

Debt Issuance Instrument

Confidential Number: 64522712-02



RHR Inc. Holding Company Corporate Bonds

November 15, 2002
Sec File # 26L-11337-26

These Bonds are traded nationwide and in some foreign areas. Market Makers can contact the Pink Sheets to enter a bid or ask price under RHR Inc. Holding Company Corporate Bonds or RIHC Bonds. CUSIP # 74957QAA8. Market Makers can contact CAEX or the Pink Sheets to enter a bid and/or ask price.



**CONFIDENTIAL CORPORATE BONDS MEMORANDUM
FOR BOTH ACCREDITED AND UP TO 35 NON-ACCREDITED INVESTORS**

Confidential Number: 645222712-02

Sec File # 26L-11337-26



\$1,000,000.00

40 corporate bonds ("Bonds")

\$25,000 per bond.

Minimum Offering Amount: 40 Shares

Minimum Subscription (1): 1 Bond (\$25,000.00)

RHR Inc. Holding Company (hereinafter referred to as "Company"), a California Corporation, is offering 40 Corporate Bonds for \$25,000 per bond. The offering price per share has been arbitrarily determined by the Company - See Risk Factors: Offering Price.

**THESE ARE HIGH YIELD CORPORATE BONDS
WHICH INVOLVE A HIGH DEGREE OF RISK CONCERNING
INFLATION AND THE LOWERING OF INTEREST RATES.**

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF CALIFORNIA, OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 504 PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

	Sale Price	Interest Rate (1)	Proceeds To Company (2)
Per Bond	\$25,000	14%	\$25,000
Aggregate	\$1,000,000	14%	\$1,000,000 (\$800K AFTER COMMISSIONS)

(Footnotes On Page 2)



Placement Agent & Trustee:
Michael J. Francis / Michael Joseph Francis Enterprises
26080 E Baseline Street #Z210, SB CA 92410, 909-800-9012
The Date of this Memorandum is 15-NOV-02.

The Offering is self-underwritten and State Registered by Michael Joseph Francis Enterprises (Best Efforts). The Company has set a minimum-offering amount of 40 Bonds with minimum gross proceeds of \$1,000,000 for this Offering. All proceeds will be delivered directly to the Company's corporate account and be available for use by the Company at its discretion (Florida, Georgia, and Pennsylvania Residents see NASAA Legend). Shares may also be sold by NASD member brokers or dealers who enter into a Participating Dealer Agreement with the Company, who will receive commissions of up to \$2,500 of the principal amount of the bonds sold. The Company reserves the right to pay expenses related to this Offering from the proceeds of the Offering.

(2) The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) February 3, 2003, or such date as may be extended from time to time by the Company, but not later than 100 days thereafter (the "Offering Period".)

THIS OFFERING IS SELF-UNDERWRITTEN (BEST-EFFORTS). THE OFFERING PRICE HAS BEEN ESTABLISHED USING INTERNALLY AUDITED FINANCIALS BY MJF ENTERPRISES AND CORPORATE VALUATIONS. THESE SECURITIES WERE ISSUED TO MICHAEL J. FRANCIS (TRUSTEE). THE SALE IS RECORDED AS OF NOV 15 2002. THE ISSUE AS OF 11/15/01

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS A CURRENT TRADING MARKET FOR THE COMPANY'S SHARES OF COMMON STOCK BUT THERE CAN BE NO ASSURANCE THAT THE BONDS WILL BE ACCEPTED FOR INCLUSION ON NASDAQ AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE SHARES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SHARES IS BEING UNDERTAKEN PURSUANT TO RULE 504 OF REGULATION D UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE BONDS WHICH ARE PURCHASED PURSUANT HERETO MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN OR FOR DIRECTORS AND AFFILIATES, THE "STOCK PURCHASE AGREEMENT". THE OFFERING PRICE OF THE

SECURITIES TO WHICH THE CONFIDENTIAL TERM SHEET RELATES HAS BEEN ESTABLISHED BY THE COMPANY AND BEARS SPECIFIC RELATION TO THE ASSETS, BOOK VALUE AND POTENTIAL EARNINGS OF THE COMPANY AND ANY OTHER RECOGNIZED CRITERIA OF VALUE.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

All of the information provided herein has been provided by the Management of the Company. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

No general solicitation or advertising in whatever form will or may be employed in the offering of the securities, except for this Memorandum (including any amendments and supplements hereto), the exhibits hereto and documents summarized herein, or as provided for under Regulation D of the Securities Act of 1933. Other than the Company's management, no one has been authorized to give any information or to make any representation with respect to the Company or the Bonds that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.

This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of Bonds subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum,

agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Bonds. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

NASAA LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES MAY BE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER FEDERAL AND STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR FLORIDA RESIDENTS ONLY:

EACH FLORIDA RESIDENT WHO SUBSCRIBES FOR THE PURCHASE OF SECURITIES HEREIN HAS THE RIGHT, PURSUANT TO SECTION 517.061(11)(A)(5) OF THE FLORIDA SECURITIES ACT, TO WITHDRAW HIS SUBSCRIPTION FOR THE PURCHASE AND RECEIVE A FULL REFUND ON ALL MONIES PAID WITHIN THREE BUSINESS DAYS AFTER THE EXECUTION OF THE SUBSCRIPTION AGREEMENT OR PAYMENT FOR THE PURCHASE HAS BEEN MADE, WHICHEVER IS LATER. WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS SET FORTH IN THIS CONFIDENTIAL TERM SHEET INDICATING HIS, HER, OR ITS INTENTION TO WITHDRAW.

SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IT IS ADVISABLE TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE REQUEST IS MADE ORALLY, IN PERSON OR BY

TELEPHONE TO AN OFFICER OF THE COMPANY, A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED.

FOR NEW JERSEY RESIDENTS ONLY

THIS OFFERING IS MADE IN RELIANCE UPON NEW JERSEY STATE SECURITIES STATUTES. THE NAMES, ADDRESSES, AND NUMBER OF SHARES AND AMOUNT PAID WILL BE FILED WITH THE STATE OF NEW JERSEY WITHIN 30 DAYS OF THE CLOSE OF THIS OFFERING. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY FILING OF THIS OFFERING DOCUMENT WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR PENNSYLVANIA RESIDENTS ONLY

PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, "EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 209(D), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THE ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY), OR ANY OTHER PERSON WITHIN 2 BUSINESS DAYS AFTER THE ISSUER RECEIVES A SIGNED SUBSCRIPTION AGREEMENT." TO ACCOMPLISH THIS WITHDRAWAL, THE COMPANY RECOMMENDS THAT A SUBSCRIBER SEND A LETTER OR TELEGRAM INDICATING HIS OR HER INTENTION TO WITHDRAW TO THE COMPANY AT THE ADDRESS OF THE COMPANY SET FORTH IN THIS MEMORANDUM. SUCH A LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF A SUBSCRIBER ELECTS TO SEND SUCH A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED OR REGISTERED MAIL AND RETURN RECEIPT REQUESTED, TO INSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED.

