intellectual Property) of what a notional purchaser would likely pay for the intangible asset in order to be in the same position of Rahx at the Valuation Date.

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The assessment of the Company's technology development and intangible

value was determined to be best estimated utilizing an original cost approach related to the actual business plan development since incorporation as well as the infrastructure to support the development of the Rahx Intellectual Property and related Business Plan (refer to Appendix 1.0) and the business itself. Such a primary approach was based upon the interviews and discussions with independent industry interviewees. Evans & Evans have relied on information provided by the Company's management as well as data from industry participants and competitors as indicative in calculating the determination of the fair market value of the intangible assets of the Company that is an integral component of Rahx at the Valuation Date. The analysis and conclusions in section 6.0 of the Report are integral to the assessment of a premium to the original cost approach. As confirmation approaches, Evans & Evans used two income-based approaches. Specifically, a relief from royalty approach and a discounted cash flow of the Company. The relief from royalty approach is based on the proposition that a firm would be willing to pay a royalty in lieu of ownership, to possess the benefits of the Rahx Intellectual Property. The discounted cash flow approach is based on determining the after-tax cash flows generated by the operations of the Company over a projected period and then determining the net present value of such discretionary cash flows with consideration of a proper residual value.

Evans & Evans also attempted to use a variety of additional confirmation approaches, but were unable to use them:

- (1) Capitalized Cash Flow approach. With no historical and/or current cash flows or financial stability expected in short-term cash flows this approach was deemed inappropriate.

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- (2) Maintainable Earnings Approach. With no historical and/or current earnings, or expected stability of such earnings expected in the short-term this approach was considered inappropriate.
- (3) A review of certain comparable companies. The comparable companies data was derived from data relating to the stock market trading prices of the common shares of public companies that could be considered partially comparable to Rahx. The authors of the Report identified, and examined data on, five (5) companies active in the provision of Internet networking and P2P type products and services and connectivity whose common shares trade on North American stock exchanges. Refer to Appendix 3.0: Comparable Companies for a description of these companies operating businesses.

<TABLE>
 <CAPTION>

US \$ Millions

Company	Exchange	Market Cap	TTM Revenue	Market Cap/ Revenue (rounded)
<S>	<C>	<C>	<C>	<C>
Entrada Networks, Inc.	Nasdaq	13.3	18.3	0.73
Nx Networks, Inc.	Nasdaq	92.8	31.2	2.97
Accord Networks Ltd.	Nasdaq	143.7	24.8	5.80
Arel Communications & Software, Inc.	Nasdaq	28.7	14.0	2.05
VocalTec Communications Ltd.	Nasdaq	100.1	26.6	3.76
				3.00
Rahx, Inc.		Projected Revenues		

Year Ended 12-31-01	US\$1,235,000	3.0x
Year Ended 12-31-02	US\$13,000,000	3.0x

Implied "Potential Market Cap Valuation" of Rahx 12/31-01		US\$3.7 million
Implied "Potential Market Cap Valuation" of Rahx 12/31/02		US\$39.0 million

</TABLE>

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The comparable data provided evidence of the potential market capitalization of the Company, but was not indicative of the fair market value of the Company at the Valuation Date. Clearly, the Company has some significant upside potential given reaching its projected business and financial milestones.

- (4) The authors of the Report also reviewed certain comparable transactions where publicly announced information was available. In 1999, Nx Networks, Inc. and Accord Networks Ltd. entered into an agreement to acquire certain assets and companies. However, both of these transactions involved other private companies that had actual significant historical operating results from revenue generating products, customers and established material revenues, making comparison to them inappropriate.

Overall, Evans & Evans took the "Potential Market Capitalization Value" of Rahx and compared it to its determination of fair market value established using the original cost approach (then adjusted the book value of the balance sheet) as well as the confirmation approaches used. In doing this, Evans & Evans were confirming that the potential value exceeded the modified original cost approach and the thereafter, adjusted book value of Rahx at the Valuation Date. This would and should be expected, since a notional purchaser would only pay the original cost of an intangible asset (then adjust the balance sheet) and thereafter the book value of a company if its potential value (i.e., the ability to generate revenues and earn significant market capitalization values) exceeded such fair market assessments based on an original cost approach. Rahx's potential market capitalization value estimate of US\$3.8 million for 12-31-01 meant that a notional purchaser could reasonably see that the current potential value of the Rahx business was significant, but -- as would be expected -- fair market value before securing funding for the project, finalizing the deployment of the Rahx Intellectual Property and generating such expected revenues (i.e., at the Valuation Date) would be significantly less.

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5.0 SCOPE OF WORK AND CONDITIONS OF THE REPORT

The authors of the Report have reached the assessments contained here within by relying on the following:

- o Interviewed management of the Company on during October of 2000. The interviews were conducted to elicit management perceptions of its actions. The authors of the Report found that the management team has a clear understanding of the goals and objectives of the Company, both short- and long-term, and of steps that must be undertaken in order to achieve those goals and objectives. The authors of the Report

were particularly impressed with the level of planning and detail that has gone into the structuring of the business processes of the Company and how the work will flow after the Rahx service launch date.