SHOULD A SUBSCRIBER MAKE THIS REQUEST ORALLY, THE COMPANY RECOMMENDS THAT HE/SHE REQUEST A WRITTEN CONFIRMATION FROM THE COMPANY THAT THE REQUEST HAS BEEN RECEIVED WITHIN THE PRESCRIBED TIME.

FOR CONNECTICUT RESIDENTS ONLY

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SUCH ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR NEW YORK RESIDENTS ONLY

THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR COLORADO RESIDENTS ONLY

THIS INFORMATION IS DISTRIBUTED PURSUANT TO AN EXEMPTION FOR SMALL OFFERINGS UNDER THE RULES OF THE COLORADO SECURITIES DIVISION.

THE SECURITIES DIVISION HAS NEITHER REVIEWED NOR APPROVED ITS FORM OR CONTENT. THE SECURITIES DESCRIBED MAY ONLY BE PURCHASED BY ACCREDITED INVESTORS IN THE STATE OF COLORADO AS DEFINED BY RULE 504 OF THE SECURITIES ACT.

FOR OKLAHOMA RESIDENTS ONLY

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE OKLAHOMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE OKLAHOMA SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECRETARY OF STATE NOR THE SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, NOR HAS APPROVED OR DISAPPROVED OF THIS OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES.

THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND THERE MAY NOT BE ANY MARKET FOR THESE SECURITIES IN THE FUTURE. THE SUBSCRIPTION PRICE OF THE SECURITIES HAS BEEN ARBITRARILY

DETERMINED BY THE ISSUER AND MAY NOT BE AN ACCURATE INDICATION OF THE ACTUAL VALUE OF THE SECURITIES.

THE PURCHASER OF THESE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF HIS OR HER INVESTMENT. THESE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE YEAR EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER THE OKLAHOMA SECURITIES ACT OR IN A TRANSACTION THAT IS IN COMPLIANCE WITH THE OKLAHOMA SECURITIES ACT.

FOR CALIFORNIA RESIDENTS ONLY

ANY OFFER OR SALE OF A SECURITY IN A TRANSACTION (OTHER THAN AN OFFER OR SALE TO A PENSION OR PROFIT SHARING TRUST OF THE ISSUER) WHICH MEETS EACH OF THE FOLLOWING CRITERIA: SALES ARE NOT MADE TO MORE THAN 35 PERSONS (EXCLUDING ANY OFFICER, DIRECTOR, OR AFFILIATE OF THE ISSUER AND ANY PURCHASER WHO THE COMMISSIONER DESIGNATES BY RULE); ALL PERSONS (NOT INCLUDING THOSE PURCHASERS DESCRIBED BELOW WHICH ARE EXCLUDED FROM THE COUNT OF 35) MUST EITHER HAVE A PRE-EXISTING RELATIONSHIP WITH THE OFFEROR OR ANY OF ITS PARTNERS, OFFICERS, DIRECTORS, OR CONTROLLING PERSONS, OR BY REASON OF THEIR BUSINESS OR FINANCIAL EXPERIENCE OR THE BUSINESS OR FINANCIAL EXPERIENCE OF THEIR PROFESSIONAL ADVISORS WHO ARE UNAFFILIATED WITH AND WHO ARE NOT COMPENSATED BY THE ISSUER OR ANY AFFILIATE OR SELLING AGENT OF THE ISSUER, COULD BE REASONABLY ASSUMED TO HAVE THE CAPACITY TO PROTECT THEIR OWN INTERESTS IN CONNECTION WITH THE TRANSACTION. THE PURCHASER MUST REPRESENT THAT HE IS PURCHASING FOR HIS OWN ACCOUNT (OR A TRUST ACCOUNT IF HE IS A TRUSTEE) AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITY; AND NO ADVERTISING IS USED IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITY. A NOTICE, CONSENT TO SERVICE OF PROCESS, AND A FILING FEE MUST BE FILED WITH THE COMMISSIONER NO LATER THAN 15 CALENDAR DAYS AFTER THE FIRST SALE OF A SECURITY IN THIS STATE. IF IN CONNECTION WITH THE TRANSACTION THE ISSUER IS FILING A NOTICE WITH THE SEC PURSUANT TO SECTION 4(6) OR REGULATION D, THE NOTICE TO CALIFORNIA MAY BE A COPY OF THE FORM FIRST FILED PURSUANT TO SECTION 4(6) OR REGULATION D. OTHERWISE, THE NOTICE SHALL BE IN THE FORM SPECIFIED IN RULE 260.102.14 OF THE CALIFORNIA CODE. NO NOTICE IS REQUIRED IF NONE OF THE SECURITIES ARE PURCHASED.

FOR NEVADA RESIDENTS ONLY

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEVADA UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE

LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

During the course of the Offering and prior to any sale, each offeree of the Bonds and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

EACH PROSPECTIVE INVESTOR WILL BE GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, MANAGEMENT OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORTS OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. IF YOU HAVE ANY QUESTIONS WHATSOEVER REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM, PLEASE WRITE OR CALL:

RHR Inc. Holding Company
1423 E. 99th Street
Green Meadows, California, 90002-2818, 909-800-9012

Summary of Offering

Securities being offered:

\$1,000,000 at 14% Large Company Corporate Bonds payable every May and November 15th commencing May 15th 2003 and originally issued November 15, 2001 to the Placement Agent. Redeemable on demand in whole or in part anytime after May 15th, 2005 at 102% of the principal amount with accrued interest. Bonds (the "Debentures") will be issued only in denominations of \$25,000 legal tender of the United States of America and integral multiples thereof. The Bonds are due 2012 and will mature on November 15, 2008.

Redeemable after May 15, 2005 (prior to maturity) upon payment of the principal amount, with a redemption premium of 2% per debenture together with all of the unpaid interest.

Minimum Investment:

\$25,000 (but lesser amounts may be sold at the discretion of the Placement Agent, as defined).