- o Conducted a site visit of the Company's facilities in Vancouver, British Columbia. The authors of the Report reviewed the layout and found the facility adequate to meet both the short-term and long-term growth objectives of the Company.
- o Reviewed and confirmed the education credentials and occupational backgrounds of the management team of the Company whose industry and technical expertise is critical to the Company in achieving its stated business objectives. These reviews were generally positive, although the previous work experience did include certain personal development work, which the authors of the Report were unable to confirm.
- o Reviewed the management-prepared projections for the Company for the 36 months ended December 31, 2003. The authors of the Report found the projections to provide adequate detail as to sources of revenue, expenses, the proposed roll-out of facilities, and personnel requirements.

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- o Reviewed and assessed the marketplace for the Company's proposed products and services. This included a review of both on-line and off-line sources including: Hoovers, PWC, Frost & Sullivan, International Data Corporation, University of British Columbia and the National Research Council of Canada.
- o Reviewed various general market research information as prepared by Forrester Research, The Yankee Group and Telecommunications Management Consultants Inc.
- o Reviewed the Company's business plan. The business plan provided adequate disclosure as the Company's planned products and services as well as its planned implementation schedule. Refer to Appendix 1.0.
- o Reviewed the development timeline of Rahx and its Rahx Intellectual Property.
- o Reviewed the Company's marketing and sales aids as well as visited the Company's web site at <http://www.rahx.net/rahxintro.html>.
- o Evans & Evans did not receive from the Company a management-prepared balance sheet as at October 31, 2000, nor an income statement for the same period. Evans & Evans was advised by Rahx management and founders that Rahx had cash on hand of US\$10,000 and had no liabilities as at October 31, 2000.
- o Did not receive and/or review the articles of incorporation and by laws of the Company. Rahx management noted that such documentation was being prepared.
- o Reviewed the Company's online Flash and Power Point type Presentation.

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- o Analyzed the Company's targeted market and its marketing plans thereto and also garnered opinions as to the value associated with plans of the Company and the related business plans of telecommunications and P2P networking development firms. The interview process was facilitated through discussions with managers at the below noted organizations -- Napster, Inc., Flycode, Inc. (formerly AppleSoup, Inc.), Scour, Inc. Autonomous Zone Industries, InfraSearch, Inc., University of British Columbia, National Research Council of Canada, Centigram Communications Corporation, VocalTec Communications Ltd., PriceWaterhouseCoopers, Arel Communications and Software Ltd., Communication Intelligence Corporation, SHL Systemhouse, Oracle Corporation, AT&T, Inc., Nx Networks, Inc., Angus Telemanagement Group, and Entrada Networks Inc. Interviewees were asked for their professional opinions regarding: (1) use of P2P file exchange and transfer services and the key value drivers; (2) issues facing companies and their affect on value; (3) the changes likely to occur in P2P Internet-based technologies and the implications as to value; (4) the changing nature of the P2P technologies and how values are being affected; (5) P2P technology key competitive issues; (6) the business-related key competitive issues; and (7) values related to businesses witnessed by them in the marketplace over the past twelve months and their expectations as to value over the next 12 months. Interviewed the above noted companies as to their professional opinions on the value of various P2P Internet-based technologies and systems work related to such developments and the additional intangible values associated with an early-stage business plans.
- o Reviewed Company's notes regarding its discussions with potential partners.
- o Reviewed the Company's domain names as listed in Appendix 2.0.
- o Reviewed Company's descriptive advantages over Napster's solution.

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- o Reviewed the Company's management resumes.

Conditions of the Report

The following limiting conditions and disclaimers apply to the Report (which must also be considered in light of the above as well as the assumptions to the Report):

- o The Report may only be issued to a U.S. stock exchange and may not be issued to a Canadian Stock Exchange and or regulatory authority. The Report may only be relied upon by Rrun. The Report may not be issued and/ or used to any third parties, legal authorities, nor other foreign stock exchanges, or other regulatory authorities, nor Revenue Canada nor the Internal Revenue Service, without the prior written approval of Evans & Evans.
- o The Report can not be used or relied upon by any of the above noted parties in any legal proceeding and/or court matter.
- o Evans & Evans, Inc. will also rely (to be received before issuing a formal valuation) on a letter of representation obtained from the officers and management of the Company wherein they all confirm that all representations and warranties that they made to the authors of the Report, including a general representation that they have no information or knowledge of any material facts or information not specifically noted in this Report, which, in their view, would reasonably be expected to affect the assessments expressed herein.
- o The Company's financial accounting and information, as provided by the Company's representatives and management, is

assumed to be accurate and complete. Evans & Evans has not verified the accuracy or completeness of this financial data or the historical financial records.