Terms of the Offering:

Michael Joseph Francis Enterprises, of Los Angeles, CA, (the "Placement Agent") has agreed to sell the Corporate Bonds on a self-underwritten state registered offering (Best Efforts). The minimum amount of notes that must be sold is 40 (series A). The offering terminates on February 3, 2003. Subject to extensions.

Asset Backed Securities:

The Corporate bond, Debt Issuance Instrument, and the covenants and provisions within the Corporate Bond Itself shall be only collectible out of, and only enforceable against, the property from time to time pledged as security therefore and/or from time to time belonging to RHR Inc. Holding Company with a value equivalent to the aggregate amount of this Corporate Bond Issue and as amended from time to time. These securities will began earning interest anytime after November 15, 2002

Compensation of the Placement Agent:

The Placement agent will receive a commission of 18% of the proceeds from the sale of the Corporate Bonds and a 1% non-accountable expense allowance. The Placement Agent Business is owned by the CEO of RHR Inc. Holding Company, a majority stockholder.

Use of Proceeds:

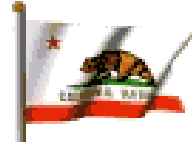
The Company intends to use the net proceeds to cover payroll expenses for the year 2003 (including December 2002).

How to Subscribe:

Investors wishing to purchase Notes must execute a copy of the Subscription Agreement included herein on page.

RHR INC. HOLDING COMPANY

<http://www.rhrinholdingco.com>



A California Corporation

Business Plan

rev. 15-NOV-2002

Content [C] Intelligence [I] Technology [T] Communications [C] B2C/B2B

EXECUTIVE SUMMARY

RHR Inc. Holding Company is an entertainment and global media corporation. RHR has a total of 49 companies with a *current focus* on launching its music division, RH Music Works, internationally. Divisional Departments are: Content, Intelligence, High Definition Technology, Communications, Bdirect (Business), & Development. RHR's primary goal is to advance from sophisticated Direct Public Offering to an offering listed on the Pink Sheets, OTCBB, and Later NASDAQ. This advancement will enable RHR to raise capital more efficiently and effectively for future operations. Consolidated income is expected to exceed US 30 billion in 2002 dollars once the minimum capital has been raised.

THE COMPANY

RHR Inc. Holding Company is a leading provider of Content, Intelligence, Technology, Communication, Business Direct, and Development products and services through its 18 divisions and 31 subsidiaries. Each category of products and services (as listed above) are administrated in separate departments of RHR Inc. Holding Company. RHR Inc. Holding Company is a California Based Multi-Sector Entertainment and Global Media Holding Company established in 1998 and incorporated in 2001, specializing in media, entertainment, and financial relations. RHR Inc. Holding Company's management team and directors provide a wealth of experience in the content, intelligence, technology, communications, business to consumers/business to business, and development arenas. RHR Inc. Holding Company has the technical and customer support staffing and IT systems in place to support its overall operations for all departments, divisions, and subsidiaries, on a worldwide basis. RHR Inc. Holding Company has long-standing agreements in place with major audio and video content replicators, book printing presses, booking agents, broadcasting equipment vendors, film producers and directors, performing rights organizations, production facilities, satellite time leasing corporations, software development corporations (including licenses from licensors), IT outsources, Tier-1 broadband internet providers, sales tracking companies, e-commerce companies, USPS, literature printing presses, banks (including investment banks), real property developers and brokers, currency printers and developers, money managers, and stock brokers and brokerage firms. RHR Inc. Holding Company's Department of Content divisions RH Music Works, Variety Music Publishing, and DigiFilms, have already gained great acceptance with their products and services and that acceptance is growing rapidly.

THE PRODUCTS & SERVICES

RHR Inc. Holding Company has developed over 100 products and services that will be distributed and sold in the coming months. Products such as:

wireless communication devices, appliances, PC software, racing bikes, food products, magazines, and clothing. Services such as: Kerger Virtual Offices™, audio/video production, web design, graphic design, script writing, memberships, loans/mortgages, credit cards, educational courses, online gaming, and inspections (commercial or residential). Current products include: Audio CD's: Mr. Jae – I'm Jae Stormus, L.A. Borderlines Vol. 1, SFTS Vol. 1, Books: The Billionaire's Handbook, Memberships: First Millionaire Reserve, Lifetime VIP Fan Club, just to name a few. Some Products and Services can be sold as they are, or they can be private branded for resell through the customers own retail channels.

In addition, the products:

1. Are packaged in eye catching, high resolution packaging, with original graphics.
2. Come pre-printed with UPC Barcode.
3. Are easily adaptable to each market segments specific needs.
4. Are all covered by a lifetime guarantee and sometimes a forever guarantee.
5. Are easy to use, usually no major instructions or assembly necessary.
6. Are produced using high-quality materials and have to pass strict quality control standards.
7. Allow for resell participation (revenue-sharing).
8. Are widely promoted, creating a high perception of need and scarcity.
9. Can be purchased without a credit card.
10. Are available at major shopping locations.

The services:

1. Are accompanied by 24/7/365 support.
2. Include vital contacts and resources.
3. Are reasonably priced, billing is by minute, hour, day, or flat rate.
4. Are professional. Some services may even include the sub-services of a renowned third party.
5. Are backed by a money back guarantee.

RHR Inc. Holding Company's Products and Services can be sold through the same retail channels that similar Products and Services are sold through like: retail, e-commerce, direct marketing and mail order, network marketing, entertainment related industries, media related industries, finance related industries, etc.

RHR Inc. Holding Company's Products and Services can also be adapted for use in markets such as travel, promotions, etc. RHR's Products and Services have many unique markets that can be addressed such as high-definition technology customers, customers that require privacy, and celebrity customers. RHR Inc. Holding Company has the power to rapidly customize its Products and Services in response to market opportunities.

THE GOAL

RHR Inc. Holding Company's goal is the immediate commercial launch of its Products and Services throughout the Americas and Internationally, beginning with music CD's, books, memberships, satellite broadcasting, and magazines to position RHR Inc. Holding Company as the world's leader in entertainment and global media. This can be done with capital raised from RHR Inc. Holding Company's current 506D unlimited private placement.

THE VISION

RHR Inc. Holding Company's vision is to become one of the world's largest entertainment and global media companies, specializing in and dominating, "diversified entertainment media" also known as media, entertainment, and financial relations. Our Focus is on consumer quality care and demand, outstanding customer service, and a better global environment. Over the next 2 years, RHR plans to have opened 5 corporate offices across the globe, with on-going operations in every continent of the world. Determined to succeed, RHR's overall mission is becoming a renowned household name company with interest in every market necessary to better the world. RHR will strive to set global trends and develop many new markets and household products in the years to come. We will launch over 75 new products and services. Half of the products and services are new to the consumer market, suitable for both business and personal use, and priced low enough for our target market, plus high enough to generate billions of US dollars in revenues.