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- o Evans & Evans have assumed that the Company and all of its related parties and their principals have no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report, (the Report is not a formal fairness opinion) that would affect Evans & Evans' evaluation or comments.
- o Evans & Evans, Inc. has not verified the status of any of the Company's potential legal affairs and/or matters and can, therefore, provide the reader no comfort or make any comments as to whether there are any off-balance sheet or contingencies, claims, possible claims, substantial commitments, or litigation pending or threatened against the Company and/or any of the Directors/Officers of the Company.
- o Clear and unencumbered ownership of the current intellectual development of the Rahx Intellectual Property (as well as the Rahx business plan) by the Company as disclosed by Rahx management is assumed correct. Evans & Evans have not verified, nor audited, the originals of any of the disclosed, and otherwise, Rahx Intellectual Property or the Rahx business. The Company has now ownership or use of all of the tangible and intangible assets described here in the Report and there are no liens or encumbrances on such assets nor has any assets been pledged in any way. The Company has complied with all government taxation and regulatory practices as well as all aspects of its contractual agreements that would have an effect on the Report, and there are no other material agreements entered into by the Company that are not disclosed in the Report.
- o Evans & Evans has not carried out any audit procedures on historical expenditures or financial statements with respect to the Company. Nor have the authors of the Report examined the financial bank accounts of Rahx. Accordingly, the reliance of the authors of the Report upon the historical financial information, development of the

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Rahx business and Rahx Intellectual Property and the associated financial statements is based solely on the representations of management of Rahx.

- o Evans & Evans, Inc. makes no recommendations either expressed or implied, as to the suitability of the Company described herein, or its securities as investments.
- o The information and evaluation contained in the Report pertain only to the conditions prevailing at the time the Report was substantially completed in November of 2000, respecting the Valuation Date of October 31, 2000.
- o At the Valuation Date, no specific special purchaser(s) was/were identified that would pay a premium to purchase 100% of the issued and outstanding shares of Rahx.
- o The Draft Report remains the property of Evans & Evans, Inc.

6.0 ASSUMPTIONS

The reader is advised to please review scope of work conducted as well as the conditions of the Report. The material assumptions utilized by Evans & Evans in preparing the Report are:

1. An audit of Rahx's and its financial statements as at October 31, 2000 would not result in any material adjustments to the management-disclosed financial status (no statements provided) and position that was provided to the authors of the Report by Rahx.
2. The financial statements of the Company follow acceptable U.S. GAAP and no material discrepancies exist from these rules in any of the historical financial statements and/or financial projections.

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3. Representations made by management of Rahx with respect to the amount of funds expended to develop the Rahx business are assumed to be accurate.
4. At the Valuation Date, the book value of all assets on the Rahx balance sheet (unless otherwise specified) are assumed to equal the fair market value of such assets.

The authors of the Report believe these assumptions to be reasonable and appropriate for the purposes of this Report. The above noted critical conditions of the Report are integral to the assumptions. This Report is based upon information made available to Evans & Evans and on each and every one of the assumptions that have been made. Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if we consider necessary, to revise our views in the light of any information which becomes known to us during or after the date of this Report.

7.0 BUSINESS AND MARKET SUMMARY ASSESSMENTS

The Rahx business and the methods and plans of the Company to introduce it are laid out in the Company's Business Plan (attached in Appendix 1.0). The authors of the Report find the Company's disclosure regarding the planned products and associated services to be generally accurate. The following assessments have been compiled based on Evans & Evans' review of the Company and research conducted into the Company's marketplaces. Additional technical information and background material is on file at the offices of Evans & Evans should readers require additional technical information.

7.1 Assessment of the Material Agreements

1. The status of the Company's partnerships and verbal agreements does reflect the fact that the actual business must be considered still at the very early stages of

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development. There can be no assurances that, given the lack of present finalized written development, product pricing and volume commitment agreements as well as a lack of a definitive technical development agreement for the entire Rahxware application, that change will not occur in the short-term that may be on terms necessarily unfavorable to the Company. Given the lack of short-term agreements such potential fluctuations

must be considered a real possibility and a risk factor.

2. The Company's potential business partners are reasonable firms that have revenues, products and staff to carry out the work that Rahx has noted these firms will conduct. These firms were reviewed by Evans & Evans and some of their customers were interviewed. Interviewees were positive as to these companies' technical and professional service capabilities (refer to Section 5.0 for reviewed firms).
3. Limited potential partners/customers have yet suggested that they would actually invest in the actual development of Rahx.
4. Apart from the noted letters and proposals outlined in its business plan no other contractual arrangements including sales agreements have been reached by the Company.
5. The Company presently has limited exclusive strategic alliance or corporate account agreements in place with any of the elements or parties noted with respect to the Rahx business plan roll-out.
6. There are currently no management agreements in place with the key management of the Company. Given the relative early-stage of the operations, the authors of the Report would find it critical to have all of the founders under management contracts for at least the next thirty-six months. While they are all definitely committed to the Company, management contracts still need to be put in place.

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7.2 Assessments of the Company's Business Objectives

1. The correlation between the Company's planned use-of-proceeds and the said short-term goals and objectives is reasonable.
2. For a start-up company, management of the Company has developed a comprehensive set of strategic goals and objectives, directly tied into its financial projections. Considerable thought and planning has gone into the Company's plans and management is clear on what it will take to achieve its goals. The authors of the Report were impressed with the level of detailed strategic planning that has gone into the Company's development thus far. While more tactical plans need to be created, Evans & Evans believe the management of this Company are capable enough to give the care and attention given to its strategic goals.
3. Whether all the interfaces and working relationships with its technical business partners can be executed as expected by Company management remains a risk factor. The authors of the Report's own experience in software development and project management projects suggest that the timeframe estimated may be optimistic.
4. All of the Company's objectives are indicative of a firm that is at the early stage of development with significant technical and marketing requirements ahead of it. Equity investors can obtain from Company management detailed estimates of its short-term development actions. While its development plans are logical, financial risk remains over the next thirty-six months as to what specific technical, marketing and business progress the Company can achieve in developing and launching its products and services.

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5. Management is also cognizant of the fact that penetrating the U.S. Napster-based market may be more difficult and costly than anticipated. Interviewees clearly stated that although in legal problems -- loyalty among Napster users is very high.
 6. More revenue and cost milestones need to be specified as to the development of the strategic alliances and partnerships.

7.3 Assessments of the Company's Management

1. The present operational management of the Company possesses adequate expertise and ability to provide the Company with an opportunity to achieve its stated business objectives.
2. Evans & Evans, Inc. has verified the educational and occupational backgrounds of the operational management team and board of directors. Their work related backgrounds and educational references were acceptable.
3. The Company needs to add more direct industry related experience and depth to its Board of Directors.
4. The loss of the founders of the Company -- as outlined in its business plan - for whatever reason would have a serious impact on the operations of the Company at this point. While each member of the management team has their own area of functionality and is also cross trained, the key to the Company's initial success will be the existing relationships all of the founders have
5. The authors of the Report were impressed with the technical backgrounds of the existing management team as well as their ability to articulate the technical aspects of the proposed service in layman terms.

Evans & Evans, Inc.

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6. Consistent full-time involvement of key management will be important shortly after the closing of the planned financing as their expertise and independence is required.

7.4 Assessments of the Services and the Technologies

1. Management of the Company has proven its ability to develop and deliver product and services related to the Internet. There is only moderate risk with respect to the technical feasibility of the Company's planned services as it is using standard tools and existing P2P techniques to offer its new secure service.
2. The Company does not have any patents on its technology, which will enable others to offer the breadth of solutions similar to the Company. In fact, Interviewees noted that other firms are already examining methods to substitute Napster services (i.e., networking management companies) -- focusing on associations with the music industry and the related parties.
3. The Company's ability to meet its current financial projections will be its ability to differentiate itself based on "value added" which will be focused on ease-of-use and end-user cost.
4. Based on research conducted by Evans & Evans, there is an unfulfilled market for the products and services the Company plans to offer. While all the technical components exist and are readily available for a competitor to launch into the market spaces identified by the Company, most of the industry, including the major music players, are trying to sort out

exactly what services they will offer to whom and how to best do that. However, the P2P file exchange marketplace is fraught with a plethora of potential applications so one of the keys to survival for any player will be to identify the most commercially viable target market(s) it can properly serve, and remain resolutely focused on and committed to creating success in the chosen market

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niche(s). Thus it appears that there is a limited window of opportunity for the Company in the market identified in the business plan.

7.5 Assessments of the Markets

Record label revenues from paid music downloads will rise significantly, from under US\$300,000 last year to over US\$1.2 billion in 2004. According to music site analysts interviewed (refer to section 5.0) the size of the gray market for such downloads is estimated to be ten to twenty times the size of the above noted record label paid download marketplace.

[graphic omitted]

Research also suggests that record companies force retail sites that wish to sell music downloads online to act as little more than search engines and affiliates. Analysts noted that the record labels themselves usually insist on consummating sales, and they end up

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holding customer data and relationships. Replacing compact disc sales by commercial downloads will benefit recording companies at the expense of retailers, fabricators, and distributors. Artists contracted to major labels are not likely to accrue added value from such arrangements without protracted struggles.

Research findings indicate that, "Information is inherently weightless and can be widely replicated and shared without appreciable cost. Information technology ("IT") advances thus tend to complicate policing intellectual property rights ("IPR"). However, as easily and frequently flouted as they may be, IPR for consumer entertainment media are being successfully enforced by American courts. The best known lawsuit, brought by the Recording Industry Association of America ("RIAA ") against napster.com, has almost completely triumphed, but even if Napster survives, it will be forced to honor music copyrights. The Motion Picture Association of America ("MPAA ") has prevailed so far in its effort to outlaw DeCSS, an open source Windows utility posted by a Norwegian programmer that decrypts commercial DVD tracks and copies them to a hard drive. A U.S. Federal District Court has found 2600.com (Web site of 2600 -- The Hacker Quarterly) to be in violation of the DMCA merely for posting a hyperlink to the DeCSS source site. This and several related court cases are being closely watched by industry and civil libertarians.

Streambox.com sells Ripper software that captures RealAudio streams as MP3 or WAV files. Concerned that Ripper could unsettle numerous licensing arrangements, RealNetworks, Inc. sued Streambox under the DMCA to outlaw Ripper as well as its Ferret and VCR software titles. RealNetworks was awarded a preliminary injunction, which was then relaxed to allow Stream box to continue to sell Ripper."