THE PHILOSOPHY

RHR Inc. Holding Company is positioned to launch Products and Services that will be comparable in its growth potential to those of large conglomerate corporations like: Sony, AOL Time Warner, News Corporation, and Vivendi Universal, just to name a few. It is RHR's Goal to be the first to market selected Products and Services that will become household (renowned), thereby gaining market share, distribution, and "brand" recognition, before significant competition can gain access to the marketplace.

EMPLOYEES & OPERATIONS

RHR Inc. Holding Company employs individuals from time to time to represent them in sales and management positions, generating \$373,500 per month as a minimal per (3 shifts, \$2,241,000 every six months). There are four networks that are accessed daily by our employees. These networks were designed to manage enterprises operations and provide enterprise-wide real-time data. These sales do not include sales from our distribution groups, retail booths, or public sites.

THE MARKET

The same market segments that made TV, CD's, videos, wireless, e-commerce, radio, IT, personal computers, tele-banking, and direct marketing successful, will also make RHR Inc. Holding Company successful. By tapping the same markets, RHR will add significant value to the new and current media, entertainment, and financial companies, and other emerging related businesses. In the general market place, RHR's Products and Services can be sold to those who view its advertisements (TV, Radio, Billboard, Print, etc.) and become interested in purchasing at retail locations. Also to entrepreneurs and business people looking for assistance with the growth of their business viewing these same advertisements. RHR Inc. Holding Company's Products and Services can be used as one-stop goods for resell to the public and/or to start off smaller companies with readily packaged goods to participate in the growth of their business while simultaneously helping with the growth of RHR's, expanding its operations and growth. Bringing in more profits through partnership. A single RHR Product or Service can be used in a highly-sophisticated, diverse manner. Whereas, RHR's wireless device is capable of making calls, receiving faxes, conferencing, creating music, etc. RHR's "Kerger Virtual Office™" not only gives the user a toll-free number with call forwarding, caller id, etc., but also a live answering center, and an office location that can all be run from a bedroom. A majority of RHR's Products and Services are diverse just as the products described above allowing for larger market share and "unique brand" recognition.

Reliable sources (members of the press) report that the entertainment/media corporations (Sony, Vivendi Universal, Bertelsmann AG, etc.) with operations similar to RHR Inc. Holding Company are dominating the world with their ownership interests in multiple industries. Reports also show that there is always another up and coming large entertainment/media corporation that can become a leader like the others if it maintains a steady profit and market share and continues to capitalize on the current markets of which it operates to avoid being bought out by its competitors.

Resources also state that since the tragic events of September 11th, trading markets should "pick up", since many brokerages and exchanges are converting to ecn's (electronic communications networks) for more secure trading.

RHR Inc. Holding Company Corporate Bonds can be traded anywhere. You may also initiate a sale after opening an account at CAEX Network. The CUSIP Number of the Bonds Issue is . The name of the Bond Issue for public information retrieval from the Pink Sheets is "RHR Inc. Holding Company Corporate Bonds" or "RIHC Bonds".

The Computer Industry Almanac says that by the year 2003 there should be 500 million online (Internet) users.

With the help of RHR Inc. Holding Company's management team, RHR's current operations management system and corporate infrastructure, RHR

will grow as a leader in entertainment and media, maintaining market share and staying afloat as an entertainment/media conglomerate.

RHR Inc. Holding Company
Document ID: 589CBSA

Subscriber Name:

Subscription Agreement

RHR Inc. Holding Company
1423 E. 99th Street
Green Meadows, California 90002-2818

Sir/Madam:

You have informed the undersigned (the "Purchaser") that RHR Inc. Holding Company a California corporation, (the "Company") wishes to raise a minimum of One Million, Dollars \$1,00,000) from various persons by selling 40 Corporate Bonds of the Company, \$25,000 par value (the "Bonds"), at a price of Twenty-Five Thousand Dollars per Bond.

I have received, read, and understand the Limited Offering Memorandum dated November 15, 2002 (the "Memorandum"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Bonds (the "Bond Documents"). I understand that you will rely on the following information to confirm that I am an "Accredited Investor", as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or one of 35 Non-Accredited Investors that will be allowed to purchase Bonds in this Offering (subject to Company approval), and that I am qualified to be a Purchaser.

This Subscription Agreement is one of a number of such subscriptions for Bonds. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Bonds set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Bonds allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me. I understand that commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Bonds will be delivered directly to the Company and be available for its use.

1. Accredited Investor. I am an Accredited Investor because I qualify within one of the following categories:

Please Check The Appropriate Category

_____ \$1,000,000 Net Worth.

A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000.

Purchaser's Initials

_____ \$200,000/\$300,000 Income.

A natural person who had an individual income in excess of \$200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of \$300,000 per year in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

_____ Director or Officer of Issuer.

Any director or executive officer of the Company

_____ All Equity Owners In Entity Are Accredited.

An entity, (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

_____ Corporation.

A corporation not formed for the specific purpose of acquiring the Bonds offered, with total assets in excess of \$5,000,000.

_____ Other Accredited Investor.

Any natural person or entity which qualifies as an Accredited Investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____ One of 35 Non-Accredited Investors that may be allowed to invest in the offering

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Bonds, (ii) can bear the economic risk of losing the entire amount of my investment in Bonds, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Bonds is consistent, in both nature and amount, with my overall investment program and financial condition.

(a) The address set forth below is my true and correct residence, and I have no intention of becoming a resident of any other state or jurisdiction.

(b) I have not utilized the services of a "Purchaser Representative" (as defined in

Regulation D promulgated under the Securities Act) because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

Purchaser's Initials

(d) I have received and read, and am familiar with the Bond Documents, including the Memorandum and the forms of Debenture certificate. All documents, records and books pertaining to the Company and the Bonds requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had the opportunity to ask questions of and receive answers from the Company's officers and representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Bonds.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company's long term needs.

(g) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Bonds based solely upon my own investigation and evaluation.

(h) I understand that no Bonds have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. I also understand that after November 15th 2002 the Bonds will be freely tradable and the certificate will say "Registered Debenture" as the Bonds will be registered and listed on the CAEX network under the symbol RIHCB.