In order to sort out the music download marketplace many analysts are now pointing to P2P technologies as the regulated answer. As noted by IDC, "The market success of P2P resource sharing -- especially for

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its potential in enterprises -- serverware for distributed computing --
continues to grow across the board"

[graphic omitted]

As noted by IDC, "We define serverware as independent system software that extends and coordinates (i.e., virtualizes) the resources provided by interconnected servers or system nodes, regardless of their underlying processor architecture or operating system. It can be a key behind-the-scenes ingredient in making P2P solutions robust, scalable, and manageable."

Researchers have added that college campuses have begun to ban Napster, not because of copyright infringement but for usurping WAN and LAN bandwidth needed for academic purposes. MediaMetrix reports the number of unique Napster users skyrocketed from 1.1 million in February 1999 to 4.9 million in July 2000 -- breaking all records.

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Geoffrey Dutton -- a leading analyst within this field - adds that, "Napster.com didn't invent P2P, it simply unleashed it on a larger scale than ever before, letting the genie out of the bottle. Several well-connected startups (e.g., Napster-inspired Flycode, Inc. [AppleSoup, Inc]. and Gnutella-based InfraSearch, Inc.) are presently launching related P2P business plans. A scientific P2P initiative, the SETI@home project, has been recruiting computer users to volunteer spare cycles to analyze radio astronomy data across the Internet in search of intelligent signals from outer space. Since May 1999, SETI@home enrolled about 2.6 million participants. Their computers have collectively logged 395,000 years on the project, currently processing signal data at a rate of 14.75 teraflops per second. SETI@home is managed by homegrown serverware that oversees an Informix DBMS and an Apache Web server, generating and parceling out work units to remote peers, receiving and validating results, updating the science database and serving statistics. For several years, RSA Security has issued a series of cryptographic challenges that have largely been solved by ad hoc alliances of hackers using distributed computing. The largest such group has formalized itself as distributed.net, and it provides members with a key-cracking code that feeds results to a central site for final analysis and performance monitoring. Since starting RSA's RC5-64 challenge in October 1997, distributed.net's overall throughput has increased from about 5 billion keys (GKeys) per second to over 100 GKeys per second, due to adding hosts and improvements in software. Intel's engineers have been using its NetBatch program for 10 years to borrow storage and cycles from company-owned workstations across the globe.

By avoiding deploying new computers, Intel may have saved up to \$500 million over 10 years, VP Patrick Gelsinger, CTO, Intel Architecture Group told the Intel Developer Forum in August. Intel is evangelizing P2P, comparing its disruptive significance to Mosaic, the first graphical Web browser. Led by Intel, more than a dozen companies have formed a working group (www.peer-to-peerWG.org) to explore ramifications of

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	10,000
Other Assets	0
	10,000

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U.S. Dollars	October 31, 2000
Total Assets	10,000
Liabilities	
Current Liabilities	
Accounts Payable and Accruals	0
Due to Related Parties	0
	0
Shareholders' Equity	
Share Capital	10,000
Deficit	0
	10,000
	10,000

Tangible Asset Backing and Redundant Assets

In determining the underlying book value of the shares of Rahx as at the Valuation Date and in assessing the risk associated with Rahx, it is useful to view the tangible asset backing of the Rahx. The tangible asset backing of Rahx is nominal as follows:

<TABLE>
<CAPTION>

	Book Value	Adjustment	Adjusted Tangible Asset Backing
Current Assets			
<S>	<C>		<C>
Cash	10,000		10,000
Accounts Receivable	0		0
Current Liabilities			
Accounts Payable and Accruals	0		0
Due to Related Parties	0		0
	0		0
Working Capital	10,000		10,000

</TABLE>

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Evans & Evans identified that the Company did not have any identified redundant assets as at the Valuation Date. Basing a value on forward looking financial projections -- as done in the confirmation approaches -- did require an equity injection, which Evans & Evans notionally included.

9.0 REVIEW OF FINANCIAL PROJECTIONS

The authors of the Report have reviewed the detailed financial projections as prepared by management of the Company for the three years following financing. The projections are attached in Appendix 1.0.

1. Projections are based on a less than 2% volume from the Napster business model. This is a realistic starting point. However, Napster, Inc. management did advise Evans & Evans that it may figure out a method to bring itself inline with the music industry's requirements such that clients will stay with it.
2. The music and P2P marketplace is large enough to support the Company's three-year financial projections. However, the marketplaces intended to be served by the Company are competitive and Rahx will face very dynamic price and service issues within the consumer marketplace. This places risk as to the ability to project such revenues over three-years.
3. Rrun needs to assist Rahx in creating some additional tactical action plans that address competitors' current and planned actions and to show how it can deal with potential reduced prices and transactional fees over time.
4. The Company needs to secure four or five real industry vertical beta partners who can serve as initial real-time supporters of its P2P service.

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10.0 PRIMARY VALUATION APPROACH -- RAHX, INC.

Adjusted Book Value

In order to adjust the balance sheet of Rahx, Evans & Evans undertook a Modified Original Cost approach of the Rahx Intellectual Property in order to assess the value of the tangible and intangible assets related to Rahx. After this, Evans & Evans adjusted the book value of Rahx.