(i) The Bonds for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Bonds to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Bonds by anyone but me.

(j) I am aware of the following:

(i) The Bonds are a High Yield, but speculative investment which involves a high degree of risk; and

(ii) The financial statements of the Company have been internally audited by AOE & Associates.

(iii) There are no restrictions on the transferability of the Bond

registered under the Securities Act, and;

Purchaser's Initials

- (v) No federal or state agency has made any finding or determination as to the fairness of the Bonds for public investment nor any recommendation or endorsement of the Bonds;
- (k) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:
- (i) The appropriate or exact length of time that I will be required to hold the Bonds;
 - (ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Bonds; or
 - (iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Bonds;
 - (iv) The amount of dividends or distributions that the Company will make;
- (l) I have not distributed the Memorandum to anyone, no other person has used the Memorandum, and I have made no copies of the Memorandum; and
- (m) I hereby agree to indemnify and hold harmless the Company, its officers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorneys fees, incurred on account of or arising out of:
- (i) Any inaccuracy in the declarations, representations, and warranties set forth above;
 - (ii) The disposition of any of the Bonds by me which is contrary to the foregoing declarations, representations, and warranties; and
 - (iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Bonds.
- (n) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and

shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

Purchaser's Initials

3. Transferability. I understand that I may sell or otherwise transfer my Bonds only if registered under the Securities Act or I provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. I have no right to cause the Company to register the Bonds. My Bonds will be restrictive. A legend (below) reflecting such restriction, and stop transfer instructions will apply to my Bonds:

Ownership, issuance, and transfer of the dollar amount evidenced by this bond is specifically restricted by and subject to Rule 144 regarding the sale of restricted securities and a bondholder's agreement (unless registered) from a regulation d confidential offering circular (#64522712-02). This registered owner of this bond, whose name appears on the face hereof, must provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. By accepting the bonds evidenced, the holder agrees to be bound by said Restriction and Rule.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Shares to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

5. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

6. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

7. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the substantive law of the State of California.

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

8. Ownership Information. Please print here the total number of Bonds to be purchased, and the exact name(s) in which the Bonds will be registered.

Total Bonds: _____

Name(s): _____

- _____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or other organization
_____ A Partnership
_____ Trust
_____ IRA

Purchaser's Initials

_____ Tax-Qualified Retirement Plan

- (i) Trustee(s)/ Custodian _____
(ii) Trust Date _____
(iii) Name of Trust _____
(iv) For the Benefit of _____

_____ Other: _____
(please explain)

Social Security or Tax I.D.#: _____

Residence Address:

Street Address

City State Zip

Mailing Address: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

Phone Numbers

Home: () _____

Business: () _____

Facsimile: () _____

Purchaser's Initials

9. Date and Signatures. Dated _____, 20__.

Signatures

Purchaser Name (Print)

(Each co-owner or joint owner must sign –
Names must be signed exactly as listed under "Purchaser Name")

ACCEPTED:

RHR Inc. Holding Company

By: _____

Dated: _____, 20__

Purchaser's Initials

RHR Inc. Holding Company
Investor Suitability Questionnaire

To: Prospective purchasers of Bonds of (the “Bonds”) offered by RHR Inc. Holding Company (the “Company”).

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an “Accredited Investor,” as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Bonds. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Bonds.

Please answer all questions completely and execute the signature page

A. Personal

1. Name: _____

2. Address of Principal Residence: _____
_____ County: _____

3. Residence Telephone: (_____) _____

4. Where are you registered to vote? _____

5. Your driver’s license is issued by the following state: _____

6. Other Residences or Contacts: Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver’s license or have any other contacts, and describe your connection with such state:

7. Please send all correspondence to:

(1) _____ Residence Address (as set forth in item A-2)

(2) _____ Business Address (as set forth in item B-1)

8. Date of Birth: _____

9. Citizenship: _____

10. Social Security or Tax I.D. #: _____

B. Occupations and Income

1. Occupation: _____

(a) Business Address: _____

(b) Business Telephone Number: (_____) _____

2. Gross income during each of the last two years exceeded:

(1) _____ \$25,000 (2) _____ \$50,000

(3) _____ \$100,000 (4) _____ \$200,000

3. Joint gross income with spouse during each of the last two years exceeded \$300,000

(1) _____ Yes (2) _____ No

4. Estimated gross income during current year exceeds:

(1) _____ \$25,000 (2) _____ \$50,000

(3) _____ \$100,000 (4) _____ \$200,000

5. Estimated joint gross income with spouse during current year exceeds \$300,000

(1) _____ Yes (2) _____ No

C. Net Worth

1. Current net worth or joint net worth with spouse (note that “net worth” includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____ \$50,000-\$100,000 (2) _____ \$100,000-\$250,000 (3) _____ \$250,000-\$500,000

(4) _____ \$500,000-\$750,000 (5) _____ \$750,000-\$1,000,000 (6) _____ over \$1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1) _____ Yes (2) _____ No

D. Affiliation with the Company

Are you a director or executive officer of the Company?

(1) _____ Yes (2) _____ No

E. Investment Percentage of Net Worth

If you expect to invest at least \$150,000 in Bonds, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse.

(1) _____ Yes (2) _____ No

F. Consistent Investment Strategy

Is this investment consistent with your overall investment strategy?

(1) _____ Yes (2) _____ No

G. Prospective Investor's Representations

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

Prospective Investor:

Signature

Date: _____, 20__

Signature (of joint purchase if purchase is to be made as joint tenants or as tenants in common)

74957QAA8



NOTES TO BUSINESS PLAN

NOTE 1 – OBJECTIVES

Management will meet these objectives by utilizing its newly added enterprise management network, generating a minimum of \$84,000 per month which consists of four online network and 70 employees per shift that will promote products, services, and take orders.

NOTE 2 – COMPANY SUMMARY

The summary refers to the board’s consent dated 10/12/01 to issue shares to Michael J. Francis and Diana W. Francis in return for services. The board also issued shares to Michael J. Francis on behalf of RHR Inc. Holding Company in return for the 51% of the assets and master operations plans of his 31 business and partnerships becoming the controlling partner. Mr. Francis manages the remaining 49% of said partnerships (as stated in the “agreement”). Note: DBA document on page 44 of § 5.

NOTE 3 – COMPANY HISTORY

More information on RHR Inc. Holding Company can be found on the company’s website. The website address is <http://www.rhrinholdingco.com>. References can be found in the “Current Business Information Package” section of this document.