Given the development and commercialization to-date of the Rahx Intellectual Property and of the business model and the business partners, Evans & Evans deemed it reasonable that the range of fair market value of the Rahx Intellectual Property should be based on the reasonable business development costs as well as the application of a premium to reflect the value that a notional purchaser would recognize directly related to the commercialization of such specific Rahxware and products/services which have potential wide acceptance and market appeal in the marketplace.

<TABLE>
<CAPTION>

Areas of Expenditure (Rounded)

Areas of Expenditure (Rounded)	Estimated Costs/Values (US\$) - Low -	Estimated Costs/Values (US\$) - High -
1. Business Plan Model Preparation and Study	\$15,000	\$25,000
2. Conceptual Development of the Rahxware technology/methods and procedures to develop it	40,000	50,000
3. Estimated costs for experienced Professionals to prepare business plans/undertaken actions from conceptual development to the Valuation Date	175,000	200,000
Total:	\$230,000	\$275,000

</TABLE>

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Given all of the assessments in section 7.0 of the Report, the current management team in place, and the projected growth rate of the market, the authors of the Report believed that a premium in the 20% to 30% range above the actual above noted costs would provide a realistic estimation of the range of prices that a notional purchaser would pay for the Rahx Intellectual Property.

<TABLE>
<CAPTION>

Development Cost Range (US\$)	Range	Premium (%)	Adjusted Value Range for the Rahx Intellectual Property (US\$)
\$220,000	Low	20	\$265,000
\$275,000	Low	20	\$330,000
\$220,000	High	30	\$290,000
\$275,000	High	30	\$360,000

</TABLE>

Adjusting the Rahx Balance Sheet

After restating Rahx balance sheet to its net realizable value, Evans & Evans then restated the balance sheet to include its estimation of the value of the Rahx Intellectual Property as determined above. This results in the following:

<TABLE>
Rahx Balance Sheet at October 31, 2000 considering FMV of the Rahx Intellectual Property

	Book Value	Adjustment	Adjusted Book Value LOW	Adjusted Book Value HIGH
Assets				
Current Assets				
Cash	10,000		10,000	10,000

<CAPTION>

	Book Value	Adjustment	Adjusted Book Value LOW	Adjusted Book Value HIGH
<S>	<C>	<C>	<C>	
Adjustment to FMV of Rahx Intellectual Property	Low	265,000	265,000	
	High	360,000		360,000
Total Assets			275,000	370,000
Liabilities				
Current Liabilities				
Accounts Payable and Accruals	0		0	0
Due to Related Parties	0		0	0
	0		0	0
Adjusted Book Value			275,000	370,000
Shareholders' Equity				
Share Capital	10,000		10,000	10,000
Deficit	0		0	0
FMV of Rahx Intellectual Property	Low		265,000	
	High			360,000

</TABLE>

This primary approach produces an adjusted book value -- or indicated fair market value - of Rahx of, say, US\$275,000 to US\$370,000.

11.0 CONFIRMATION VALUATION APPROACHES -- RAHX, INC.

Evans & Evans utilized two valuation confirmation approaches as noted above.

Relief from Royalty Approach

Evans & Evans, Inc. also undertook a relief from royalty approach. The relief from royalty approach is based on the proposition that a firm would be willing to pay a royalty in lieu of ownership, to possess the benefits of the Company's Rahx Intellectual Property. Application of this methodology involves: (i) estimating an identifiable period over which revenues can be estimated from the intellectual property (Evans &

Evans, Inc. has estimated the period of time one can presently estimate the revenue life cycle of the existing Intellectual Property at five years), (ii) an estimate of future product related revenue and a reasonable royalty rate (estimated at a range of 2% to 3% or a mid-point of 2.5% of gross revenues), and (iii) the estimation of an appropriate discount rate (45%) that reflects the assessment of royalty risk and market potential.

The royalty rate is applied to the product-related revenue to arrive at an estimate of the royalty income attributable to the Rahx Intellectual Property and the Company. The royalty cash flow is then discounted to present value at an appropriate discount rate and subsequently, totaled to arrive at a value conclusion for the Company.

In undertaking this analysis Evans & Evans have determined that the value of the Company is approximately US\$330,000. This analysis tends to support the primarily approach carried out above.

<TABLE>
<CAPTION>

 ANALYSIS OF THE RAHX BUSINESS & TECHNOLOGIES BY

 THE RELIEF FROM ROYALTY APPROACH

 FOR THE YEARS ENDING DECEMBER 31st

United States Dollars	2001	2002	2003	2004	2005
<S> Total Projected Revenues	<C> 1,235,000	<C> 13,000,000	<C> 34,800,000	<C> 46,980,000	<C> 63,423,000

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<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	
Life Cycle Factor (Maturity starts to occur in 3rd year)	100%	100%	75%	50%	50%	
Revenue times maturity factor	1,235,000	13,000,000	26,100,000	23,490,000	31,711,500	
Royalty Income	30,875	325,000	652,500	587,250	792,788	
Administrative Expenses	2,316	24,375	48,938	44,044	59,459	
Operating Income	28,559	300,625	603,563	543,206	733,328	
Effective Income Tax @ 45%)	13,852	135,281	271,603	244,443	329,998	
After-Tax Income	15,708	165,344	331,959	298,763	403,331	
After-Tax Cash Flow	15,708	165,344	331,959	298,763	403,331	
PV of after-tax Cash flow	Discounted @ 45%	10,833	78,641	108,888	67,586	62,925
Summary of Present Values	328,873					
Fair Market Value (Rounded)	US\$330,000					

</TABLE>

Notes

- a) The revenue forecast for five years is based on management's estimates and Evans & Evans due diligence and assessments.
- b) The discount rate selected is combined with the implementation of a maturity factor starting in the 3rd year of operations.
- c) The Royalty is estimated to be in the range of 2.5% of the revenues - collected from industry interviewees.
- d) Administrative expense is estimated to be 7.5% of the Royalty Income.