NOTE 4 – PAST PERFORMANCE

Revenues from past performance tables include contracts with Imani-Marie Records, Multi-Media Inc., Macbet records, and notes receivable. More information can be found in the “Current Business Information Package” section of this document.

NOTE 5 – INVENTORIES AND INTELLECTUAL PROPERTY

Inventories (Class 2 assets) and Intellectual Property (Class 3 assets) are recorded at historical cost as intangible property. These tangibles and intangibles include finished goods, pre-set service accounts (at cost), copyrights and other musical property, literary property, trademarks and trade names pending, organizational costs (equity) and entities created, and software (rights and finished goods).

NOTE 6 – MARKET SEGMENTATION

Through its distribution, marketing, and Internet channels RHR Inc. Holding Company will reach consumers across the globe to solicit retail, mail-order, and web sales. RHR’s current marketing territory is global, but West Los Angeles, California is where RHR will set up its first Los Angeles Branch office and solicit local sales.

NOTE 7 – VALUE PROPOSITION

RHR Inc. Holding Company is continuously developing operations to become a household name with products and services carrying the RHR logo or a logo of one of it’s controlled partnerships. Many products and services offered by RHR Inc. Holding Company are popular and by emphasizing its value proposition, RHR Inc. Holding Company hopes to establish brands that will last for generations and generations.

NOTE 8 – DISTRIBUTION STRATEGY

Internal distributors TFMRDG, WorldNet, and WN Online distribute products for RHR Inc. Holding Company via online, retail, and direct marketing channels. Visit <http://tfmrdg.rhrinholdingco.com> for more information. Before January 2004, these companies will operate out of a warehouse location in Ontario, California using Intermec software and hardware to better organize larger distribution programs.

NOTE 9 – SALES STRATEGY

RHR has released 54 product and service lines in 6 markets in conjunction with other management-related strategies. These daily sales generate more than enough income to cover the minimum required capital by the Board of Directors of Five and One Half Billion Dollars (\$5,500,000,000.00).

NOTE 10 – STOCK PRICES

RHR's current stock prices of \$48.00 recorded on 10/10/02 (CAEX: RIHC) represents the amount of US Dollars per share that were recorded as of the last trade. Auditor's last net book value analysis showed a net book value of \$154.45 per share. The RHR Inc. Holding Company Securities Division has kept the price set reasonably to provide protection for investors and future investors by set prices according to our capital needs which are weighed to meet the average per share price of common stock of private corporations. CAEX Network is the provider of security quotes for member companies, which includes RHR Inc. Holding Company on his roster.

NOTE 11 – MILESTONES

The Chairman has finished establishing a final budget of \$83,859,067 for milestones set for 2003-2004 enhancing sales programs. Series C Bonds may be issued to support financing.

NOTE 12 – CORPORATE MANAGEMENT SUMMARY

RHR Inc. Holding Company Management has developed a corporate blueprint, outlining the overall details of the Company. Each section (4/4) is described in a 15c2-11 supplement titled: "Management's Plan & Master Budget '02.

NOTE 13 – PERSONNEL PLAN

RHR Inc. Holding Company is teaming up with employment agencies to provide better and stable wages for job seekers and current employees of RHR Inc. Holding Company. Also, RHR's compensation plan includes stock bonuses of up to 2,000 shares to qualified new hires to compensate for less attractive benefits options and to provide to more involved workforce, that will hopefully help RHR Inc. Holding Company grow into a multi-trillion dollar public holding entity.

NOTE 14 – FINANCIAL PLAN

The tax rate in the general assumptions represents an average tax rate before special exemptions (not currently in effect for RHR) and/or tax reduction services.

Sales represent the minimum amount of units to be marketed and sold in the years 2003 and 2004.

\$100,000,000.00 in new financing will be obtained via services provided by the Company's financial services providers (Femis Kerger & Company and the CAEX Network).

Depreciation represents a computed amount as determined reasonable from auditors as such reduction/write-off is available on certain intangible and tangible assets.

Capital expenditures represent expenses incurred for purchasing undeveloped and developed land, fees payable to contractors/partners, and pre-paid travel expenses incurred while operating diligently.

Dividends represent an amount of sixty cents (\$.60) per share outstanding after successful sell of RHR's current offering (maximum proceeds).

Year 2004 profit represents the turnover of year 2004 assets plus the sale of all re-order units and obtaining repeat business using RHR Inc. Holding Company's enterprise management network and capital raising procedures as provided by RHR's financial services provider.

Other assets represent purchased and fully owned equipment, furniture, supplies, etc. expensed the year 2003 and 2004 with 2004 also representing additional amounts expensed due to an increased in credit line(s) and/or bond sales. Net worth represents assets minus liabilities.

CURRENT BUSINESS INFORMATION PACKAGE

Trade Name of Business: RHR Inc. Holding Company
State of Incorporation: California
Secretary of State Corporate Charter #: 2348580
Address: 1423 East Ninety Ninth Street
Los Angeles, CA 90002-2818
Tax ID Number: 30-0019389
CA Employer Number: 480-5299-7
Phone Number: 1-877-839-3224 Toll-Free (Frequently Busy)
Local Phone Number: 909-800-9012
Auditing & Valuation: AOE Auditing & Valuation, Los Angeles, CA
Attorney: Rick Weed of Weed & Co., 949-475-9086 x6
Insurance Provider: Business Rocket Insurance, Los Angeles, CA
Dun & Bradstreet Number: 06-382-8557
Los Angeles City Tax Permit Numbers: 549009-95, 190 & 549009-95, 167

Description of the company's method of operation: RHR Inc. Holding Company operates as a multi sector holdings Company in the field of entertainment, arts, and sciences as a major record label and diversified entertainment and media corporation.

Description of changes in earnings and financial condition over the past three years and the reasons they occurred: RHR Inc. Holding Company had seen a gradual increase in earnings as more contracts were being signed, development campaigns acted upon, and the current business plan being followed as agreed.

List of the company's largest customers, credit terms offered to each, and the percentage of annual sales to each:

Customer's Name and Address	Credit Terms	% of last reported sales
Imani-Marie Records, Los Angeles, California	Net 90	
Michael Joseph Francis Ent. San Bernardino, California	1-year note	
MJF Companies Trust Sioux Falls, SD	1-year note	

List of the company's largest suppliers, credit terms from each, and credit limits from each:

Supplier's Name and Address	Credit Terms	Credit Limit
ABC Distributing Orlando, Florida	Net 10	(1) \$100.00 (2) No limit
CUSIP Service Bureau New York, New York	Net 30	\$154.00

Are any examinations by taxing authorities for sales, income, excise, or other taxes now in process?