Modified Discounted Cash Flow

Evans & Evans also utilized a modified discounted cash flow approach in order to determine the value of the Company as at the Valuation Date. In doing this work Evans & Evans applied discount rates in the range of 45% to 50% to the after-tax discounted

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cash flows in order to assess the net present value of the Company's cash streams. Evans & Evans used a residual of only 25% to the third year results in order to properly deal with assigning too much value to the residual of the Company given its early-stage and the uncertainty related to the third-year projected results.

Overall, the findings were supportive of the primary valuation approach above.

<TABLE>
<CAPTION>

	Years Ended December 31st		
	2001	2002	2003
<S>	<C>	<C>	<C>
Revenue	1,235,471	13,081,564	34,816,228
Total Operating Expenses	4,663,564	6,308,746	6,360,691
Other expenses	0	0	0
Operating Profits Before Tax	-3,428,093	6,772,818	28,455,537
Adjusted net Income Before Tax	-3,428,093	6,772,818	28,455,537
Add: Depreciation & Amortization	0	0	0
Cash Flow Before Tax	-3,428,093	6,772,818	28,455,537
Tax Loss Carry Forwards	0	-3,428,093	0
Tax Due On	-3,428,093	3,344,725	28,455,537
Tax @45%	0	1,505,126	12,804,992
Cash Flow After Tax	-3,428,093	5,267,692	15,650,545
One Time Capital Expenditures	0	0	0

Sustaining Capital Reinvestment

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<CAPTION>

<S>

<C>

<C>

<C>

(Assumed annually @ \$125,000)

Less: Tax Shield Related Thereto:

(125,000 x .45 x .20) x 1 .12 33,273 33,273 33,273

.12 + 20 2(1+.12)

Sustaining Capital Reinvestment,

Net of Related Tax Shield 91,727 91,727 91,727

Cash Flow -3,519,820 5,175,965 15,558,818

Working Capital Requirements 700,000 250,000 0

Net Cash Flow -4,219,820 4,925,965 15,558,818

Discounted Cash Flow @40% -4,219,820 2,189,318 4,610,020

Discounted Cash Flow @50% -4,219,820 2,513,247 5,670,123

Add: Residual Value (.25 x 2003)
and apply Discount Rate of @40% 1,152,505

Add: Residual Value (.25 x 2003)
and apply Discount Rate of @50% 1,417,531

Total Discounted Cash Flow @40%, say 3,732,023

Total Discounted Cash Flow @50%, say 5,381,081

Midpoint, say 4,556,552

Midpoint, Rounded 4,560,000

Less: Required Equity 4,200,000

Adjusted Fair Market Value US\$360,000

Assumed Annual Sustaining Capital Reinvestmen 125,000

High 0.5

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<CAPTION>

<S>		<C>	<C>	<C>
	Low	0.4		
Multiple		2.50		
Adjusted Multiplier (business risks -- section 7.0)		0.25		

</TABLE>

12.0 VALUATION CONCLUSIONS

In undertaking the above primary valuation approach and two confirmation approaches, it was apparent that based on and subject to all of the foregoing, it is reasonable for Evans & Evans to outline that the fair market value of Rahx, at the Valuation Date, is in the range of US\$275,000 to US\$370,000.

This fair market value range indicates goodwill in the range of 275,000, based on the value of the Company's adjusted tangible asset backing per section 8.0 above. In the view of Evans & Evans, the difference is reasonable between the adjusted tangible asset backing of the Company and the indicated fair market value of all of the issued and outstanding shares of the Company. In the view of Evans & Evans, this difference - the goodwill - of the Company, is a reasonable amount that one would pay given that: (1) the Company does have a well thought out and reasonable business plan and set of clearly identified potential customer who want/need such services -- as Napster, Inc. has proven and may continue to improve; (2) the information provided by industry insiders as to the value of such P2P and Internet-based P2P services companies; (3) the Company is in the process of developing long-term written contracts and/or agreements; (4) the management involved in the Company; (5) the P2P-focused business plans and direction of the Company; (6) the continuing changes in the Internet-based P2P marketplace including Napster and other emerging P2P firms; (7) the fact that the Company does not have any significant proprietary patents in place for long-term competitive advantage; and that (8) the technologies and methodologies developed by the Company could be

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replaced for an amount likely in the range of its present fair market value. Evans & Evans also carefully considered the various historical transactions related to the Company and the issuance of shares to management. In the view of Evans & Evans such previous transactions are not indicative of the fair market value of the Company as such transactions were not done under the definition of fair market value.

13.0 RESTRICTIONS AND CONDITIONS

This Valuation Report is intended for the purpose stated in section 1.0 hereof and, in particular, is based on the scope of work and assumptions as to results that could reasonably be expected at the Valuation Date. The Report is prepared for the Company's files. The Report is not to be the basis of any subsequent valuation and is not to be reproduced or used other than the purposes defined above and in Evans & Evans' engagement letter with the Company.

Evans & Evans reserves the right to review all information and calculations included or referred to in this Report and, if it consider necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report.

Evans & Evans disclaims any responsibility or liability for losses occasioned by or to any parties as a result of the circulation, publication, reproduction or use of this Report as well as to its use contrary to the provisions of this paragraph.

14.0 STATEMENT OF INDEPENDENCE

Evans & Evans, Inc. is, for the purposes of preparing this Report, an independent chartered business valuation firm.

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None of the partners, principals, employees and/or associates of Evans & Evans, Inc., has, or anticipates, the acquisition of any interest in the assets, shares or business undertakings of Rrun or Rahx.

Neither Evans & Evans, Inc. nor any affiliate, is an advisor to Rrun or Rahx as of the date of this Report.

15.0 STATEMENT OF QUALIFICATIONS

The Valuation Report preparation, and related fieldwork and due diligence investigations, were carried out by Michael A. Evans and Richard W. Evans.

Mr. Michael A. Evans, Principal, founded Evans & Evans, Inc. in 1989. For the past ten years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period he has been involved in the preparation of over 100 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes. Formerly, he spent three years in the computer industry in Western Canada with Wang Canada Limited (1983-1986) where he worked in the areas of marketing and sales. Mr. Evans also possesses several years management experience in the food services industry with McDonald's Restaurants of Canada Ltd. in Richmond, British Columbia (1977-1980). Mr. Evans is a recent Instructor at the British Columbia Institute of Technology in the Faculty of Business.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business

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Administration from the University of Portland, Oregon (1983) where he graduated with honours; the professional designation of Chartered Financial Analyst (CFA); and the professional designation of Chartered Business Valuator (CBV). Mr. Evans is a member of the Association for Investment Management and Research (AIMR), the Institute of Chartered Financial Analysts (ICFA), the Vancouver Society of Financial Analysts (VSFA) and the Canadian Institute of Chartered Business Valuators.

Richard W. Evans, Principal, began full-time work with Evans & Evans, Inc. in 1992. Since then he has been involved in the financial services and management consulting fields and has been involved in the preparation of over 50 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to the Vancouver and Alberta Stock Exchanges and the British Columbia and Alberta Securities Commissions as well as for private purposes.

For ten years previous to this, he was extensively involved in the computer industry in Vancouver where he served for two years as the General Manager of Sidus Systems Inc. responsible for the company's C\$15 million business operation in Western Canada. Previous to this, he spent eight years with Digital Equipment of Canada Limited where he was

laterally involved in a sales, marketing and management capacity in the company's direct and channel organizations. In his capacity with Digital and Sidus he was involved in assessing and assisting various technology companies with their marketing and financial operations. Furthermore, he was involved with over fifty software, hardware and telecommunications organizations in establishing various OEM, distribution and VAR marketing agreements with Digital and Sidus. During his tenure with Digital he initially held positions as Technical Service and Support Analyst as well as System Integration Project Manager. As a Technical Service and Support Analyst he was responsible for reviewing various mainframe, mini-computer and PC software and network applications as well as supporting a variety of Digital software applications.

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In this capacity he was involved with over thirty different western Canadian corporate accounts. As a System Integration Project Manager with Digital he was involved directly in the software development process. This included formal training and experience in software development and design and in undertaking reviews regarding software construction using a "Plan, Design, Implement and Manage" methodology. In this capacity he was involved with a number of large corporate accounts in installing and servicing various software applications.

Mr. Evans' software application experience included extensive work with real-time, BASIC, C, PASCAL, C++, COBOL, FORTRAN, Ada languages as well as with relational database and fourth generation application development tools. Mr. Evans has and is presently working with the Unified Modeling Language, Booch, Coad/Yourdon, CRC, Fusion, Martin/Odell, MOSES, OMT, and Shlaer/Mellor, Business Object Notation, Software Engineering Institute, Data Modeling Techniques, Dynamic Modeling Techniques, Implementation Modeling Techniques, Organization Modeling Techniques and User Interface Modeling Techniques. During the past five years he, through Evans & Evans, Inc. has actively been involved in the process of evaluating and valuing various types of software applications for Canadian regulatory bodies, private companies, Canadian financial institutions and brokerage firms as well as government agencies related to: Shop Floor Data Collection and Analysis, Programmable Logic Controllers, Real-Time Data Analysis, Internet Software, Medical Software, Government Utility and Engineering Design, Telecommunications, Bank Debt Collection, Seismic Data Processing, 3D Engineering, Wireless Communication and Trading Floor Telecommunication.

Mr. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1984) where he graduated with honours. Mr. Evans

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is a Registered Student in the British Columbia Chapter of the Canadian Institute of Chartered Business Valuators (CICBV).

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