No.

Are any tax payments (sales, income, payroll, property, etc.) delinquent?

No.

Is the company currently involved in any lawsuits or pending litigation?

No.

Does the company have an ownership succession plan (e.g. buy-sell agreement)?

No. May have in the near future.

INSURANCE COVERAGE	DOLLAR AMOUNT	CO. NAME
Tour Insurance	\$10,000,000	BRP

List owners/partners/shareholders, the percentage of the company they own, and their compensation from the company for the past two years. Include all amounts paid by the company (salary, bonus, interest, dividends, other amounts on form W2 and 1099).

NAME	TITLE	%OWNED	COMPENSATION
Michael J. Francis*	CEO	55 (est.)	Stock/Cash
Diana Francis*	Treasurer	45 (est.)	Stock/Cash

*Only includes controlling shareholders.

Are there any amounts due to the company from owners or other related parties?

Yes. See related party transactions in notes to financial statements in § 3 "Financials" in this due diligence.

Is your company in compliance with applicable federal and state regulations (such as environmental, employment, or safety)?

Yes.

ACCOUNTING POLICIES & PROCEDURES	YES	NO	N/A	COMMENTS
Cash Account Are all accounts reconciled monthly?	X			
Accounts receivable Are agings prepared monthly?	X			Net 10 – Net 30 accounts only.
Are agings reviewed monthly for possible bad debts? If not monthly, how often?	X			
Are all credit memos approved in writing?	X			
Are credit memos issued by someone other than the person who posts cash receipts?		X		Sometimes yes.
Are unusual sales terms offered (dated billings, bill-and-hold, consignment)?	X			
Inventory Are perpetual inventory records maintained?	X			
Are physical inventories taken monthly?		X		Yes on most products. Some products no, but at least 3 times within 2 months.
Are inventory turnover rates (cost of sales divided by inventory) calculates for each product type and reviewed at least quarterly?	X			
Are signed shipping receipts obtained and maintained?	X			
Accounts Payable Are agings prepared monthly?	X			
Are payables posted by someone other than the person who disburses funds?		X		
Taxes In an outside payroll preparation service used?		X		Except when large workloads are outsourced to PCFG.
Are accrued payroll taxes set aside at the time payroll checks are issued?	X			
Are any tax returns delinquent?		X		
Are income tax estimates filed and paid quarterly	X			On waging and payroll only.
Leases Are assets leased from owners evidenced by written agreements?	X			
Loans from Owners Are debts to owners evidenced by written agreements?	X			
Financial Statements Are financial statements prepared internally on a monthly basis?	X			
Are cash, accounts receivable, inventory, and accounts payable reconciled to the general ledger on a monthly basis?	X			

REFERENCES:

NAME	OCCUPATION	PHONE #
Bill Reed	Executive Producer	8189895853
Jim Brown	Accountant	3239652616

BUSINESS'S CERTIFICATION: The responses given in this questionnaire are true, accurate, and complete to the best of my knowledge.

Company: RHR Inc. Holding Company

By: /s/ Michael J. Francis

Date: 11/14/02

SEAL

RHR Inc. Holding Company
(A Development Stage Company)

CONSOLIDATED
FINANCIAL STATEMENTS

(Interim) Period ended 10-OCT-02



Internal Auditor's Report

To the Shareholders of
RHR Inc. Holding Company

We have audited the accompanying consolidated balance sheet of RHR Inc. Holding Company and Subsidiaries as their internal auditor at the Interim period of October 10, 2002 and the related consolidated statements of operations, stockholders' equity and cash flows for the Interim period of October 10, 2002. 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 internal audits.

We conducted our audits 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements present, in all material respects, the financial position of RHR Inc. Holding Company and Subsidiaries as of October 10, 2002, and the results of the operation and their cash flow for the years ended 1999-2002 in conformity with general accepted accounting principals.

AOE & Associates
AOE & ASSOCIATES

October 10, 2002
Los Angeles, California

RHR Inc. Holding Company
(A Development Stage Company)
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

(Interim) period ended 10/10/02

ASSETS

CURRENT ASSETS:

CASH & CASH EQUIVALENTS	\$545,446
OTHER NOTES & ACCOUNTS REC.	\$378,218,110
INVENTORIES & INTELLECTUAL PROP	\$10,183,350,000
PREPAID EXPENSES	\$7,500
TOTAL CURRENT ASSETS	\$10,562,121,056
GENERAL PROPERTY AND EQUIPMENT, NET	\$70,000
GOODWILL AND OTHER INTANGIBLE, ASSETS	\$4,800,000,000
CURRENT INVESTMENTS	\$528,000,000
MARKETABLE SECURITIES	\$1,253,760,000
TOTAL	<u>\$17,143,951,056</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

CAPITAL LEASE OBLIGATIONS DUE WITHIN ONE YEAR	\$2,700
NOTES PAYABLE	\$0
ACCOUNTS PAYABLE	\$5,000
ACCRUED PAYROLL AND OTHER EMPLOYEE COMPENSATION	\$20,000
INCOME TAXES PAYABLE	\$0
ACCRUED TAXES OTHER THAN PAYROLL AND INCOME TAXES	\$0
DEFERRED INCOME TAXES	\$0
OTHER ACCRUED LIABILITIES	\$7,300
TOTAL CURRENT LIABILITIES	<u>\$35,000</u>
LONG-TERM LIABILITIES	\$0
DEFERRED INCOME TAXES	\$0
STOCKHOLDERS' EQUITY	
PREFERRED STOCK	\$0
COMMON STOCK (<i>1,100,000,000</i> <i>SHARES AUTHORIZED, 111,000,000</i> <i>SHARES ISSUED AND OUTSTANDING</i> <i>AT \$5 PAR VALUE</i>)	\$555,000,000
ADDITIONAL PAID-IN SURPLUS	\$4,773,000,000
RETAINED EARNINGS	\$0
EQUITY ADJUSTMENT FOR FOREIGN CURRENCY TRANSLATION	\$0
TREASURY SHARES AT COST	\$0
TOTAL STOCKHOLDERS' EQUITY	\$5,328,000,000
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>\$5,328,035,000</u>
TOTAL ASSETS, LIABILITIES, AND STOCKHOLDERS EQUITY	<u>\$22,471,986,056</u>

RHR Inc. Holding Company
(A Development Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS

	(Interim) period ended 10/10/02		
	'01-'02	'00-'01	'99-00
REVENUE			
GROSS SALES / INCOME	\$260,176	\$215,434	\$207,934
LESS EXPENSES			
COST OF GOODS SOLD	\$2995	\$0	\$0
ADMINISTRATIVE, SELLING AND SERVICE ENGINEERING EXPENSES	\$800	\$64,630	\$62,380
RESTRUCTURE OF OPERATIONS	\$1,450	-----	-----
OPERATING INCOME	\$254,931	\$150,804	\$145,554
NONRECURRING CHARGES	\$175	\$2,300	\$3,818
NET INCOME	<u>\$254,756</u>	<u>\$148,504</u>	<u>\$141,736</u>
NET INCOME PER SHARE	\$0.0023	N/A	N/A
WEIGHTED AVERAGE SHARES OUTSTANDING USED TO COMPUTE NET INCOME PER SHARE	<u>111,000,000</u>	N/A	N/A

RHR Inc. Holding Company
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(Interim) period ended 10/10/02

	SHARES	AMOUNT
CONTRIBUTED CAPITAL:		
COMMON STOCK AT PAR	111,000,000	\$555,000,000
ADDITIONAL PAID IN CAPITAL		\$4,773,000,000
RETAINED EARNINGS		\$0
TOTAL		\$5,328,000,000
LESS TREASURY STOCK AT COST	0	\$0

TOTAL STOCKHOLDERS EQUITY	111,000,000	\$5,328,000,000
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RHR Inc. Holding Company
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CASH FLOWS

(Interim) period ended 10/10/02

	1998	1999	2000	2001-02
SALES*	\$2,200	\$207,934	\$215,434	\$260,176
GROSS MARGIN	\$700	\$145,554	\$150,804	\$254,931
GROSS % CALCULATED	31%	70%	70%	97.9%
OPERATING EXPENSES	\$250	\$2,300	\$3,818	\$175
COLLECTION PERIOD	30	30	30	30
CASH BEGINNING OF PERIOD	\$0	\$450	\$143,704	\$290,690
CASH END OF PERIOD	\$450	\$143,704	\$290,690	\$545,446

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of significant accounting policies

Business activity – RHR Inc. Holding Company is engaged in the business of managing and administration, particularly companies operating in the areas of entertainment, media, and finance. Activities also include major record label operations.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Basis of presentation – The consolidated financials include the accounts of RHR Inc. Holding Company and its wholly owned subsidiaries and partnerships.

Statement of cash flows – For purposes of the consolidated statement of cash flows, the Company considering temporary investments with a maturity of three months or less to be cash equivalents.

Inventories - Inventories are stated at the lower of market determined on a first-in, first out method of accounting.

Intellectual Property – Intellectual Property are stated at the lower of current and standard market prices. Music & Film properties were audited and appraised using standard industry practices as used by other major music and film corporations.

General Property and equipment – these are at stated cost.

Earnings per share – Earnings per share include 111,000,000 shares issued and outstanding.

NOTE 2 – Accounts Receivable

The company has several agreements with major suppliers that are generating revenues, received by RHR Inc. Holding Company on a quarterly basis. Other receivables include monies due to company for providing development services.

NOTE 3 – Inventories

Inventories consist of:

- (1) Finished Goods (2) Raw Materials (3) Supplies and Packaging (4) Intellectual Property

Developers, producers, executive, designers, and intellects spent 3.25 years building such a large inventory, which is now owned wholly by RHR Inc. Holding Company.

NOTE 4 - Property and Equipment

Property and equipment consist of:

- (1) Equipment (2) Enterprise Management Network and contents (3) Real Estate (4) Other Office Applications

Note 5 – Related Party Transactions

The company leases three locations from directors and officers of the Company. This results in low overhead and overall cost for operating RHR Inc. Holding Company until adequate capital needs have been met. These spaces are primarily used for the company's management, administration, billing, and marketing operations. RHR Inc. Holding Company has also provided development services to businesses owned by the families of directors and officers in return for bonds and administrative services, but these businesses are neither subsidiaries, partners, nor parents. The receivables/notes are recorded on the balance sheet under "OTHER NOTES & ACCOUNTS REC".

Note 6 – Stockholders Equity

On 10/12/01 the company sold 100,000,000 shares of its common stock to directors and another 11,000,000 shares to a director on 02/18/02 for a total of 111,000,000 shares outstanding. The sale was reported (filed) with the California Department of Corporations on 10/15/01. The per share price of each sale was \$48. 11,000,000 shares of the total issued and outstanding shares are restricted.

Note 7- Other Events

E-commerce – The company just recently completed the launch of rhrinholdingco.com. A website designed for international operations, including promotional campaigns (globally) and private placement sales.

E-commerce – The company just recently completed the launch of estudios.rhrinholdingco.com. A website designed to provide online music production and record services to businesses and individuals around the globe. A new agreement has been developed between RHR Inc. Holding Company and Broadcast Music Incorporated regarding the licensing of music owned and performed by its members.

E-commerce – The company just recently developed an agreement with the Casino Affiliate Network for a new online casino called “The P-Wire Casino” at p-wire.com. A website designed also for other operations such as promotional services, networking, and business exchange services

Music - RH Music Works, a division in the department of content has signed 8 new acts all due to release projects in 2003. RHR Inc. Holding Company has agreed to pay two of its affiliates an undisclosed amount (as requested by the two parties for their personal security) over a period of three years with options in return for their services as executive producers for entertainment projects concerning the above acts @ RH Music Works.

Additional Financial Information (concerning this report)

Current Bond Brice: \$25,000
Par Value – Nov 15, 2002: \$25,000
Current Ratio: 489827.17
Quick Ratio: 198874.31
Working Capital: \$17,143,916,056

Debt to Total Equity Ratio: 6.57
Total Shareholder Equity to Total Debt Ratio: 6.57

Minimum Investment: \$25,000 or 1 Bond

U.S. Securities and Exchange Commission File Number: 21L-11601-01

California Department of Corporations Filing Date:

Transfer Agent & Registrar: Femis Kerger & Company Transfer Agent & Registrar
Escrow Company: Internet Escrow Services

These financial statements and notes to financial statements are the primary sources for determining a fair market value of each share of the corporation's stock. All numbers in equation sums have been disclosed for better valuation. Currently valuations and appraisals are conducted by Capital.com, NY and AOE Auditing & Valuation, CA.

-END-



Michael J. Francis

MJF Enterprises

Placement Agent & Trustee:

(the "Agent & Trustee")

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